

ANNUAL REPORT 2018



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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 2018 of Union Bank Limited.

Muhtaram

As-salamu 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 2018. 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 2018.

This is for your kind information and record please.

Best regards
Yours truly



Ali Hossain Bhuiyan
First Assistant Vice President
Board and Company Secretariat

Notice of the 6th Annual General Meeting

Notice is hereby given that the 6th Annual General Meeting of the Members of Union Bank Limited will be held on Monday, 23rd December 2019 at 11.00 am at Union Bank Limited, Head Office, Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212 to transact the following business:

ORDINARY BUSINESS:

01. To confirm the Minutes of the 5th Annual General Meeting.
02. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2018 along with the Auditors' Report and the Directors' Report thereon.
03. To approve Dividend for the year ended 31st December 2018 as recommended by the Board of Directors.
04. To elect/re-elect Directors in place of the Directors' retirement.
05. To appoint Auditor of the Company for the period until the next Annual General Meeting and to fix their remuneration.
06. 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
First Assistant Vice President
Board and Company Secretariat

Date: December 08, 2019
Dhaka

NOTES:

- a. The Members (Sponsors/Shareholders) whose names appear in the Register of the Company shall attend the AGM.
- b. Any Member (Sponsors/Shareholders) of the Company entitled to attend and vote at the 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 (Sponsors/Shareholders) 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 'Zero' dividend for the year ended 31st December 2018.
- 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, Syful Shamsul Alam & Co., Chartered Accountants completed their 03 (Three) years audit tenure and not eligible for re-appointment. So a firm will be appointed till the next AGM.

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 : +88-02-9859313
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 : +88-02-9859313

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

18121026762

TAX PAYER'S IDENTIFICATION NUMBER

796739852073

EXTERNAL AUDITOR

Syful Shamsul Alam & Co.
Chartered Accountants
Corporate Office:
Paramount Heights (Level- 06)
65/2/1, Box Culvert Road,
Purana Paltan, Dhaka-1000
Bangladesh

TAX CONSULTANT

K. M. Hasan & Co.
Chartered Accountants
Hometown Apartment (8th & 9th Floor)
87, New Eskaton, Dhaka-1000

A Premise of Union Bank

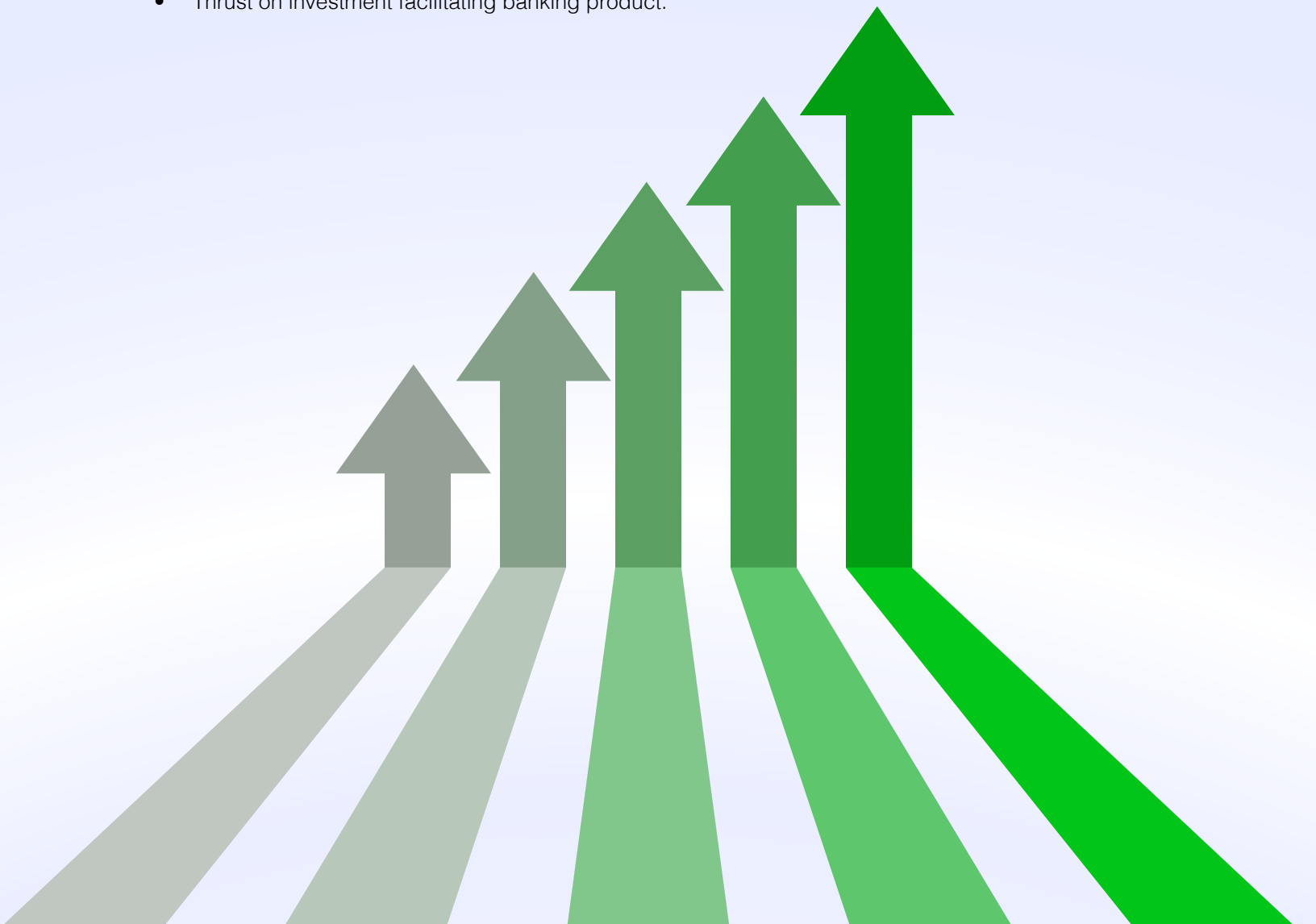
- Huge demand of Islamic Banking across the country.
- This high population country's economy is growing fast and creating demand to establish a quality service oriented global banking services to the doors of the people.
- The economy of Bangladesh continues to demonstrate satisfactory & steady growth 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.





START UP!



INCREASE
YOUR MONEY!



- 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



IDEA



TEAM

Financial Performance at a Glance

(Amount in million Tk.)

SL No.	Particulars	2018	2017
1	Authorized capital	10,000.00	10,000.00
2	Paid - up capital	5,272.96	5,272.96
3	Shareholder's Equity	7,856.16	6,902.50
4	Total capital (Tier - 1 + Tier - 2)	9,228.06	8,053.40
5	Statutory Reserve	1,227.58	876.84
6	Total Assets	148,583.77	131,677.57
7	Total Liabilities	140,727.61	124,775.07
8	Deposits	124,898.50	114,049.89
9	Total Investment and Advance	119,934.39	100,753.55
10	Total contingent Liabilities	9,839.28	7,393.03
11	Total Risk Weighted Asset	90,145.37	68,696.65
12	Total Fixed Assets	1,122.69	850.00
13	Operating Income	4,439.57	4,011.08
14	Operating Expenditure	2,110.02	1,738.31
15	Profit before provision & Tax	2,329.55	2,272.77
16	Profit before Tax	1,753.69	1,745.87
17	Net profit after provision & Tax	953.66	890.08
18	Foreign Exchange Business:		
	a) Import Business	19,852.00	15,008.00
	b) Export Business	45,120.00	41,317.00
	c) Remittance	1,640.00	2,201.00
19	No. of Foreign Correspondent	141	137
20	Profit Earning Assets	132,907.49	115,246.54
21	Non profit Earning Assets	15,676.28	16,431.02
SL No.	Particulars	2018	2017
22	Investment as a % of Total Deposit	96.03%	88.34%
23	Capital To Risk weighted Assets Ratio (CRAR)	10.24%	11.72%
24	Dividend:		
	a) Cash		
	b) Bonus		
	c) Right Share		
25	Cost of Fund	10.31%	9.35%
26	Net asset value per share		
27	Earning per share (EPS)	1.81	1.69
28	Price Earnings Ratio (times)		
29	Return on Assets (ROA)	0.68%	0.83%
30	No. of shareholders		
31	Number of Employees	1,477	1,308
32	Number of Branches	77	68

Shareholders' Information

Union Bank Limited
Details of Capital Fund
As on 31 December 2018

Regulatory Capital Requirement in line with Basel-III

I. Tier - 1 Capital

a. Common Equity Tier-1 Capital (CET-1)

Paid up Capital
 Statutory Reserve
 Other Reserve
 Retained Earnings

b. Additional Tier –1 Capital (AT-1)

Total Tier 1 Capital (a + b)

II. Tier –2 Capital

General Provision

A. Total Regulatory Capital (I+II)

B. Total Risk Weighted Assets

C. Minimum Capital Requirement

D. Surplus/(Deficiency)....(A - C)

Capital to Risk Weighted Assets Ratio (CRAR)

Capital to Risk Weighted Assets Ratio (CRAR):

a. Common Equity Tier-1 Capital to Risk Weighted Assets

b. Tier - 1 Capital to Risk Weighted Assets

c. Tier - 2 Capital to Risk Weighted Assets

Total (b+c)

	Tk. in Crore	
	2018	2017
Paid up Capital	527.30	527.30
Statutory Reserve	122.76	87.68
Other Reserve	14.57	14.57
Retained Earnings	120.99	60.70
	785.62	690.25
	0.00	0.00
	0.00	0.00
	785.62	690.25
General Provision	137.19	115.09
	137.19	115.09
	922.81	805.34
	9014.54	6869.66
	901.45	686.97
	21.36	118.37
	10.24%	11.72%
	Held	Held
a. Common Equity Tier-1 Capital to Risk Weighted Assets	8.71%	10.05%
b. Tier - 1 Capital to Risk Weighted Assets	8.72%	10.05%
c. Tier - 2 Capital to Risk Weighted Assets	1.52%	1.68%
Total (b+c)	10.24%	11.72%





**DIRECTORS
&
MANAGEMENT
INFORMATION**

Board of Directors' Profile



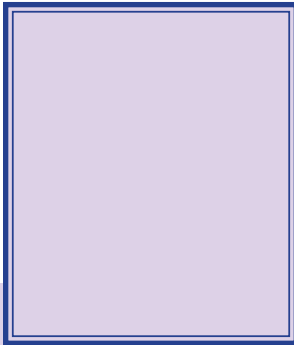
Mr. Shahidul Alam
Chairman

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



Mr. Ahsanul Alam
Vice- Chairman

Mr. Ahsanul Alam, young and promising entrepreneur, is the Vice-Chairman of Union Bank Limited. He comes of a renowned and respected Muslim family reputed for doing business countrywide. 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 has been acting as the Managing Director of Genesis Textiles Accessories & Apparels Limited and Western Designers Limited. He is also one of the Directors of Norinco Engineering Limited. With his dynamic leadership he has made himself as a professionally successful businessman in textile, garments and trading sector. He is the Chairman of the Executive Committee of the Board of Directors of Union Bank Limited.



Ms. Marzina Sharmin
Director

Ms. Marzina Sharmin is one of the Sponsor Shareholders and Directors of Union Bank Limited and she is also the member of Executive Committee of the Board of Directors. She was born in a renowned Muslim family in Chattogram. She is a Business Graduate with expertise knowledge in the field of business. Ms. Marzina Sharmin started her business career as the proprietor of M/S. Marzina Trading which deals with general trading and wholesale business of different products. She is the Director of Infinite CR Strips Industries Limited and Kingston Flour Mills Limited. She is also an expert in Share Market, Security & Investment Sector and acting as the Managing Director of Unique Investment & Securities Limited and Times Securities Limited. She has more than 21 years of business experience.



Mr. Shahedul Huq
Director

Mr. Shahedul Huq, a well-established Businessman was born in a renowned Muslim family in Dhaka. Mr. Huq graduated in Business Administration (BBA) aiming to devote himself in business. He has the adequate experience of business in construction and real estate sectors. He is the Managing Partner of Crystal Bridge (Pvt.) Limited which operates Consultation, Trading & Construction business. He is also the proprietor of S. Huq Properties Ltd. He is the member of Executive Committee of the Board of Directors and observer member of Shari'ah Supervisory Committee of Union Bank Limited.



Mr. Rashedul Alam
Director

Mr. Rashedul Alam is a well-established businessman of Chattogram who hails from a Muslim noble family. He started his business career by joining family business and earned more than two decades of hands on experience in the field of trading business, tourism, agriculture, land development and steel manufacturing sector. He is the proprietor of Rafe Enterprise and Khurshed Paribohon 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.



Mr. Showkat Hossain, FCA
 Director

Mr Showkat Hossain is a renowned, distinguished and one of the senior most person 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 aristocrat 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 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), 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 also a Member of the Advisory Committee in respect of Financial & Accounts, Banking & Taxation of Chattogram Chamber of Commerce & Industries Limited. He is a Director of Chattogram WASA and Past Independent Director of Chattogram Stock Exchange (CSE).



Ms. Farzana Begum
 Director

Ms. Farzana Begum is a dynamic and promising women entrepreneur in Chattogram. She is one of the Sponsor Shareholders and Directors of Union Bank Limited and the member of Audit Committee of the Board of Directors. She is a graduate in her educational life and joined family business at the age of 20. After taking in a few years of hands on experience by establishing M/S. Farzana Trading Enterprise, she diversified her business activity into the field of trading, natural gas, stock markets. She is serving as Managing Director of Shah Amanat Prakritik Gas Co. Limited and Lion Securities & Investment Limited. She is the Director of Global Trading Corporation, Infinite CR Strips Industries Limited and Kingston Flour Mills Limited. Ms. Farzana has more than 19 years of experience in the field of manufacturing, import, export, market development, strategic planning, production planning, financial planning etc. She also has expert knowledge in the stock market.



Mr. Mohammad Fazlay Morshed
 Director

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



Mr. Ziauddin Ahmed
Director

Mr. Ziauddin Ahmed is a prominent politician and former Member of the Parliament of People's Republic of Bangladesh. He was born in Chattogram in a respected Muslim family. He has obtained Master of Arts (English) degree from Dhaka University and he also has a L.LB degree from Dhaka University. Apart from being active politician he has expertise in the area of business. He has business interests in the field of Garments, Communication and Shipping & CNF. He is the Managing Director of Ashik Garments Limited and Chairman of First Communication (IGW) Limited.



Dr. Mehe Zebunnesa Rahman
Director

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



Ms. Halima Begum
Director

Ms. Halima Begum was born in a reputed Muslim family in Chattogram. As a member of a business oriented family she has established herself as a woman entrepreneur in field of trading business. She is the proprietor of Brothers Syndicate and Halima Trading Enterprise. She has the expertise of running business for the last 12 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
Director

Ms. Sarwar Jahan Maleque was born in Chattogram in a Muslim noble family. She has an experience of running business for the last 21 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
Independent Director

Mr. Md. Abdul Quddus was born in a renowned Muslim family in Noakhali. He has completed his Graduation & Master's degree in Economics. Mr. Md. Abdul Quddus is a very successful & prominent banker in his professional life. He served Rupali Bank Limited, IFIC Bank Limited, The City Bank Limited, First Security Islami Bank Limited & NRB Global Bank Limited for more than 38 years in different posts & positions. He was the founder Managing Director of NRB Global Bank Limited. He has played the role as CEO of First Security Islami Bank Foundation. This successful banker traveled many countries for attending seminar, training and conference in his bright professional life. Currently he is the Chairman of Risk Management Committee and a member Audit Committee of the Board of Directors of Union Bank Limited. He is also an observer member of Shari'ah Supervisory Committee of the Bank.



Mr. Md. Enayet Ullah, FCA
Independent Director

Mr. Md. Enayet Ullah was born in a renowned Muslim family in Cumilla. He has completed his graduation in Commerce (B.Com.). As a Chartered Accountant he earned the designation FCA (Fellow Charter Accountant). He started his career by founding a CA firm named Khan Ohab Shafiq Rahman & Co., Chartered Accountants being a partner in 1984 and continued there till 2002. From 2002 to 2011 he was the adviser of Shafiq Bashak & Co. Chartered Accountants and has been continuing there being a partner of this firm since 2011. Mr. Md. Enayet Ullah has enormous work experience as adviser and auditor of different Banks, Insurance Companies, Financial Institutions, Corporations, Group of Companies, NGO, Educational Institutions and other autonomous organizations. He is also a member of Risk Management Committee and a member of Audit Committee of the Board of Directors of Union Bank Limited.



Mr. Omar Farooque
Managing Director

Mr. Omar Farooque is the Managing Director of Union Bank Limited. Prior to joining in Union Bank, he served as the Managing Director of Bangladesh House Building Finance Corporation as well as Managing Director (Current Charge) of Janata Bank Limited. During his 35 years' banking career, he served as the Head of different divisions/departments/branches in various capacities in banks. Apart from that he worked as a Group Leader in FSRP and CBRP Cell of Agrani Bank. Earlier, he started his career as a Senior Officer in Agrani Bank in the year 1983.

Mr. Farooque is an MBA in Finance from Institute of Business Administration (IBA), University of Dhaka. He is also a Diplomaed Associate of Institute of Bankers Bangladesh (DAIBB).

He was a resource person in different training institutes including a faculty member at Bangladesh Institute of Bank Management (BIBM). During the tenure of his service, he visited United Kingdom, China, Malaysia, Thailand, and Singapore. He also attended various training programs, seminars, workshops at home and abroad.

Sponsors/Shareholders

(as on November 2019)

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

Committees

(as on June 15, 2019)

EXECUTIVE COMMITTEE	
Ahsanul Alam	Chairman
Ms. Marzina Sharmin	Member
Shahedul Huq	Member
Md. Rashedul Alam	Member

AUDIT COMMITTEE	
Showkat Hossain, FCA	Chairman
Ms. Farzana Begum	Member
Mohammad Fazlay Morshed	Member
Md. Abdul Quddus	Member
Md. Enayet Ullah, FCA	Member

RISK MANAGEMENT COMMITTEE	
Md. Abdul Quddus	Chairman
Md. Rashedul Alam	Member
Md. Enayet Ullah, FCA	Member
Ms. Halima Begum	Member

SHARI'AH SUPERVISORY COMMITTEE	
Syed Abdullah Mohammed Saleh	Chairman
Maulana Mohammad Shamsul Hoque Siddique	Member
Mufti Mohammad Muhibbullahil Baqee	Member
Mufti Shamsuddin Zia	Member
Md. Abdul Quddus	Observer Member
Shahedul Huq	Observer Member
Mohammad Abdul Hai Nadvi	Member Secretary

EMPLOYEE PROVIDENT FUND TRUSTY BOARD	
A B M Mokammel Hoque Chowdhury	Chairman
Md. Mainul Islam Chowdhury	Vice-Chairman
Md. Ruhul Amin	Member Secretary
Mohammad Kalam Hossain	Member

Members from Board of Directors:	
Ahsanul Alam	Member
Showkat Hossain, FCA	Member
Md. Abdul Quddus	Member

Management Team

SI #	Employee Name	Designation	Place of Posting
1	Mr. Omar Farooque	Managing Director	Head Office
2	Mr. S. M. Aminur Rahman	Adviser	Head Office
3	Mr. A. B. M. Mokammel Hoque Chowdhury	AMD	Head Office
4	Mr. Syed Abdullah Mohammed Saleh	Consultant	Head Office
5	Mr. Hasan Iqbal	DMD	Head Office
6	Mr. Md. Nazrul Islam	DMD	Head Office
7	Mr. Md. Golam Mostafa	SEVP	Head Office
8	Mr. Shah Md. Mahtubuddin Al-Mamun	SEVP	Manager, Gulshan Branch, Dhaka
9	Mr. Md. Mainul Islam Chowdhury	EVP	Head, HRD & GSD, Head Office
10	Mr. Md. Azadur Rahman	EVP	Head, Investment Division, Head Office
11	Mr. Md. Abdul Kader	EVP	Manager, Panthapath Branch, Dhaka
12	Mr. Md. Munirul Islam	SVP	Manager, Hatkhola Branch, Dhaka
13	Mr. Md. Idris Ali	SVP	Head, AML & CFT Division, Head Office
14	Mr. Md. Main Uddin	SVP	Head, BOCD, Head Office
15	Mr. Md. Kabirul Hasan	SVP	Manager, Dhanmondi Branch, Dhaka
16	Mr. Saiful Momin	SVP	Head, ICT Division, Head Office
17	Mr. Gazi Mahmud Hassan	VP	Head, International Division, Head Office
18	Mr. Mansoor Ahmed	VP	In-Charge, IAD, Head Office
19	Mr. Md. Arfan Ali	VP	Manager, Kumira Branch, Chattogram
20	Mr. Abdus Samad Shaheen	VP	Head, MIS, Head Office
21	Mr. Enamul Elahi	VP	Manager, Banani Branch, Dhaka
22	Mr. G.M Mamunur Rahman	VP	Head, IMRD, Head Office
23	Mr. Md. Nasir Uddin Talukder	VP	IMRD, Head Office
24	Mr. Badiul Alam	VP	Head Audit Unit, IC & CD, Head Office
25	Mr. Muhammed Didarul Alam	VP	In-Charge, Treasury Division, Head Office
26	Mr. Mohammad Sirajul Kabir	VP	Manager, Agrabad Branch, Chattogram
27	Mr. A. N. M. Sadan Jahan	VP	Manager, Nawabpur Branch, Dhaka
28	Mr. Khaled Mahmud	VP	Manager, Islampur Branch, Dhaka
29	Mr. Md. Rofiqui Islam	VP	In-Charge, RMG & TFD, Head Office
30	Mr. Chowdhury S M Atiqur Rahman Hyder	VP	Manager, D.T. Road Eidgah Branch, Chattogram
31	Mr. Riyadh Mohammad Chowdhury	VP	Manager, Jubilee Road Branch, Chattogram
32	Mr. Md. Ahsanullah	SAVP	Manager, Talshahor Branch, B-Baria
33	Mr. Niaz Mohammed Khan	SAVP	Manager, Jamuna Future Park Branch, Dhaka
34	Mr. Mohammad Rubel Alam Khan	SAVP	Manager, Mymensingh Branch, Mymensingh
35	Mr. Humayun Kabir	SAVP	Manager, Zindabazar Branch, Sylhet

SI #	Employee Name	Designation	Place of Posting
36	Mr. Khan Md. Abu Muhit	SAVP	Manager, Khulna Branch, Khulna
37	Mr. Syed Fazle Elahi	SAVP	Manager, Cumilla Branch, Cumilla
38	Mr. Mohammad Mafidul Haque	SAVP	HRD, Head Office
39	Mr. Md. Abul Kalam	SAVP	GSD, Head Office
40	Mr. Abdul Kayum	SAVP	Manager, Muradpur Branch, Chattogram
41	Mr. Md. Ruhul Amin	SAVP	In-Charge, FAD, Head Office
42	Mr. Iskandar Parvez	SAVP	International Division, Head Office
43	Mr. Sajjad Karim	SAVP	Manager, Laldighi Branch, Chattogram
44	Mr. M. Rezaul Karim	SAVP	Manager, Khatungonj Branch, Chattogram
45	Mr. Mohammad Farhad	SAVP	MD's Secretariat, Head Office
46	Mr. Shah Md. Mustafizur Rahman	SAVP	BACH, Treasury Division, Head Office
47	Mr. Mohammad Moniruzzaman	SAVP	Manager, Bogabari Branch, Ashulia, Dhaka
48	Mr. Delwar Hossain Delu	AVP	AML & CFT Division, Head Office
49	Mr. Md. Shahidul Islam	AVP	Manager, Rajshahi Branch, Rajshahi
50	Mr. Md. Shahidul Islam	AVP	Manager, Bogura Branch, Bogura
51	Mr. Golam Sarwarul Hoque	AVP	OM, Agrabad Branch, Chattogram
52	Mr. Md. Hedayet Ullah	AVP	In-Charge, Training Institute, Head Office
53	Mr. M.Q.M Obaidullah	AVP	GSD, Head Office
54	Mr. Md. Shariful Alam Mondal	AVP	Investment Division, Head Office
55	Mr. Md. Abdul Matin	AVP	Investment, Division, Head Office
56	Ms. Rubyat Ara	AVP	International Division, Head Office
57	Mr. Maheenu Aziz	AVP	CTOU, ID, Head Office
58	Mr. Mohammad Abdul Aziz	AVP	Manager, Cox's Bazar Branch, Cox's Bazar
59	Mr. Mizanur Rahman	AVP	Manager, Shantirhat Branch, Chattogram
60	Mr. Md. Mamnur Rashid	AVP	BOCD, Head Office
61	Mr. Mohammad Khaled Hossain	AVP	Manager, Uttara Branch, Dhaka
62	Mr. Kayes Mahmud	AVP	Manager, Mirpur Branch, Dhaka
63	Mr. Md. Nandit Rahman Tazvi	AVP	Manager, Hemayetpur Branch, Savar, Dhaka
64	Mr. Golam Sarowor	AVP	OM, Dhanmondi Branch, Dhaka
65	Mr. M M Mazharul Islam	AVP	Manager, Narayangonj Branch, Narayangonj
66	Mr. Mohammad Shamim Ahmed Akan	AVP	Manager, Panchaboti Branch, Narayangonj
67	Mr. Mohammad Nurul Amin	AVP	Manager, Feni Branch, Feni
68	Mr. Mohammad Manir Hossain	AVP	Manager, Jaksinbazar Branch, Laksmipur
69	Mr. Mohammad Salequr Rahman	AVP	Manager, Lichubagan Branch, Chattogram
70	Mr. Md. Monsur Ahmed	AVP	Investment Division, Head Office
71	Mr. Mohammed Zahirul Alam	AVP	OM, Khatungonj Branch, Chattogram
72	Mr. Md. Amiruzzaman	AVP	Manager, Dinajpur Branch, Dinajpur
73	Mr. Mohammad Nazrul Islam Moonce	AVP	Manager, Dilkusha Branch, Dhaka
74	Mr. Abdul Maleque	AVP	OM, Dilkusha Branch, Dhaka
75	Mr. Kabm Wahid Iqbal Sumi	AVP	OM, Banani Branch, Dhaka
76	Mr. Md. Golam Sarwar Jahan	AVP	Manager, Chapai Nawabganj Branch, Chapai Nawabganj
77	Mr. Anis Ahmed	AVP	Manager, Ashkona Bazar Branch, Dhaka
78	Mr. Mohammad Salah Uddin, ACS	AVP	In-Charge, RMD, Head Office

SI #	Employee Name	Designation	Place of Posting
79	Mr. Md. Mizanur Rahman	AVP	Manager, Tajmahal Road Branch, Mohammadpur, Dhaka
80	Mr. Mofazzal Haider	AVP	Investment Division, Head Office
81	Mr. Hafez Anwar Hossain	FAVP	Manager, Gazipur Chowrasta Branch, Gazipur
82	Mr. Abu Kawser	FAVP	Manager, Bazar Hasnabad Branch, Narsingdi
83	Mr. S. M. Fakhruddin Omar	FAVP	Manager, Keranigonj Branch, Dhaka
84	Mr. Mohammed Abdul Kader Bhuyan	FAVP	Manager, Ati Bazar Branch, Dhaka
85	Mr. A. K. M. Zahiruddin Iqbal Chowdhury	FAVP	In-Charge, PRD, Head Office
86	Mr. Md. Hafizur Rahman	FAVP	Manager, Pabna Branch, Pabna
87	Mr. Md. Shariful Islam	FAVP	Manager, Banskhalia Branch, Chattogram
88	Mr. Md. Hafizur Rahman	FAVP	Manager, Ataikula Branch, Pabna
89	Mr. Md. Shahriar Rauf	FAVP	In-Charge, Marketing & Development Div., Head Office
90	Mr. Syed Abdullah Al Masum	FAVP	Manager, Raozan Branch, Chattogram
91	Mr. Kazi Reza Shahinoo Alam	FAVP	Manager, Rangpur Branch, Rangpur
92	Mr. Syed Mizanur Rahman	FAVP	Manager, Tangail Branch, Tangail
93	Mr. Mohammad Ali Hossain Bhuiyan	FAVP	In-Charge, BCS, Head Office
94	Mr. Md. Nizam Uddin	FAVP	Manager, Madhabdi Branch, Narsingdi
95	Mr. Md. Alamgir Majumder	FAVP	Manager, Khilpara Branch, Chatkhil, Noakhali
96	Mr. Md. Kamrul Islam	FAVP	Manager, Patiya Branch, Chattogram
97	Mr. Md. Babor Ali	FAVP	Manager, Jashore Branch, Jashore
98	Mr. Mohammad Solayman	FAVP	Manager, Kanchan Branch, Narayangonj
99	Mr. A. B. M. Mokarram Mahmud	FAVP	Manager, Shathibari Branch, Rangpur
100	Mr. Md. Mizanur Rahman	FAVP	Manager, Barlekha Branch, Moulvibazar
101	Mr. Md. Rafiqul Islam Islamabadi	FAVP	Manager, Sarkarhat Branch, Chattogram
102	Mr. Mohammad Hossain	FAVP	Manager, Dewan Bazar Branch, Chattogram
103	Mr. Md. Shah Alam	FAVP	Manager, Mawna Branch, Gazipur
104	Mr. Chowdhury Md. Arfanul Hoque Hakkani	FAVP	Manager, Keranihat Branch, Chattogram
105	Mr. Md. Rafiqul Islam	FAVP	Manager, Bonpara Branch, Natore
106	Mr. Md. Alamgir Mian	FAVP	Manager, Miarbazar Branch, Chandpur
107	Mr. Mohammed Yakub Ali	FAVP	Manager, Bandartila Branch, Chattogram
108	Mr. Md. Salim Ahmed	FAVP	Manager, Moulvibazar Branch, Moulvibazar
109	Mr. Mohammad Akramul Hoque	FAVP	Manager, Fatikchhari Branch, Chattogram



মাননীয় চেয়ারম্যানের বাণী

বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম ওয়া রাহ্মাতুল্লাহ্,

পরিচালনা পর্ষদ, ব্যাংক ব্যবস্থাপনা কর্তৃপক্ষ এবং ব্যাংকের সকল কর্মকর্তাদের পক্ষ থেকে ইউনিয়ন ব্যাংক লিমিটেড এর ষষ্ঠ বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাই। বছরব্যাপী অকুণ্ঠ সমর্থন প্রদানের জন্য আমাদের সম্মানিত শেয়ারহোল্ডার, কর্মকর্তা, গ্রাহক ও শুভানুধ্যায়ীদের প্রতি আমার হৃদয়নিংড়ানো কৃতজ্ঞতাবোধ এবং বিশদ প্রাঙ্গীস্বীকার করে আনন্দিত বোধ 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 ২০১৮ সমাপ্ত বছরের ব্যাংকের পরিচালক মন্ডলীর প্রতিবেদন ও বার্ষিক প্রতিবেদনসহ ব্যাংকের সার্বিক কার্যকলাপের চিত্র আপনাদের সামনে উপস্থাপন করার সুযোগ পেয়ে আমি অত্যন্ত সম্মানিত বোধ করছি।

২০১৭ এবং ২০১৮ সালে বিশ্বের অর্ধেকেরও বেশি দেশে অর্থনৈতিক প্রবৃদ্ধি ত্বরান্বিত হয়। উন্নত অর্থনীতির দেশগুলো উভয় বছরেই ২.২% হারে প্রবৃদ্ধির ধারা বজায় রেখেছে এবং অনেক দেশ তাদের প্রত্যাপা অনুযায়ী প্রবৃদ্ধি অর্জন করেছে। ২০১৮ সালে পূর্ব ও দক্ষিণ এশিয়ার উন্নয়নশীল দেশগুলো যথাক্রমে ৫.৮% ও ৫.৬% হারে তুলনামূলকভাবে শক্তিশালী প্রবৃদ্ধির ধারা বজায় রেখেছে। অনেক পণ্য রপ্তানিকারক দেশ, বিশেষ করে জ্বালানী রপ্তানিকারক দেশগুলো ক্রমান্বয়ে পূর্বের ধারায় ফিরে আসছে। এর ফলে, ২০১৮ সালেও বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি ৩.১% অর্জিত হয়েছে। আশা করা যায় ২০১৯ সালে বৈশ্বিক স্তরে অর্থনৈতিক কার্যকলাপ ৩% হারে বৃদ্ধি পাবে তবে কিছু জায়গায় উন্নতি করলে এই প্রবৃদ্ধি আরো বৃদ্ধি পেতে পারে। ২০১৮ সালের শুরু থেকে বিশ্বের শিল্প উৎপাদন ও পণ্য বানিজ্যে নিম্নমুখী প্রবণতা দেখা গিয়েছে। ভূ-রাজনৈতিক উত্তেজনা, আর্থিক চাপ ও অনিশ্চয়তার ঝুঁকি এবং বাণিজ্য বিরোধ সংক্রান্ত অস্থিরতার কারণে অনেক দেশের ঋণের সূচকগুলো পর্যালোচনা করলে দেখা যায় যে, ২০১৯ সালে তাদের অর্থনৈতিক স্থিতিশীলতা ক্রমশ দুর্বল হয়ে যেতে পারে। একই সাথে কিছু উন্নত দেশ আর্থিক সক্ষমতার ক্ষেত্রে বাধা মোকাবেলা করছে যা স্বল্পমেয়াদে প্রবৃদ্ধির উপরে প্রভাব ফেলতে পারে।

স্থিতিশীল ও টেকসই অর্থনৈতিক প্রবৃদ্ধির লক্ষ্যে আর্থিক প্রতিষ্ঠানগুলোকে রক্ষা করতে এবং বৈশ্বিক অর্থনীতির ঝুঁকিগুলো কমাতে জরুরী ও বাস্তবসম্মত নীতি গ্রহণ করতে হবে। 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 জনবায়ু 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 ঘটাতে হবে।

বাংলাদেশ টেকসই অর্থনৈতিক প্রবৃদ্ধি বজায় রাখতে সমর্থ হয়েছে এবং গত দশক ধরে গড়ে ৬% এর বেশি জিডিপি প্রবৃদ্ধি অর্জন করে আসছে। বাংলাদেশ পরিসংখ্যান ব্যুরোর সর্বশেষ তথ্যমতে ২০১৭-

১৮ অর্থবছরে জিডিপি প্রবৃদ্ধি ছিল ৭.৮৬% যা ২০১৬-১৭ অর্থবছরে ৭.২৮% এর চেয়ে সন্তোষজনক। ২০১৭-২০১৮ অর্থবছরে জাতীয় মাথাপিছু আয় ১৪১ মার্কিন ডলার বেড়ে দাঁড়িয়েছে ১,৭৫১ মার্কিন ডলার। পূর্বের অর্থবছরের তুলনায় ২০১৭-২০১৮ অর্থবছরে জিডিপি ১৩.৯০% বেড়ে দাঁড়িয়েছে ২২,৫০,৪৭৯ কোটি টাকা। ২০১৩-২০১৪ অর্থবছর থেকে মুদ্রাস্ফীতি নিম্নমুখী ধারা বজায় রেখেছে এবং ২০১৭-২০১৮ অর্থবছরে ৫.৭৮% এ নেমে এসেছে। রাজস্ব আহরণ এই অর্থবছরে সন্তোষজনক পর্যায়ে রয়েছে। ২০১৭-২০১৮ অর্থবছরে রপ্তানী ৫.৮১% এবং আমদানি ২৫.২৩% বেড়েছে। রেমিটেন্স প্রবাহ ১৭.৩৩% বৃদ্ধি পেয়েছে। আগামী বছরগুলোতে সন্তোষজনক প্রবৃদ্ধি ধরে রাখার জন্য নীতি নির্ধারকদের দুরদর্শী আর্থিক ব্যবস্থাপনা, দুরদর্শী মুদ্রানীতির কার্যকর প্রয়োগ, ব্যয়ের যথাযথ ব্যবস্থাপনা এবং সংশোধনী কার্যক্রমগুলোর সুষ্ঠু বাস্তবায়ন করতে হবে।

বিশ্ব ব্যাংক এর মতে বিশ্বে পাঁচটি দ্রুত বর্ধনশীল অর্থনীতিগুলোর একটি বাংলাদেশ। ইথিওপিয়া, রুয়ান্ডা, ভুটান এবং ভারত এর পর পঞ্চম স্থানে রয়েছে বাংলাদেশ। বেসরকারী খাতে অপরিপূর্ণ বিনিয়োগ সত্ত্বেও, স্থিতিশীল সামষ্টিক অর্থনীতি এবং রপ্তানিমুখী শিল্পের কারণে এই প্রবৃদ্ধির ধারা অব্যাহত রয়েছে। ব্যক্তিক চাহিদা, রেমিটেন্স প্রবাহ এবং গ্রামীণ আয় বৃদ্ধির পাশাপাশি উৎপাদনখাত, নির্মাণখাত এবং প্রচুর শস্য উৎপাদন এগুলো এই প্রবৃদ্ধি অর্জনে বড় ভূমিকা রেখেছে। 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 করা একটি জটিল কাজ।

অর্থনীতির আকার বৃদ্ধি, দরিদ্রতা থেকে মুক্তি ও জনগনের জীবন মানের উন্নয়নে বাংলাদেশ উল্লেখযোগ্য উন্নতি করেছে। কর্মসংস্থান বৃদ্ধি পেয়েছে, আগের চেয়ে অনেক মানুষ স্বাস্থ্যসেবা ও শিক্ষা গ্রহণ করছে এবং মৌলিক অবকাঠামোর উন্নতি হয়েছে। বাংলাদেশ নব্বই দশকের মাঝামাঝি থেকে গড়ে ৫.৭% হারে অর্থনৈতিক প্রবৃদ্ধি অর্জন করছে, ২০১৬ সালে তা ৭.১% উন্নীত হয়েছে। গুটিকয়েক উন্নয়নশীল দেশ ধারাবাহিকভাবে প্রবৃদ্ধির এই ধারা বজায় রাখতে সমর্থ হয়েছে। গড় আয় বৃদ্ধি পেয়েছে। 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 অর্জনে কাজ করে যাচ্ছে, যে 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 উন্নয়ণ পরিকল্পনা গড়ে তোলার মাধ্যমে আমরা সফলতার সপ্তম বছরে পদার্পন করেছি। প্রবল প্রতিযোগিতা ও প্রতিকূলতা সত্ত্বেও, অন্যান্য বছরগুলোর মত ২০১৮ সালেও আমরা প্রবৃদ্ধির ধারা অব্যাহত রেখেছি। ২০১৮ সাল শেষে মোট আমানতের পরিমাণ দাঁড়িয়েছে ১,২৪,৮৯৮.৫০ মিলিয়ন টাকা যা গত বছরের ১,১৪,০৪৯.৮৯

মিলিয়ন টাকার চেয়ে ৯.৫১% বেশি। অপরদিকে ২০১৮ সালে বিনিয়োগ ১৯.০৪% বৃদ্ধি পেয়ে ১,১৯,৯৩৪.৩৮ মিলিয়ন দাঁড়িয়েছে যা গত বছর ছিল ১,০০,৭৫৩.৫৪ মিলিয়ন টাকা। এ বছর ইউনিয়ন ব্যাংক লিমিটেড ২,৩২৯.৫৫ মিলিয়ন টাকা করপূর্ব মুনাফা অর্জন করেছে যা গত বছরের ২,২৭২.৭৭ মিলিয়ন টাকার তুলনায় ২.৫০% বেশি। আমাদের ব্যাংক এই বছরে রপ্তানী ও আমদানির ক্ষেত্রে বেশ ভালো প্রবৃদ্ধি করেছে। ২০১৮ সালে ব্যাংকের আমদানি ৩২.২৮% বৃদ্ধি পেয়ে ১৯,৮৫২ মিলিয়ন এবং রপ্তানী ৯.২০% বৃদ্ধি পেয়ে ৪৫,১২০ মিলিয়ন টাকায় পৌঁছেছে। গত বছরে আমদানির পরিমাণ ছিল ১৫,০০৮ মিলিয়ন টাকা এবং রপ্তানীর পরিমাণ ছিল ৪১,৩১৭ মিলিয়ন টাকা।

অত্যাধুনিক ব্যাংকিং প্রযুক্তি এবং নতুন নতুন শারী'আহ ভিত্তিক পণ্য অর্ন্তভুক্তির 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। ২০১৮ সালে শহর ও পল্লী অঞ্চলে মোট ০৯ টি নতুন শাখা স্থাপন করার মাধ্যমে মোট শাখার সংখ্যা দাঁড়িয়েছে ৭৭টি 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 যেন সহজে তাদের পরিবারের নিকট বিদেশ থেকে অর্থ প্রেরণ করতে পারে সে জন্য আমরা বিভিন্ন প্রতিষ্ঠানের সাথে নতুন নতুন চুক্তি করছি। 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 ইন্সটিটিউট থাকায় ব্যাংকের কর্মীদের যথোপযুক্ত প্রশিক্ষণ প্রদানের বিষয়টি নিশ্চিত করে আসছে।

সামাজিক দায়বদ্ধতা কর্মসূচী (সিএসআর) পরিপালনে 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, দরিদ্রতা বিমোচন ও পরিবেশবান্ধব সমাজ নিশ্চিতকরণের লক্ষ্যে ইউনিয়ন ব্যাংক লিমিটেড তার প্রতিষ্ঠালগ্ন থেকে সিএসআর কার্যক্রম চালিয়ে যাচ্ছে। ২০১৮ সালে ইউনিয়ন ব্যাংক লিমিটেড সিএসআর কার্যক্রমে ১৫৫.৪৮ 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 রেগুলেটরী সংস্থাকুলের প্রতি আমরা অনেক কৃতজ্ঞ। 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।



শহীদুল আলম
চেয়ারম্যান



Message from the Chairman

Bismillahir Rahmanir Rahim

Esteemed Shareholders

Assalamu Alaikum Wa Rahmatullah,

I take the opportunity to welcome you all to the 6th Annual General Meeting (AGM) of Union Bank Limited on behalf of the Board of Directors, the Bank Management and the Employees of the Bank. 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 of 2018. 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 2018.

Economic growth accelerated in more than half the world's economies in both 2017 and 2018. Developed economies expanded at a steady pace of 2.2 percent in both years and growth rates in many countries have risen close to their potential. Among the developing economies, the regions of East and South Asia remain on a relatively strong growth trajectory, expanding by 5.8 percent and 5.6 percent, respectively in 2018. Many commodity-exporting countries, notably fuel exporters, are continuing a gradual recovery. Consequently, Global economic growth remained steady at 3.1 percent in 2018. Economic activity at the global level is expected to expand at a solid pace of 3 percent in 2019, but there are increasing signs that growth may have peaked. The growth in global industrial production and merchandise trade volumes has been tapering since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors. Leading indicators point to some softening in economic momentum in many countries in 2019, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions. At the same time, several developed economies are facing capacity constraints, which may weigh on growth in the short term.

Urgent and concrete policy action is needed to reduce risks to the global economy and secure the foundations for stable and sustainable economic growth. Policy makers 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 has maintained sustained economic growth and achieved GDP growth of more than 6 percent on an average during the last decade. According to the final estimate of BBS, the GDP growth stood at 7.86 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2016-17. The per capita national income reached USD1,751 in FY2017-18, up by USD141 a year earlier. GDP at current market prices stood at BDT 22,50,479 crore in FY2017-18, up by 13.90 percent of the previous fiscal year. Continuing the

declining trend since FY2013-14 year-on-year inflation in FY2017-18 slid down to 5.78 percent. With a growth rate of 14.78 percent revenue receipt in FY2017-18 also remained at satisfactory level. Exports registered an increase of 5.81 percent and import increased by 25.23 percent in FY2017-18. Remittances inflow rebounded by 17.33 percent. To keep up satisfactory growth in the next years, policy makers have to implement prudent fiscal management, effective application of cautious monetary policy, appropriate management of expenditure, sound implementation of the reform activities.

Bangladesh has made substantial progress in growing its economy, lifting people out of poverty and improving the lives of its people. Employment has increased, more people have access to health and education and basic infrastructure has improved. Since the mid-1990s, economic growth in Bangladesh has averaged 5.7 percent per year, reaching a high of 7.1 percent in 2016. Few developing countries have been able to maintain these levels of growth consistently over such a long period. Average incomes have grown. Since the mid-2000s, per capita gross domestic product has increased by 4 percent to 6 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.

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 6th year journey successfully, by setting up a longer-term development strategy towards our mission and vision. Despite all the challenges and huge competition, it has been possible by hard working, competent and trained officials to retain a steady growth in the year of 2018 like the previous years. At the end of year 2018, total deposit of our Bank amounted BDT 1,24,898.50 million which is 9.51 percent growth compared to the previous year's total deposit BDT 1,14,049.88 million. On the other hand, total investment recorded BDT 1,19,934.38 million which is 19.04 percent increase against BDT 1,00,753.54 million of the previous year. Our Bank has done well in the area of Export and

Import as well. Import Business of the Bank counted BDT 19,852.00 Million (Eqvt. USD 241.00 million) in 2018 having 32.27 percent increase against BDT 15,008.00 million (Eqvt. USD 190.00 million) of the previous year while Export of the Bank was BDT 45,120.00 million (Eqvt. USD 547.00 million) in 2018 having 9.20 percent increase against BDT 41,317.00 million (Eqvt. USD 523.00 million) of the previous year. The Bank has attained an operating profit of BDT 2,329.55 million compared to the last year's operating profit BDT 2,272.77 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 2018, we have been able to open 09 new branches both in rural and urban areas. At the end of 2018, we have total 77 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.

Bangladesh is among the five fastest growing economies in the world, World Bank has said. It is fifth in the rank of growing economies after Ethiopia, Rwanda, Bhutan, and India respectively. This growth, despite of insufficient private sector investment, has been attributed to stable macro and export-oriented industry-led growth. The growth was caused by manufacturing, construction and a bumper crop harvest, coupled with private consumption, remittance and rural income growth. 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.

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 2018, UBL has spent around BDT 155.48 million on CSR activities.

I would now like to express my sincere thanks and appreciation to the Board of Directors for their valuable guidance 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.



Shahidul Alam
Chairman



ব্যবস্থাপনা পরিচালকের বক্তব্য

বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহ্মাতুল্লাহ,

ইউনিয়ন ব্যাংক লিমিটেড এর ৬ষ্ঠ বার্ষিক সাধারণ সভায় ২০১৮ সালের ব্যাংকের আর্থিক ও পরিচালনগত অর্জন আপনাদের সকলের সামনে উপস্থাপন করতে পেরে আমি আনন্দিত ও সম্মানিত বোধ করছি। আল্লাহ তাআলার অশেষ মেহেরবানীতে ইউনিয়ন ব্যাংক লিমিটেড এর ব্যাংকিং অগ্রযাত্রায় ধারাবাহিক প্রবৃদ্ধিসহ আরেকটি বছর সফলভাবে সম্পন্ন হয়েছে। আমাদের এ ধারাবাহিক সফলতা ধরে রাখা সম্ভব হয়েছে ব্যাংকের সম্মানিত পরিচালনা পর্ষদের সার্বিক সমর্থন ও সহযোগিতা, বাংলাদেশ ব্যাংকের সমন্বয়যোগ্য নীতিমালা, ব্যাংকের নির্বাহী ও কর্মকর্তা-কর্মচারীদের অক্লান্ত পরিশ্রম এবং সর্বোপরি উন্নত গ্রাহক সেবা প্রদানের মাধ্যমে। ফলশ্রুতিতে আমরা চতুর্থ প্রজন্মের ব্যাংকসমূহের মধ্যে সব ক্যাটাগরিতে শীর্ষ স্থান ধরে রাখতে সক্ষম হয়েছি।

বৈশ্বিক ও বাংলাদেশের অর্থনীতি

বৈশ্বিক অর্থনীতির ইতিবাচক সূচনার পর ২০১৮ সালের শেষের দিকে এসে অর্থনৈতিক সূচকসমূহের কিছুটা নিম্নমুখী প্রবণতা পরিলক্ষিত হয়েছে প্রধানত জ্বালানী তেলের দাম বৃদ্ধি, ডলারের মূল্যবৃদ্ধি, চলমান বহুমুখী বাণিজ্যিক চাপ, মুদ্রা বাজারে সৃষ্ট বিরূপ প্রভাব এবং কতিপয় দেশের অভ্যন্তরীণ ও দুর্বল কাঠামোগত অবস্থার কারণে। উন্নত দেশসমূহের মধ্যে ইউরোপের দেশগুলোতে প্রত্যাশিত অর্থনৈতিক প্রবৃদ্ধি ছিল না। ২০১৮ সালে ক্রমবর্ধমান ও উন্নয়নশীল দেশসমূহের অর্থনীতিতে প্রবৃদ্ধি ছিল কিছুটা স্থিতিশীল।

উপরোক্ত প্রতিবন্ধকতা থাকা স্বত্বেও বাংলাদেশের অর্থনীতিতে টেকসই প্রবৃদ্ধি লক্ষ্য করা গেছে। ২০১৭-১৮ অর্থ বছরে বাংলাদেশ ৭.৮৬% অর্থনৈতিক প্রবৃদ্ধি অর্জন করেছে এবং মাথাপিছু আয় বেড়ে দাঁড়িয়েছে ১৭৫১ ইউএস ডলার, যা গত বছরের তুলনায় মাথাপিছু ১৪১ ডলার বেশী। এছাড়াও আমদানি ও রপ্তানী বাণিজ্য যথাক্রমে ২৫.২৩% ও ৫.৮১% বৃদ্ধি পেয়েছে এবং রেমিটেন্সের প্রবাহ বেড়েছে ১৭.৩৩%। এই প্রবৃদ্ধি ধরে রাখতে দরকার অবকাঠামো খাতে অধিক বিনিয়োগ, নিরবিচ্ছিন্ন জ্বালানী সরবরাহ অব্যাহত রাখা, পণ্যের বহুমুখীকরণ ও বাজার অনুসন্ধানের মাধ্যমে রপ্তানী বাণিজ্য বাড়ানো এবং নতুন শ্রম বাজার অনুসন্ধানের মাধ্যমে রেমিটেন্স আহরণ বৃদ্ধি করা।

ইউনিয়ন ব্যাংকের সফলতা

২০১৮ সালে বেশীরভাগ ক্ষেত্রেই ব্যাংকের ধারাবাহিক সফলতা ধরে রাখা সম্ভব হয়েছে মূলত কার্যকর ব্যবস্থাপনা ও মানসম্মত ব্যাংকিং সেবা প্রদানের মাধ্যমে। নানা প্রতিকূলতা থাকা স্বত্বেও বিগত বছরে আমাদের ব্যাংকের ব্যবসা সম্প্রসারণ কার্যক্রম ছিল উল্লেখযোগ্য। এ পর্যায়ে আমি ২০১৮ সালে আমাদের ব্যাংকের অর্জিত উল্লেখযোগ্য বিষয়সমূহ উপস্থাপন করছি। দেশজুড়ে ৭৭টি শাখার মাধ্যমে উন্নত ব্যাংকিং সেবা প্রদান করে চতুর্থ শ্রবণের ব্যাংকগুলোর মধ্যে প্রায় সবগুলো সূচকে আমরা শীর্ষ স্থান ধরে রাখতে পেরেছি। বর্তমানে আমাদের ব্যাংকের মোট সম্পদের পরিমাণ দাঁড়িয়েছে ১,৪৮,৫৮০ মিলিয়ন টাকা, যা গত বছরের তুলনায় ১২.৮০% বেশী এবং মূলধনের পরিমাণ ৯,২২৮ মিলিয়ন টাকা, যা গত বছরের তুলনায় ১৪.৫৯% বেশী। আমাদের গ্রাহকদেরকে দ্রুত ও সহজে রেমিটেন্স সুবিধা প্রদানের লক্ষ্যে ১০ (দশটি) মানি এক্সচেঞ্জ হাউজ আমাদের সাথে অত্যন্ত আন্তরিকভাবে কাজ করছে, ফলে ধারাবাহিকভাবে আমাদের রেমিটেন্স প্রবাহের গতি বৃদ্ধি পাচ্ছে।

পরিচালন ও করপূর্ব মুনাফা

২০১৮ সালে ব্যাংকের পরিচালন মুনাফা হয়েছে ২,৩৩০ মিলিয়ন টাকা এবং করপূর্ব মুনাফা দাঁড়িয়েছে ১,৭৫৪ মিলিয়ন টাকা, যা প্রধানত আমানত বৃদ্ধি, প্রত্যাশিত বিনিয়োগ, আদায় কার্যক্রম জোরদার, সহায়ক ব্যবসায় বৃদ্ধি এবং কার্যকর মূলধন ব্যবস্থাপনার মাধ্যমে আমরা এই সফলতা অর্জন করেছি।

আমানত

২০১৮ সালে আমানতের পরিমাণ ১,২৪,৮৯৯ মিলিয়ন টাকা, যা গত বছরের আমানত ১,১৪,০৫০ মিলিয়ন টাকার তুলনায় ৯.৫১% বেশী। অন্যদিকে, মোট আমানত গ্রাহক সংখ্যাও এ বছর বৃদ্ধি পেয়েছে। ২০১৮

সালে মোট আমানত গ্রাহকের সংখ্যা দাঁড়িয়েছে ২,৫৯,৭১৭ যা ২০১৭ সালে ছিল ১,৮৩,২১২; অর্থাৎ ২০১৮ সালে ব্যাংকের আমানত গ্রাহক সংখ্যা ৪১.৭৫% বৃদ্ধি পেয়েছে।

বিনিয়োগ

জাতীয় পর্যায়ে দেশে ঋণ প্রবৃদ্ধির সাথে সামঞ্জস্য রেখে ব্যবসায়িক সুযোগ সৃষ্টির শ্রেণ্যপটে কৌশলগত কারণে ব্যাংকের প্রত্যাশিত বিনিয়োগের প্রবৃদ্ধি ঘটেছে, যা দেশের ব্যাপ্তিক এবং সামষ্টিক অর্থনীতির উন্নয়নে গুরুত্বপূর্ণ ভূমিকা পালন করবে বলে আশা করছি। ২০১৮ সালে ব্যাংকের বিনিয়োগের পরিমাণ ১,১৯,৯৩৪ মিলিয়ন টাকা, যা গত বছরের বিনিয়োগ ১,০০,৭৫৪ মিলিয়ন টাকার তুলনায় ১৯.০৪% বেশী। বিনিয়োগ বহুমুখীকরণের অংশ হিসেবে, ব্যাংক সময়োপযোগী পদক্ষেপের মাধ্যমে ক্ষুদ্র ও এসএমই, নারী উদ্যোক্তা এবং উৎপাদনশীল খাতে বিনিয়োগ সম্প্রসারণের উপর গুরুত্ব দেয়া হয়েছে। এর ধারাবাহিকতায় ২০১৮ সালে এসএমই খাতে ২,৮৪৪ মিলিয়ন টাকা, কৃষি খাতে ৮৩২ মিলিয়ন টাকা, সবুজ অর্থায়ন খাতে ১১৪ মিলিয়ন টাকা বিনিয়োগ সহায়তা দেওয়া হয়েছে।

বৈদেশিক বাণিজ্য এবং রেমিটেন্স

অন্যান্য সূচকের ন্যায় বৈদেশিক বাণিজ্যে ইউনিয়ন ব্যাংক সফলতা অর্জন করেছে। ২০১৮ সালে ব্যাংকের রপ্তানী এবং আমদানির পরিমাণ দাঁড়িয়েছে ৪৫,১২০ মিলিয়ন টাকা এবং ১৯,৮৫২ মিলিয়ন, যেখানে রপ্তানী এবং আমদানির প্রবৃদ্ধি যথাক্রমে ৯.২০% ও ৩২.২৮%। এখানে উল্লেখযোগ্য যে, আমদানি এবং রপ্তানীকে ধারাবাহিকভাবে বাড়াতে সেন্ট্রাল ট্রেড অপারেশন ইউনিট (সিটিওইউ) নামে ব্যাংকের একটি পৃথক ইউনিট চালু করা হয়েছে।

অন্যদিকে, ২০১৮ সালে ব্যাংক ১,৬৪০ মিলিয়ন টাকা রেমিটেন্স আহরণ করেছে। বর্তমানে আমাদের ব্যাংক ওয়েস্টার্ন ইউনিয়ন, ওয়াল স্ট্রীট ফাইন্যান্স, এক্সপ্রেস মানি, রিয়া, ট্রান্সফাস্ট, আল-আনসারি, প্লাসিড এনকে কর্পোরেশন, ফার্স্ট সিকিউরিটি ইসলামী এক্সচেঞ্জ ইটালী রেমিটেন্স হাউজ, আফতাব কারেলি এবং স্মল ওয়ার্ল্ড এর সাথে চুক্তিবদ্ধ হয়ে রেমিটেন্স আরোহণে কাজ করে যাচ্ছে, যার ফলে অতি সহজে ও দ্রুততম উপায়ে গ্রাহক সেবা প্রদান করা সম্ভব হচ্ছে।

শাখা ও এটিএম বুথ সম্প্রসারণ

দেশের অর্থনৈতিক প্রবৃদ্ধি তথা ব্যাংকিং সুবিধা শহর ও প্রত্যন্ত পল্লী অঞ্চলে জনগণের দোড় গাঁড়ায় পৌঁছে দেয়ার লক্ষ্যে ২০১৮ সালে ইউনিয়ন ব্যাংকের নতুন শাখা ও এটিএম বুথ স্থাপন কার্যক্রম সম্প্রসারণ করা হয়েছে। এ লক্ষ্যে ২০১৮ সালে আমরা ০৯ টি নতুন শাখা স্থাপন করেছি, যেখানে ৫টি শাখা শহরে এবং ৪টি শাখা পল্লী অঞ্চলে স্থাপন করা হয়েছে। বছর শেষে মোট শাখার সংখ্যা দাঁড়িয়েছে ৭৭টি, যার মধ্যে ৩৯টি শহর অঞ্চলে এবং ৩৮টি পল্লী অঞ্চলে। এছাড়াও ২০১৮ সালে আমরা ১৫টি এটিএম বুথ স্থাপন করেছি, যার ফলে ব্যাংকের মোট এটিএম বুথ এর সংখ্যা দাঁড়িয়েছে ৩৫টি।

ঝুঁকি ব্যবস্থাপনা

ব্যাংকের সার্বিক সূচকসমূহ সন্তোষজনক পর্যায়ে রাখার লক্ষ্যে একটি সুদক্ষ ও কার্যকর ঝুঁকি ব্যবস্থাপনা কাঠামো প্রতিষ্ঠা করা হয়েছে। ব্যাংকের টেকসই উন্নয়ন নিশ্চিত করার লক্ষ্যে সম্পদ-দায় ব্যবস্থাপনা, মূখ্য ঝুঁকি ব্যবস্থাপনা,

ঝুঁকি ভিত্তিক মূলধন ব্যবস্থাপনা এবং সর্বোপরি মানবসম্পদ ও অবকাঠামো ব্যবস্থাপনার উপর গুরুত্বারোপ করা হয়েছে। এখানে উল্লেখযোগ্য যে, ২০১৮ সালে ব্যাংকের ক্রেডিট রেটিং দীর্ঘমেয়াদে A+ এবং স্বল্প মেয়াদে ST-2, যার মাধ্যমে ব্যাংকের শক্তিশালী আর্থিক ভিত্তি, উত্তম তারল্য অবস্থা ও প্রাতিষ্ঠানিক স্থিতিশীলতা প্রতিফলিত হয়েছে। ব্যাংকের বিদ্যমান চিহ্নিত এবং সম্ভাব্য ঝুঁকিসমূহ মোকাবেলায় সার্বিক ঝুঁকি ব্যবস্থাপনার সক্ষমতা বৃদ্ধিতে পর্ষদ ঝুঁকি ব্যবস্থাপনা কমিটি ও ব্যবস্থাপনা পর্যায়ের ঝুঁকি ব্যবস্থাপনা কমিটি সদা সচেষ্ট রয়েছে।

সামাজিক দায়বদ্ধতা

সামাজিক দায়বদ্ধতার আওতায় বিভিন্ন কর্মকাণ্ডে অংশগ্রহণের ক্ষেত্রে ব্যাংক সবসময়ই আন্তরিক ভূমিকা পালন করে আসছে। সামাজিক দায়বদ্ধতার অংশ হিসেবে, আমাদের ব্যাংক ২০১৮ সালে ১৫৬ মিলিয়ন টাকা প্রদান করেছে, যেখানে গত বছরে বরাদ্দকৃত অর্থের পরিমাণ ছিল ৪৯ মিলিয়ন টাকা। এ বছরে বরাদ্দকৃত অর্থের মধ্যে মাননীয় প্রধানমন্ত্রীর ট্রাণ্ড তহবিলে অনুদান, দরিদ্র ও মেধাবী শিক্ষার্থীদের শিক্ষাবৃত্তি প্রদান, গরীব ও অসহায় মানুষের মাঝে শীত বস্ত্র বিতরণ ইত্যাদি কার্যক্রম ছিল উল্লেখযোগ্য। ব্যাংকের মোট অনুদানের ১৯% শিক্ষা খাতে, ৩% স্বাস্থ্য খাতে, ৪৭% দুর্যোগ ব্যবস্থাপনা খাতে, ৬% সাংস্কৃতিক কর্মকাণ্ডে এবং ২৫% 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 সৃষ্টির তৎপরতাও বৃদ্ধি পাচ্ছে। এসব প্রেক্ষাপটে, প্রতিটি আর্থিক প্রতিষ্ঠানকে আন্তর্জাতিক ভাবে 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 ভবিষ্যতে সম্ভাব্য তথ্য-প্রযুক্তি সংক্রান্ত ঝুঁকিসমূহ দক্ষতার সাথে মোকাবেলা করতে পারি। দৈনন্দিন ব্যাংকিং কার্যক্রম সূচারু ও সফলভাবে সম্পাদন করার জন্য BACH, BEFT, RTGS, ATM, POS, NPSB ও Q-cash সুবিধা সহ Debit Card, SMS banking, SWIFT ও Foreign Remittance ইত্যাদি সেবা প্রদান করা হচ্ছে। এছাড়াও প্রতিটি লেনদেনের সুরক্ষা নিশ্চিতকল্পে উচ্চ ক্ষমতা সম্পন্ন ফায়ারওয়াল ডিভাইসের ব্যবহার এবং নিরবিচ্ছিন্ন ব্যাংকিং সেবা প্রদানের জন্য ডিএমজেড (ডিমিলিটারাইজড জোন) সিকিউরিটি নিশ্চিত করা হয়েছে।

মানব সম্পদ উন্নয়ন

২০১৮ সালে ব্যাংকের মোট কর্মকর্তা ও কর্মচারীর সংখ্যা দাঁড়িয়েছে ১,৪৭৭ জন, যেখানে ২০১৭ সালে ছিল ১,৩০৮ জন। অর্থাৎ এ বছর নতুন করে ১৬৯ জনবল নিয়োগ প্রাপ্ত হয়েছে। শুধুমাত্র জনবল 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 ১৮৮ জনকে ফাউন্ডেশন ট্রেনিং প্রদান করেছে। এছাড়া ৫ টি এ্যাডভান্সড ট্রেনিং কোর্স, ৩ টি ওয়ার্কশপ, ৩ টি নির্বাহী উন্নয়ন কর্মসূচীর আওতায় ৬৭৩ জন কর্মকর্তা ও নির্বাহী প্রশিক্ষণের ব্যবস্থা করা হয়েছে। অধিকন্তু, কর্মকর্তাদের প্রায়োগিক জ্ঞান প্রদানের জন্য ফাউন্ডেশন ও এ্যাডভান্সড কোর্সগুলো আরো যোগ্যপযোগী করা হচ্ছে। এছাড়া BIBM, BBTA এবং অন্যান্য দেশীয় ও আন্তর্জাতিক ইনস্টিটিউটের মাধ্যমে মানব সম্পদ উন্নয়ন প্রক্রিয়া অব্যাহত আছে।

শারী'আহ পরিপালন

দৈনন্দিন ব্যাংকিং কার্যক্রমে ইসলামী শারী'আহ পরিপালনে ইউনিয়ন ব্যাংক সর্বদা সচেষ্ট রয়েছে। বাংলাদেশ ব্যাংকের সংশ্লিষ্ট নীতিমালা এবং দেশ বরেণ্য উলামায়ে কেরামের সমন্বয়ে গঠিত শারী'আহ সুপারভাইজরি কমিটির পরামর্শ ক্রমে আমাদের ব্যাংকিং কার্যক্রমে শারী'আহ পরিপালন নিশ্চিত করার প্রচেষ্টা অব্যাহত রয়েছে। শারী'আহ সুপারভাইজরি কমিটির অধীনে কর্মরত মুরাক্বিবগণ বিভিন্ন ধরণের নিরীক্ষা ও পরিদর্শনের মাধ্যমে অপরিপালিত বিষয়সমূহ চিহ্নিত করে তা যথাসময়ে পরিপালন করে যাচ্ছেন।

২০১৯ সালের পরিকল্পনা

ইউনিয়ন ব্যাংক লিমিটেড কাজিত আমানত সংগ্রহ, বিনিয়োগ হতে আদায়, সম্ভাবনাময় খাতে প্রত্যাশিত বিনিয়োগ, বৈদেশিক বাণিজ্য বৃদ্ধি এবং তথ্য-প্রযুক্তির উন্নয়নের পরিকল্পনা গ্রহণ করেছে। এছাড়াও, টেকসই উন্নয়ন লক্ষ্যমাত্রা অর্জন, নিয়ন্ত্রণকারী সংস্থার সকল বিধি-বিধান পরিপালন এবং সামাজিক, নৈতিক, পরিবেশবান্ধব, উৎপাদনশীল ও লাভজনক ব্যবসায় আরো অধিকতর বিনিয়োগের জন্য ব্যাংক অঙ্গীকারবদ্ধ। অধিকন্তু, আর্থিক খাতের সুবিধা বর্ধিত এবং স্বল্প সুবিধাপ্রাপ্ত প্রান্তিক জনগোষ্ঠী এবং অবহেলিত এলাকায় আর্থিক সেবাসমূহ পৌঁছে দিতে বিনিয়োগ বহুমুখীকরণ ও সর্বোপরি টেকসই সামাজিক উন্নয়নে আমাদের ব্যাংকের প্রচেষ্টা অব্যাহত থাকবে। ২০১৯ সালে গ্রাহক সেবার মান বৃদ্ধি, মূলধন কাঠামোর ভিত্তি শক্তিশালীকরণ, কর্পোরেট সুশাসন নিশ্চিতকরণ, বিনিয়োগকৃত সম্পদের মান উন্নয়ন ও গ্রাহকদের আস্থা অর্জনের মাধ্যমে ব্যাংকের ধারাবাহিক সফলতা বজায় রাখার প্রচেষ্টা অব্যাহত থাকবে।

পরিশেষে, আমি ব্যবস্থাপনা কর্তৃপক্ষের পক্ষ থেকে আমাদের ব্যাংকের সম্মানিত পরিচালনা পর্ষদ, শেয়ারহোল্ডারবৃন্দ, 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 প্রত্যাশার সাথে সংগতি রেখে আমরা ব্যাংকের গুরুত্বপূর্ণ সূচকসমূহের টেকসই উন্নয়নে প্রতিশ্রুতিবদ্ধ। আশা করি, ব্যাংকের সংশ্লিষ্ট সকল পক্ষের সার্বিক সহযোগিতায় ভবিষ্যতে ইউনিয়ন ব্যাংক একটি আধুনিক শারী'আহ ভিত্তিক প্রগতিশীল ব্যাংক হিসেবে প্রতিষ্ঠা লাভ করবে ইন্-শা-আল্লাহ।

আল্লাহ হাফেজ।



ওমর ফারুক
ব্যবস্থাপনা পরিচালক



From the Desk of Managing Director

Bismillahir Rahmanir Rahim,

Respected Shareholders,

Assalamu-Alaikum Wa Rahmatullah,

It is a great privilege and honor for me to present you the financial and operational performance of the Bank for the year 2018 in the 6th Annual General Meeting. By the grace of Almighty Allah, Union Bank Ltd. has successfully completed its another year of journey with the stable growth and performance. In fact, it was possible on our part for the all-out support and co-operation from our Honorable Board of Directors, Regulators, bank's executives & officials and above all through our quality customer services. As a result, we were able to retain top position among the 4th generation banks.

Global and Bangladesh Economy

The global economy has passed its peak and faces a slowdown in 2018 driven by rising oil prices, dollar appreciation, increasing trade tensions and market pressures on the currencies of some economies with weaker fundamentals and intrinsic domestic factors. Among advanced economies, growth slowdown in the euro zone was remarkable. Aggregate growth in the emerging and developing economy to some extent stabilized in the year 2018.

Despite these adversity, the Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86% in FY2017-18. The per capita national income reached at USD1,751 in FY2017-18, up by USD141 a year earlier. Exports registered an increase of 5.81% and import increased by 25.23 percent in FY2017-18. Remittances inflow rebounded by 17.33 percent. To retain this achievement, we need to invest more in infrastructural sector, uninterrupted supply chain, increase export by exploring new market and diversifying of product and increase remittance by providing some incentives.

Success of UBL

The Bank has achieved its successive growth in the year 2018 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 2018. We have kept leading position among the fourth generation banks in all most categories through wide network of 77 branches over the country. At present, our total asset size is Tk. 1,48,583 million which is 12.83% higher than previous year and total capital stood at Tk. 9,228 million Which is 14.59% 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 lead to increase more remittance through our bank.

Operating Profit & PBT

Operating Profit was Tk. 2,330 million and Profit Before Tax (PBT) was Tk. 1,754 million in the year 2018. 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.

Deposits

Deposit has increased to Tk. 1,24,899 million in the year 2018 which is 9.51% higher than previous year's deposit amounting to Tk. 1,14,050 million. Meanwhile, the number of deposit accounts has increased during the year. In the year 2018, the number of deposit accounts were 2,59,717 whereas it was 1,83,212 in the year 2017, i.e. the growth of deposit was 41.75% in the last year.

Investment

As a part of business strategy, expected investment growth happened 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. 1,19,934 million in the year 2018 which is 19.04% higher than previous year's Tk. 1,00,754 million. It is to mention here that Bank has taken time based strategy for diversifying its investment through financing Micro & SME sector, Women Entrepreneur, above all increasing investment facility to productive sectors. As a part of the process, UBL financed Tk. 2,844 million in SME sector, Tk. 832 million in Agriculture sector, Tk. 114 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 2018. The size of Export and Import of the bank were Tk. 45,120 million and Tk. 19,852 million, the growth of Export and Import were 9.20% and 32.28% respectively in the year 2018. 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. 1,640 million during the year 2018. At present, Union Bank has made agreements with 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 Remittance House which are providing fast and easy customer service.

Expansion of Branches and ATM

The Bank has expanded new branches and ATM booths in 2018 in line with rapid economic growth of the country by providing banking service at the door step of the people in urban & rural areas. In this regard, we have established 09 new branches during the year 2018 out of which 5 (five) branches are in urban areas and 4 (four) are in rural areas. Total number of branches were 77 (seventy seven) at the end of 2018 out of which 39 (thirty-nine) are situated in urban areas and the rest 38 (thirty eight) are in rural areas. During this period, we also have established 15 (fifteen) ATM booths and at the end of the year total ATMs were 35 (thirty-five).

Risk Management

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 asset-liability management, Core risk management, risk based capital management and overall resource management are in place for ensuring sustainable growth of the bank. It is mentionable here that our bank's credit rating secured 'A+' in long term and 'ST-2' in short term for the year 2018 which indicates that the bank is operating its business with strong financial base, better liquidity position and organizational stability. Risk Management Committees both Management and Board level are vigilant to strengthen risk management capacity so as to manage the identified, incurring and potential risks of the bank.

Corporate Social Responsibility

The Bank is always cordial to participate the activities under corporate social responsibility as well as benevolent performance for the society as the Bank is a part of the society. To become a socially committed bank and attain social welfare, Union Bank has donated Tk. 156 million in 2018 whereas the donated amount was Tk. 49 million in the last year. 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 19% in Education sector, 3% in Health sector, 47% in Disaster Management sector, 6% in Cultural welfare sector and 25% in Other sectors of 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 these 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.

Human Resources Development

Total number of employees have increased to 1,477 in 2018 which was 1,308 in 2017. During this year 169 employees have been recruited. 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 188 officials through 6 (six) foundation courses. Apart from that the institute organized 5 (five) Advanced Training Courses, 3 (three) Workshops, 3 (three) Executive Development Programs, which trained up 673 bank officials and executives. To provide more practical knowledge, the syllabus of foundation and advanced training is being updated on regular basis. 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 always 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).

Plan for 2019

Union Bank has taken comprehensive plan for deposit mobilization, recovery from overdue investments, further investment in the potential sectors, foreign trade and ICT. 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 sustainable social development. Our endeavor will be continued to increase the quality of customer services, retaining the strong capital base, ensuring the standard of corporate governance, maintaining better asset quality and trustworthiness of the customers in the year 2019 for retaining the bank's persistent growth in the days to come.

Finally, I, on behalf of Management would like to express my profound gratitude to the Honorable Board of Directors, Shareholders, Bangladesh Bank and other regulatory authorities, respected 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 be able to establish as a modern shari'ah based progressive Bank in the Banking Sector, In-Sha-Allah.

Allah Hafez.



Omar Farooque
Managing Director



REPORTS



DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum,

The Board of Directors of Union Bank Limited feel honored and privileged to welcome you all to the 6th Annual General Meeting of the Bank. It is an immense pleasure and privilege on the part of Directors to present the Directors' Report and Auditors' Report together with the audited financial statements of the Bank for the year ended 31st December 2018 for your valued consideration, adoption and approval. The report and Financial Statements of the Bank have been prepared in accordance with the regulations, standards & relevant sections mentioned in the Companies Act 1994, the Bank Companies Act 1991, Bangladesh Bank Circulars & Guidelines and other applicable rules & regulations of the respective Regulatory Authorities. The Board would like to take this great opportunity to focus briefly on the operational performance of the Bank during the year 2018 in the perspective of domestic and international economic scenario.

GLOBAL ECONOMY

In 2018, global economic growth remained steady at 3.1 percent when calculated at market exchange rates or 3.7 percent when adjusted for purchasing power parities. Fiscally induced acceleration in the United States of America offset slower growth in some other large economies, including Argentina, Canada, China, Japan, Islamic Republic of Iran, Turkey and the European Union (EU). Despite these slowdowns, economic growth accelerated in more than half of the world's economies in both 2017 and 2018. Over the course of 2018, 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.

At the global level, growth is expected to moderate slightly to 3 percent in both 2019 and 2020. Slower growth in China and the United States will be largely offset by continued recovery in some developing regions and economies in transition that have been hardest hit by the commodity price collapse of 2014/15. Among developed economies, US growth is projected to decelerate notably as the impulse from fiscal stimulus wanes and the effects of higher interest rates are increasingly being felt. While steady growth is projected for the EU, the risks are tilted to the downside, including a potential fallout from Brexit. Among developing and transition economies, the gradual moderation of growth in China is likely to continue with policy support partly offsetting the negative impact of trade tensions. Several large commodity-exporting countries, such as Brazil, Nigeria and the Russian Federation, are projected to see a moderate pickup in growth in 2019–2020, albeit from a low base. The prospects for commodity exporters remain clouded by several factors. The price collapse in 2014/15 has left a legacy of higher levels of debt and depleted fiscal buffers, severely constraining policy space. While prices have partly recovered, they remain highly volatile and subject to wide fluctuations, as exemplified by the sharp decline in oil prices in the fourth quarter of 2018.

Beyond the short-term outlook, South Asia—which accounts for 25 percent of the world population but only for 5 percent of the world GDP—also needs to tackle medium-term challenges and structural constraints to unleash its enormous growth potential. A crucial challenge is the strengthening of its productive and international competitiveness, as the region is lagging in several competitiveness indicators, like attracting foreign investments, penetrating new markets and diversifying &

upgrading its export products. Also, the region shows a disappointing performance regarding technological capabilities, even in comparison to other developing regions, as measured, for example, by Research and Development (R&D) investments, innovation activities and other indicators, such as the Economic Complexity Index. Amid limited trade openness and regional integration, South Asia has an enormous potential to gain market share in foreign markets and to participate more decisively in global value chains. In fact, while there are positive examples, such as the software and business outsourcing sectors in India, the garment sector in Bangladesh and Sri Lanka, and the Sialkot light manufacturing cluster in Pakistan, the positive effects of increased global integration have remained limited in most economies in the region.

BANGLADESH ECONOMY

The market-based economy of Bangladesh is one of the fastest growing economies in the world. It's the 41st largest in the world in nominal terms and 30th largest by purchasing power parity; it is classified among the next eleven emerging market middle income economies and a Frontier market. According to the final estimate of BBS, GDP growth for FY2017-18 reached 7.86 percent, significantly higher than the growth of 7.28 percent in the preceding fiscal year. Among the broad sectors of GDP, the contribution of agriculture and service sector to GDP slid down by 0.51 percentage point to 14.23 percent and by 0.74 percentage point to 52.11 percent which was offset by an increased share of industry by 1.24 percentage point to 33.66 percent in relation to the preceding year. During the period broad agriculture sector registered a growth of 4.19 percent, up by 1.22 percentage point compared to the previous year due to the better performance of most of its sectors and sub-sectors. In FY2017-18, broad industry sector grew by 12.06 percent, higher than the growth of 10.22 percent in the previous year. In broad industry sector, the growth of mining and quarrying sector declined to 7.00 percent in FY2017-18 from 8.89 percent in FY2016-17. In contrast, manufacturing sector, 'electricity, gas and water supply' sector and construction sector experienced a growth of 13.40 percent, 9.19 percent and 9.92 percent respectively. In FY2017-18 broad service sector grew by 6.39 percent, down by 0.30 percentage point a year earlier. Continuing the upward trend per capita GDP of Bangladesh reached USD1,675 in FY2017-18 from USD1,544 a year earlier. Likewise, per capita national income increased to USD1,751 in FY2017-18, USD141 higher than the previous year as per the final estimates of BBS.

Country's export earnings stood at USD 36,668 million in FY2017-18, which is 5.81 percent higher than the export earnings (USD 34,656 million) of FY2016-17. During the year under report, export earnings increase due mainly

to increases of export of agricultural product, ceramic products, handicraft, cotton and cotton products, knitwear, home textile, jute goods, chemical products, woven garments etc. Data on category-wise exports earnings in FY2017-18 shows that export earnings from agricultural product and ceramic products have increased by 38.55 percent and 32.70 percent respectively over the last fiscal year. Country's total import payments (C&F) stood at USD 58,865 million in FY2017-18, which is 25.23 percent higher than the import payments of USD 47,005 million of the preceding year. In terms of value of total imported commodities, China secured the first position for our import in FY2017-18. During this period 27.07 percent of the total imported commodities came from China. India was the second largest source of import (15.19%) while Japan held the third position (4.11%).

Bangladesh Bank maintained stability in retaining foreign exchange reserves. The gross foreign exchange reserves of Bangladesh Bank had reached USD 32,916 million at the end of June 2018 mainly due to higher growth of import payment. Foreign exchange reserves reached to USD 32,078.6 million on July 2018.

With a view to attaining sustainable development, it is very necessary to invest in economic sector especially in industry and production sectors. The government is working for the overall development of investment scenario for the purpose of increasing domestic and foreign investment which relates to development activities. It is a very good scenario to get two-third active working age people of our total population involved in the workforce. Bangladesh has achieved remarkable development in poverty alleviation during last few years. Not only the rate of poverty is decreased, but also the incidence and depth of poverty has been reducing regularly.

BANKING SECTOR

Banking is the backbone of national economy. All sorts of economic and financial activities revolve round the axis of the bank. As the industry produces goods and commodities, so does the bank creates and controls money-market and promotes formation of capital. From this point of view, banking, a technical profession, can be termed as industry. Services to its customers are the products of banking industry besides being a pivotal factor in promoting capital formation in the country. As all economic and fiscal activities revolve round this important 'Industry, the role of banking can hardly be over emphasized.

It has been observed that both Deposit and Advance have increased at the end of 2018. It is a good sign for socio-economic development of the country. At the end of the year of 2018, the overall Bank Deposit

in Bangladesh stands at BDT 1,00,99,810 million (Excluding Inter Bank & Govt. Deposit) which is 9.05 percent growth compared to the previous year's total Deposit amounting BDT 92,61,793 million. On the other hand, the total Advance of the Banks reaches BDT 93,26,783 million on December 2018 which is 14.77 percent increase against the amount BDT 81,26,155 million of the year 2017. The country's Foreign Exchange Reserve kept a little decrease. It was USD 32,016.25 million on December 27, 2018 whereas it amounted USD 33,226.86 million on December 28, 2017.

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 and 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 2018 like the previous years. At the end of year 2018, total deposit of our Bank stood at BDT 1,24,898.50 million which is 9.51 percent growth compared to the previous year's total deposit at BDT 1,14,049.88 million. On the other hand, total investment recorded BDT 1,19,934.38 million which is 19.04 percent increase against BDT 1,00,753.54 million of the previous year. The Bank has achieved an operating profit of BDT 2,329.55 million compared to the last year's operating profit BDT 2,272.77 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 19,852.00 Million (Eqvt. USD 241.00 million) in 2018 having 32.27 percent increase against BDT. 15,008.00 million (Eqvt. USD 190.00 million) of the previous year while Export of the Bank was BDT 45,120.00 million (Eqvt. USD 547.00 million) in 2018 having 9.20 percent increase against BDT. 41,317.00 million (Eqvt. USD 523.00 million) of the previous 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. During this year 2018,

we have been able to open 09 new branches both in rural and urban areas. At the end of 2018, we have total 77 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. 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.

BANK'S PERFORMANCE IN 2018

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 2,329.55 million as on 31st December 2018 that is 2.49 percent increases against BDT 2,272.77 million of the previous year. At the same time, total deposits of the Bank are BDT 124,898.50 million which is 9.51 percent increase against 114,049.89 million of the previous year and total investments are BDT 119,934.38 million against BDT 100,753.55 million of the previous year which is 19.04 percent increase. Total Assets of the bank are BDT 148,583.76 million as on 31st December 2018 against BDT 131,677.57 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 the 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 (Udvash)
- Mudaraba Short Notice Deposit Account
- Mudaraba No-Frill Savings Account
- Mudaraba Term Deposit Account

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 (Hypo)
- Bai-Istisna (Pre shipment Investment)
- Bai-Salam
- Bai-Muajjal Investment
- Quard Against MTDR

Services:

- ATM Banking
- SMS Notification
- Internet Banking

INFORMATION & COMMUNICATION TECHNOLOGY DIVISION

Information and Communication Technology (ICT) has great impact on modern business area specially in Banking of our Country and it works as a business enabler rather than support. Union Bank has been taking it's reaping from very inception. The Information Technology is changing rapidly and to cope up with the changing environment, Bank continues to maintain up-to-date infrastructure for its business to facilitate modern technology for satisfaction of its customers and benefit of its stakeholders.

The Technology is changing rapidly and today Business organizations, especially the banking industry 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 areas to extract the benefit of the technology and to ease the users and finally satisfaction of the valuable customers of the Bank.

The Bank emphasized focusing on Technology, as a business enabler during the period under review, has underpinned effort across the Bank to identify creative ways of addressing Strategic Objectives. The aim of the effort was to target cost reduction, increase profitability, improve internal efficiencies, more Control and Security, use alternate technologies where appropriate and ultimately, improve the internal and external customer service experience. The bank's key technology initiatives, such as **'Enhancing existing network security', 'Paperless Automate Processes', 'Remittance & AML Solution', 'Software Based Training Operation', 'State-of-the-art Data Center and Disaster Recovery site', 'Video Conferencing', 'Centralised IP Phone communication', 'Paperless Asset & Inventory Management' and 'Internet banking & Mobile apps'** entail the enhancement of existing systems, introduction of new functionalities, where appropriate, and the re-engineering of business processes.

Bank formulated ICT Policy guidelines commensurate with Bangladesh Bank guidelines for ICT Risk Management and smooth operation of the System; and lastly reviewed & updated the policy in the year 2018. Technical infrastructure of the bank has also been established considering high availability and security of the system.

Now, Bank is providing its services to its valuable customers from anywhere anytime through its centralized online banking solution along with Debit Card, SMS Banking, Internet Banking, Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN) etc. Bank has also taken initiative to include more processes to its Core Banking System to improve operational efficiency and security.

The Bank is going to introduce Internet Banking with enhanced feature and Mobile application for more financial inclusion and to bring its banking services within the reach of grass-root level in rapidly growing market of Bangladesh. The Bank is also expanding its own ATM network and has a plan to move with VISA Branding.

The Bank also implemented Remittance Software 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. Bank has integrated its Remittance Software with Core Banking and BEFTN System for faster, secured service and to reach the remittance to the customers' door. Automation of HRMS will lead effective financial process and improve productivity of the employee.

Anti-Money Laundering (AML) solution for screening has implemented and running in line of AML guideline. More features are incorporating and efficient process applied.

Video Conferencing is one of the most useful method for any business communication. We have implemented Video Conference facility nationwide through regional cluster way. Bank can now arrange any meeting, conference even any training through VC. This is definitely increase productivity, effective communication and reduce cost.

IP Phone System is also a zero cost internal voice communication technology and can instantly connect any extension with many features. Union Bank implemented the system covering all branches as well as outside facility. This will definitely impact on overall communication expenditure positively.

The Bank is taking Data Backup on daily basis. Disaster Recovery (DR) Site has been established at Mouchak, Gazipur to replicate 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.

Centralized Asset Management System and Stationary Management System have been implemented to improve the efficiency of the operational processes and minimize the processing time. In addition to that Government launched services like e-GP, DPDC, DESCO, Palli Biddut Bill Payment System etc have been implemented for the customers.

After deployment of corporate mailing system, now all of the employees of the Bank are under mailing system and all are able to access their mail from anywhere & anyway which ultimately improve communication process, efficiency of the employees and reduces the time, manual handling & use of papers. Customer account statement are automatically emailed as per customer request.

Union Bank has strategically formulated Year 2019 as Technology Acquisition and Infrastructure Placement to 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 more proud to be with Union Bank.

MANAGEMENT INFORMATION SYSTEM (MIS) DIVISION

Union Bank Limited (UBL) had already established a separate division named Management Information Systems (MIS) from its inception.

Now all the Branches of the Bank started operation with installation of a modern computerized system. With the support of modern computerized system our MIS division usually provides financial information and non-financial information to the top Management for decision making, coordination, control, analysis, and visualization of information of the Bank. On the other hand, MIS division keeps all updated data/information of the Bank to help the Management/Higher Authority take decisions promptly accurately and well in time.

Management Information Systems are very useful tools for the purpose of reviewing and controlling bank's operations. The main goal of these systems is to organize all data collected from every level as well as secondary level (CBS) of the bank, summarize it, and present it in a way that facilitates and improve the quality of the decisions being made to increase the bank's profitability and productivity. MIS reports play a significant role in the strategy planning of Bank Sector. Its helps in determining the future needs of Bank and assists in formulating goals and strategy based on such information.

As a financial institution banks are obliged to submit various statements to Bangladesh Bank. As such MIS Division provides a lot of reports to different departments of Bangladesh Bank as well as other non-financial institutions.

Presently, Bangladesh Bank has introduced a web based regulatory tools namely Integrated Supervision System (ISS). Through ISS report, Bangladesh Bank can easily observe overall performance of all Scheduled Commercial Bank at Head Office Level and also Branch Level in monthly basis within a very few time. They can easily identify where the dispute occurred or any uncertain matter is occurring.

To become a modern technology based banking organization, Union Bank Limited has developed "ISS Reporting & Validation Tools" with the collaboration of ICT Division and MIS Division. These reporting & validation tools ensures concise, accurate, time saving & minimum human effort to prepare ISS report.

Our MIS division collects information from day to day business and processes the same as per requirement of Bank Management and the Bangladesh Bank. MIS division also coordinates among the concerned stakeholders of the data/information. Apart from this conformity with BB's requirements we upload the Rationalized Input Template (RIT), Department of Bank Inspection (DBI) Template, and any other as and required to the web portal of Bangladesh Bank under Enterprise Data Warehouse (EDW). The main purpose of the MIS is to give managers feedback about their own performance Top Management can easily monitor the company as a whole. Information displayed by the MIS typically shows "Actual" data against "Planned" results and a results from a year before, Thus it measures progress against goals.

At the last of all our MIS division furnishes the data related to internal and Islamic Economic Division (IIED), BRPD and Risk Management monitoring section under the Department of Off-Site Supervision considering various aspects as usual. In a nutshell, MIS reporting system serves as a backbone of a Bank and it helps the Bank organization to stand firm against the other competitors.

BRANCH EXPANSION

All branches of Union Bank Limited up to November 2019

SL.	Branch Name	Opening Date	Urban/Rural
	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
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.	Lalmal 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
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.	Narayanganj Branch	16.11.15	Urban
39.	Miar Bazar Branch	29.11.15	Rural
40.	Bazar Hasnabad Branch	06.12.15	Rural
41.	Nanupur Branch	13.12.15	Rural

SL.	Branch Name	Opening Date	Urban/Rural
42.	Mirpur Branch	17.12.15	Urban
43.	Feni Branch	23.12.15	Urban
44.	Bonpara Branch	26.12.15	Urban
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.	Banskhali Branch	08.12.2016	Rural
57.	Jamuna Future Park Branch	27.12.2016	Urban
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 Br.	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
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
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

৪র্থ প্রজন্মের ব্যাংকসমূহের মধ্যে

শীর্ষে



**৭ বছর সদর্পণে
৮৩ টি শাখা**



প্রতিটি শাখার ঠিকানা জানতে
এখানে স্ক্যান করুন

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 05 (Five) 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 2018, 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 04 (Four) 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 05 (Five) meetings during this year.

SHARI'AH SUPERVISORY COMMITTEE

The Shari'ah Supervisory Committee is comprised of 07 (Seven) members including 02 (Two) members of Board of Directors. 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 wings which are as follows:

- 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 IC&C 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 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, 05 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 2018, IC&C Division conducted Comprehensive Audit in 68 Branches, Special Audit in 13 Branches, Surprise Audit/Inspection in 07 Branches, Online Foreign Exchange Transaction Monitoring System Audit in 06 AD Branches and 04 divisions/departments 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 submit 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

Union Bank Limited has introduced Branches Operation and Control Division to accelerate branches operation, monitor branches' loopholes & control operation; and most importantly, as mediator between branch and Head Office. To fill up the gap between Head Office and branches, Branches Operation and Control Division is working as a bridge or catalyst.

Branches Operation & Control Division (BOCD) is one of the crucial Division of Union Bank Limited to supervise smooth functioning of Banking Operation (especially general banking) and monitor the progress of assigned Annual Business Targets of the branches. It is also assigned to implement business strategies to continue the business growth and market share. It has a set of well-defined terms of reference which are as follows;

- Arrangement of Business/ Managers'/ Video Conference.
- Set Annual Business Targets for Branches, monitoring and follow-up the performance of the branches on monthly, quarterly and half yearly basis.
- General Banking related correspondence with different departments of Bangladesh Bank & Branches, issuance of different circulars in respect of Banking Operation as per direction of Bangladesh Bank and follow-up of implementation/compliance of the instructions contained in the circulars.
- Updating of GB Manual and Circulation of Manual & Guidelines of Bangladesh Bank.
- Fixation or re-fixation and enhancement of Vault limit, cash on counter limit, cash in transit limit & ATM limit & it's insurance coverage.
- Updating the insurance coverage of the rented chambers of locker.

- Surprise visit at branches to ensure/follow-up business performance and the proper customer service.
- Formation of central complaint cell and correspondence and communication regarding customers' queries and customers' complaints at various touch points etc.
- Submission of proposal for payment of branches' deceased accounts and passing approval to the branches for releasing the payment in favor of heirs or nominees duly approved by the Management.
- Issuance of lost instrument circular, submission of proposal to Management and passing approval to the branches for issuing duplicate block.
- Updating Command Area Survey of Branches & implementation thereof to expand Business.
- Inception of knowledge sharing session and collecting Monthly report from branches.
- Fixation of Account Opening Per Employee Per Month Target and monitoring thereof.
- School Banking report to Bangladesh Bank.
- Torn & Dust Note report, Monthly Statement of Reserved Coin report to Bangladesh Bank.
- Creating awareness among customers' by arranging the Fake Note Detection program.
- Review of the internal audit report/special inspection report/Bangladesh Bank inspection report of branches related to General Banking.
- Collection of dormant/freezing of account information, monitoring and on-site supervision.

At last, to continue successive Business growth as well as market position and Brand Value, there is no alternative to successful branch operation. So, Branches Operation and Control Division has been working to improve service quality of the branches, ensure quality customer services and supervise business targets assigned to the branches; and in addition, providing required policy/guideline and support regarding branch operation time to time if required.

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 of the bank 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) Correspondent banking and remittance agency arrangement, b) Nostro Accounts Opening, maintenance and Fund management, c) Acting as a gateway between AD branches and foreign/Local correspondents d) Foreign Trade payment/received settlement. e) Maintain compliance and provide time to time guidance of foreign exchange transactions to AD branches to ensure and minimize

foreign exchange risks. f) Supervision 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) Mitigation of various risks related to foreign exchange issues i) Maintenance and improvement of correspondent relations internationally j) SWIFT support k) Credit line /Confirmation arrangement l) Diversification of foreign exchange business products m) Generating new mechanisms in foreign trade n) Liaison maintenance 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 141 as on 31st December 2018.

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 in 2017 was amounted BDT 15,008.00 million (Eqvt. USD 190.00 million) and the figure stood for the year 2018 is BDT 19,852.00 million (Eqvt. USD 241.00 million) which indicates a 32 percent increase of Import by this one year.

Total export of the bank in 2017 was amounted in BDT 41,317.00 million (Eqvt. USD 523.00 million) and the figure for export in 2018 stood for BDT 45,120.00 million (Eqvt. USD 547.00 million) indicating a 9 percent increase by this one year.

Central Trade Operations Unit (CTOU) : Newly 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. Launching its operational activities on 1st March 2018 CTOU performed Import business amounting BDT 809.50 million (Eqvt. USD79.75 million) and Export business amounting BDT 102.00 million (Eqvt. USD1.16 million) till 31st December 2018.

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.

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) in 2018.

At present UBL is disbursing remittance being affiliated with 10 remittance houses i.e. 1. Western Union Money Services, 2. Xpress Money Services, 3. Trans-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 and 10. Aftab Currency Exchange Ltd, UK.

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*.

MARKETING & DEVELOPMENT DIVISION

The 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 asset for the Bank.

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

Functional Area	Function Details
Fund Procurement	<ul style="list-style-type: none"> • Procurement of Corporate Fund • To assist the branches for the Procurement of fund.

Functional Area	Function Details
Branding	<ul style="list-style-type: none"> • Make Proper arrangement of full fledged branding and other support to head office and 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 issues for branches. • Facilitate pavilion in fairs/exhibition for the bank. • Ensure proper arrangement of the distribution of gift items for valued clients. • Maintain the expenses of branches regarding School Banking fair, Development fair, and any other business development purpose.
Product Development	<ul style="list-style-type: none"> • Introduce new products & services. • Development of existing products under current product line. • Review and analyze product performance of all branches and suggest effective measures. • Analyze Market and Competitors.
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 from Hajj Pilgrims).

From the very beginning of the operation of the bank, Marketing & Development Division is doing well to establish a strong brand in the competitive market. It has completed 35 successful corporate agreements 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, a group term life insurance policy has already been taken to provide the value added service to the savings account holders and deposit scheme holders of the bank.

As the bank is committed to provide quality banking service to its clients, Marketing & Development Division is fully committed to serve its best.

RISK MANAGEMENT

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.

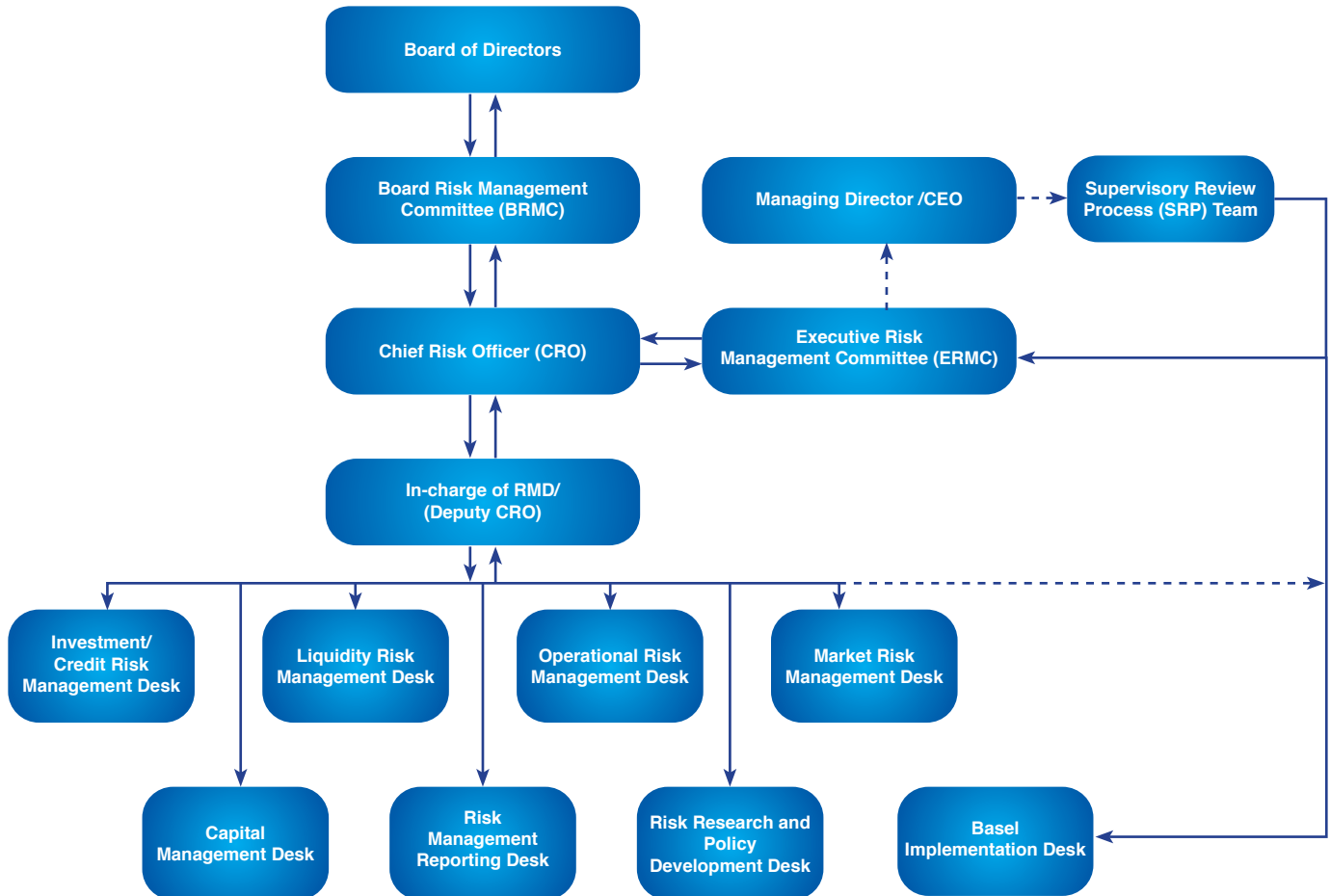
Risk Appetite Statement

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. However, 4 (four) meetings of the board of directors were held related to risk management during the year 2018. Board of Director 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, 5 (five) meetings of the BRMC were held during the year 2018. 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.

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.

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 & 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

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-2018

- Established a prudent risk management framework
- Review the risk management guidelines in line with latest risk management guidelines of BB.
- Established 08 (eight) separate desks and its functions as per latest Risk management Guideline.
- Initiatives to issue Mudaraba Subordinated Bond of Tk. 400 (four hundred) Crore for 7 years' tenure for strengthening capital base of the bank.
- Expediting credit rating process to reduce risk weighted assets and thus improving bank's capital adequacy.
- Introducing risk based investment pricing policy.
- Address key risk areas and action plan for the year 2018 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.
- Adoption of "Employee Turnover Risk" as the bank's other material risk under SRP of Basel-III.
- Streamlining risk management reporting to the Regulator, Management, BRMC & Board.
- Developed a comprehensive "documentation checklist" for investment.
- Review of Asset Liability Risk management Policy and addressed risk associated with management of bank's assets and liabilities, liquidity, ALCO functioning; etc.
- Review of Investment Risk Management Policy.

- Review of Guidelines for Foreign Exchange Risk Management.
- Review of bank's "Valuation Methodology" and Guideline on "Fraud Detection and Management Process".
- 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-2019

- 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 by inclusion of Mudaraba Subordinated Bond of BDT 400 (four hundred) crore to meet the total required capital at 12.50% (Capital Conservation Buffer-CCB at 2.50% along with minimum 10%).
- 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.
- Review of Management Action Trigger (MATs) and Customer Service Assessment Methodology according to the suggestion of BRPD, BB.
- Implementation of Key Risk Indicators (KRIs) for addressing the risks on timely basis.
- Introducing Operational Risk Management (ORM) Module of the bank.
- Updating the required risk management policies and procedures of the bank through Management, BRMC & Board Approval.
- 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 Division 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 Division 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, 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), 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) @9% percent because we believe without the development of half of countries citizen our nations 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 is an act of converting property from the proceeds of an offence into licit property under the form of conversion or transfer the concealment of disguise of its true nature, acquisition, and its possession or utilization, using the banking and financial system, the security trading system, legal companies and other specialized professions. These activities are widespread and have negative effect on the national, regional and the world economics.

Money laundering has a major impact on a country's economy as a whole, impeding the social, economic, political, and cultural development of societies worldwide. Both money laundering and terrorist financing can weaken individual financial institution, and they are also a threat to a country's overall financial sector reputation.

Combating money laundering and terrorist financing is, therefore, a key element in promoting a strong, sound and stable financial sector.

Union Bank Ltd. is vigilant against money laundering and terrorist financing. For successful prevention of these illegal activities, a full-fledged division named Anti-Money Laundering & Combating Financing of Terrorism Division (AML & CFT) has been formed under close supervision of higher authorities. The 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 take 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 are advised to strictly follow the orders and instructions mentioned the circulars and circular letters. For constant vigilance against money laundering, every branch has a “Branch Anti-Money Laundering Compliance Officer (BAMLCO)” and AML & CFT Division initiated periodic branch visit for looking after the activities relating to Anti-Money Laundering & Combating Financing of Terrorism.

Moreover, the bank has also issued yearly statement of commitment of the MD where in every one was cautioned to identify the ‘Beneficial Owner’ KYC and Transaction Profile properly, be careful in ascertaining and recognizing suspicious/unusual transaction, contact point verification and complete record keeping requirements etc. Our bank arranged a program to aware 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) and also advised to finance in Solar Energy, Bio-gas, ETP and Hybrid Hoffman Kiln (HHK) in brick field under refinancing 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 2018, the Bank has extended green finance of 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 responds 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 19 (Nineteen). 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 30.17 million in the year 2018.

UNION BANK TRAINING INSTITUTE

Performance Report

In 2018, Union Bank Training Institute has conducted and facilitated training, workshops, discussion for meeting the banking challenges. This effort will be continued in upcoming days to enrich knowledge, improve skills and build positive attitudes In-Sha-Allah.

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

a) Foundation Training Courses conducted during 2018:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Foundation Training Course (Phase- II)	11.01.18 to 25.01.18	15 Days	29
		25.02.18 to 11.03.18	15 Days	30
		04.10.18 to 18.10.18	15 Days	32
02	Foundation Training Course (Phase- I)	05.04.18 to 19.04.18	15 Days	33
		05.07.18 to 19.07.18	15 Days	33
		02.08.18 to 16.08.18	15 Days	31
Sub Total				188

b) Advanced Training Course conducted during 2018:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Training on "Security Assessment VS Penetration Testing (VAPT)"	26.01.18 to 27.01.18	02 Days	26
02	Computer Lab Based Training on 'General Banking Module'	06.02.18 to 08.02.18	03 Days	13
03	Computer Lab Based Training on 'General Banking Module'	15.05.18 to 17.05.18	03 Days	14
04	Computer lab Based Training on "Investment Module"	04.09.18 to 06.09.18	03 Days	14
05	Computer lab Based Training on "Investment Module"	25.09.18 to 27.09.18	03 Days	14
Sub Total				81

c) Workshops conducted during 2018:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Knowledge Sharing Session(KSS) on "International Trade, Money Laundering and D&B Rating"	14.03.2018	01 Day	15
02	Workshop on Prevention of Money Laundering & Combating Terrorist Financing	29.05.2018	01 Day	32
		19.11.2018	01 Day	33
		06.12.2018	01 Day	21
03	Workshop on "Foreign Trade Operations"	06.10.2018	01 Day	29
Sub Total				130

d) Other Development Training during 2018:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Executive Development Program (EDP) on "Code of Conduct focusing NIS"	14.02.18	01 Day	24
02	EDP on "Risk Management in Banking"	14.02.18	01 Day	24
03	EDP on "National Integrity Strategy highlighting Criteria for Award"	03.11.18	01 Day	25
04	Computer lab Training on "Investment Module" BAMLCO Conference	17.02.18	01 Day	25
		24.02.18	01 Day	24
05	Training on " Fire Fighting, Fire Safety & first Aid"	25.07.18 to 26.07.18	02 Days	35

S.L	Name of the Course	Period	Duration	No. of Participants
06	Computer Lab Based Training on 'Hajj fee Collection System'	17.07.18	01 Day	15
		18.07.18	01 Day	14
		19.07.18	01 Day	14
		22.07.18	01 Day	14
		23.07.18	01 Day	09
		24.07.18	01 Day	11
		29.07.18	01 Day	14
		30.07.18	01 Day	14
		31.07.18	01 Day	12
Sub Total				274
Total (a+b+c+d)				673

DIVIDEND

The Board of Directors has recommended no Dividend for the year ended December 31, 2018.

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 Syful Shamsul Alam & Co., Chartered Accounts appointed by the Board of Directors has completed the last (2018) year as Auditor and not eligible for re-appointment because they have already completed their three (03) years audit tenure. Therefore Board of Directors will appoint a new Auditor till the next AGM.

FUTURE OUTLOOK OF THE BANK

As banking business and industry growth depends on lot of internal and external factors, it is not always possible to predict the growth and way forward upfront. We are expecting that policies taken by Bangladesh Bank to strengthen the quality of the Bank's assets will continue in 2018. To comply with Basel III Requirement, we are taking proper initiatives to strengthen our capital base as per guidelines of Bangladesh Bank. Customer credit rating will be the top priority in case of investment. Non-Profit based income i.e. income from ancillary services will be given due attention to remain stable in terms of income generation and providing continuous value addition for the shareholders. 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 2018. 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



Shahidul Alam
Chairman

REPORT OF THE AUDIT COMMITTEE

For the period from January-2018 to December-2018

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 EXISTING MEMBERS OF THE AUDIT COMMITTEE:

Sl.	Name	Status in the Board	Status in the Audit Committee
1	Showkat Hossain, FCA	Director	Chairman
2	Farzana Begum	Director	Member
3	Mohammad Fazlay Morshed	Director	Member
4	Md. Enayet Ullah, FCA	Independent Director	Member
5	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.
- 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 instruct 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 persons;
- 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 2018 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 2018 are:

Meeting	Date of Meeting Held
22 nd Audit Committee Meeting	27-01-2018
23 rd Audit Committee Meeting	30-04-2018
24 th Audit Committee Meeting	12-09-2018
25 th Audit Committee Meeting	18-10-2018
26 th Audit Committee Meeting	22-11-2018

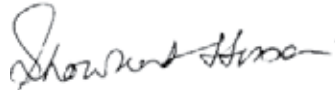
ACTIVITIES IN 2018:

- Reviewed and examined the Annual Financial Statements (Un-audited), 2017 prepared by the Management and recommended those to place before the Board of Directors for consideration.
- Reviewed Internal Audit Plan-2018 prepared by Internal Control & Compliance Division, Head Office and recommended to submit it to the Board of Directors.
- Reviewed summary report on non-complied issues of Compliance report of Branches submitted by Internal Audit from 01-01-2017 to 31-12-2017 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary report of Comprehensive Audit report and Surprise Audit Report and Compliance of both comprehensive and surprise audit report submitted by Internal Audit from 01-01-2017 to 31-12-2017 and recommended to to Bank Management for taking proper initiative to regularize non-complied issues.

- Reviewed and examined the Annual Financial Statements, 2017 prepared by the Management and audited by the external auditors Syful Shamsul Alam & Co., Chartered Accounts and recommended those to place before the Board of Directors for consideration.
- Reviewed summary report on non-complied issues of Compliance report of (57) Branches submitted by Internal Audit from 01-01-2017 to 31-12-2017 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary report on non-complied issues of Compliance report of (17) Branches submitted by Internal Audit from 01-01-2018 to 31-03-2018 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed Half Yearly Audited Financial Report of the Bank as on 30 June, 2018 and recommended to place it to the Board of Directors.
- Reviewed and approved hiring proposal of the external auditor Syful Shamsul Alam & Co., Chartered Accounts to carry out the bank's monitoring activities for issuing Mudarabah Subordinate Bond to raise capital through Bangladesh Bank Basel-III under Tire-2 Capital and recommended to submit it to the Board of Directors.
- Reviewed and Approved "Report of the Audit Committee" to be attached with "Annual Report 2017".
- Reviewed summary report on non-complied issues of Compliance report of (32) Branches submitted by Internal Audit from 01-01-2018 to 30-06-2018 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary report on non-complied issues of Compliance report of (32) Branches submitted by Internal Audit based on 30-09-2018 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed and approved time extension of Syful Shamsul Alam & Co., Chartered Accounts as an external auditor from 5th Annual General Meeting to 6th Annual General Meeting and recommended to submit it to the Board of Directors.
- Reviewed Annual Health Report-2017.
- 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 2017 by MANCOM.

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, ২০১৮ ঈসায়ী তারিখে সমাপ্ত বছরের জন্য)

বিস্মিল্লাহির রাহমানির রাহিম,

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

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 কেরাম 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 ২০১৮ সালে মোট ৪ টি সভায় মিলিত হয়েছে। এ সময় কমিটি ২০১৭ সালের স্থিতিপত্র (ব্যালেন্সশীট) ও লাভ-ক্ষতি হিসাব শারী'আহ-এর আলোকে বিস্তারিত পর্যালোচনা পূর্বক অনুমোদন করেছে। এছাড়া মুদারাবা আমানতকারীদের মধ্যে বিতরণের জন্য মুনাফার হার অনুমোদন, যাকাত তহবিল থেকে ২,০০,০০,০০০/- (দুই কোটি) টাকা এবং ব্যাংকের বিনিয়োগ হতে উদ্ধৃত কমপেনসেশন (ক্ষতিপূরণ) আদায় হতে অর্জিত অর্থ ৯,৪০,০০,০০০/- (এক কোটি চল্লিশ লক্ষ) টাকা ইউনিয়ন ব্যাংক ফাউন্ডেশনে স্থানান্তর 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 সার্বক্ষণিক সুপারভিশন ও প্রয়োজনীয় পরামর্শ এবং দিকনির্দেশনা দিয়ে যাচ্ছে।

পরিশেষে মহান আল্লাহ রাব্বুল আলামীনের দরবারে প্রার্থনা, ইসলামী ব্যাংকিং কার্যক্রমে এবং আমাদের জীবনের প্রতিটি ক্ষেত্রে যথাযথ ভাবে শারী'আহ পরিপালনের তাওফিক দান করুন, 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 31st December, 2018)

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 Shari'ah based Islami 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 2018, Shari'ah Supervisory Committee has conducted 4 (four) meetings. In these meetings the Committee approved the Balance Sheet and Profit and Loss accounts for the financial year 2017 after thorough discussion. The Committee has also approved profit rate for distributing to Mudarabah depositors, transferred Tk. 2,00,00,000/- (Two Crore) from Zakat fund and Tk. 1,40,00,000/- (One Crore Forty Lac) from compensation which has been realized from the investment of the Bank to Union Bank Foundation.

Muraqibs of Shari'ah Supervisory Committee Secretariat have been conducting Shariah inspection rigorously to ensure that each and every transaction of the bank conforms to the Shari'ah principles.

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 tawfiq 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

An abstract graphic design featuring a solid green background. A large, vibrant red arrow points diagonally upwards from the bottom left towards the top right. This red arrow is surrounded by a dense field of smaller, semi-transparent yellow and light green arrows, all pointing in various upward and rightward directions. The overall composition is dynamic and suggests growth or progress.

MEMORIES
in FRAME



5th Annual General Meeting of Union Bank Ltd.



Annual Business Conference 2018



Half Yearly Business Conference-2018



Review of 3rd Quarter Business Performance-2018



Opening ceremony of Islampur Branch, Dhaka.



Opening ceremony of Dinajpur Branch, Dinajpur.



Opening ceremony of Kushtia Branch, Kushtia.



Opening ceremony of Bhulta Branch, Narayanganj.



Opening ceremony of Jubilee Road Branch, Chattogram.



Opening ceremony of Moulvibazar Branch, Moulvibazar.



Opening ceremony of Hemayetpur Branch, Savar, Dhaka.



Opening ceremony of Raozan Branch, Chattogram.



Opening ceremony of Zorargonj Branch, Chattogram.



Celebration of 6th Anniversary of Union Bank Limited.

UNION BANK TRAINING INSTITUTE -2018



Hon'able Additional Managing Director is addressing at the Closing Ceremony of Foundation Training Course (Phase-I)



Hon'able Additional Managing Director is seen at the Closing Ceremony of Foundation Training Course.



Hon'able Managing Director & Deputy Managing Director are seen at the Closing Ceremony of Foundation Training Course (Phase-II)



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



Participants with the Chief Guest & Special Guest are seen at the Closing Ceremony of Foundation Training Course.



Participants of Foundation Training Course with Chief Guest & Special Guests are seen at Inaugural Ceremony of Foundation Training Course.

AGRO PROJECT FINANCED BY UNION BANK LIMITED.



SME PROJECT FINANCED BY UNION BANK LIMITED.



CSR ACTIVITIES OF UNION BANK LIMITED-2018

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' and 'Aila'. 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 underprivileged 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 undertake 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 2018 we have spent an amount of TK. 15,54,80,870.00 (Taka Fifteen Crore Fifty Four Lac Eighty Thousand Eight Hundred Seventy) only in different sectors. CSR expenditure on different sectors is given below :

Description	Amount in TK.
Education	2,91,95,000.00
Health	46,05,270.00
Disaster Management	7,24,00,000.00
Cultural Welfare	1,02,00,000.00
Others	3,90,80,600.00
Total Amount	15,54,80,870.00



Mr. Shahidul Alam, Chairman of Union Bank Limited handing over a Cheque to Honorable Prime Minister Sheikh Hasina for Prime Minister's Relief and Welfare Fund as a part of CSR activities. Mr. Omar Farooque, Managing Director of Union Bank Limited was also present in the program.



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. A. B. M. Mokammel Hoque Chowdhury, Additional Managing Director of Union Bank Limited handing over a Cheque to Patron, Proyash Dilshad Nahar Aziz as donation to PROYASH Donation Fund at PROYASH Hall, Dhaka Cantonment, Dhaka as a part of CSR activities.



**Disclosures on
Risk Based Capital
(BASEL III)
for the year ended 31 December 2018**



Disclosures on Risk Based Capital (BASEL III)

for the year ended 31 December 2018

BACKGROUND:

These disclosures have been made in accordance with the Bangladesh Bank circular no. 18 dated 21st December 2014 as guideline on “Risk Based Capital Adequacy 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 subsidiaries companies engaged in financial (excluding insurance) activities like merchant banks, brokerage firms, discount houses etc. [If any].

OBJECTIVE:

The objectives 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 2018.

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)	<p>The name of the top corporate entity in the group to which this guidelines applies.</p> <p>Union Bank Limited</p>
b)	<p>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> <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. Presently the Bank has 77 (Seventy-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)	<p>Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.</p> <p>No major impediments found.</p>
Quantitative Disclosure	
d)	<p>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.</p> <p>Not Applicable</p>

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> <p>1) Tier 1 Capital (going-concern capital)</p> <p style="margin-left: 20px;">a) Common Equity Tier 1</p> <p style="margin-left: 20px;">b) Additional Tier 1</p> <p>2) Tier 2 Capital (gone-concern capital)</p> <p>Common Equity Tier 1 (CET-1) Capital:</p> <p style="margin-left: 20px;">a) Paid up share capital,</p> <p style="margin-left: 20px;">b) Non-repayable share premium account,</p> <p style="margin-left: 20px;">c) Statutory Reserve,</p> <p style="margin-left: 20px;">d) General Reserve,</p> <p style="margin-left: 20px;">e) Dividend equalization reserve,</p> <p style="margin-left: 20px;">f) Retained earnings</p> <p style="margin-left: 20px;">g) Minority interest in subsidiaries.</p> <p>Additional Tier 1 (AT 1) Capital:</p> <p style="margin-left: 20px;">a) Instruments issued by the banks that meet the qualifying criteria for AT1;</p> <p style="margin-left: 20px;">b) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only);</p> <p>Tier-2 Capital:</p> <p style="margin-left: 20px;">a) General Provisions;</p> <p style="margin-left: 20px;">b) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital;</p> <p style="margin-left: 20px;">c) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties.</p>

Quantitative Disclosure: As On 31.12.2018			
b)	The amount of regulatory capital, with separate disclosure of:	Fig. in Crore	
		Solo	Consolidated
	CET-1 Capital:		
	I. Paid up capital	527.30	-
	II. Non repayable share premium account	0	-
	III. Statutory reserve	122.76	-
	IV. General reserve	14.57	-
	V. Retained earnings	120.99	-
	VI. Dividend equalization reserve	0	-
	VIII. Minority interest in subsidiaries	0	-
	Sub-Total:	785.62	-
c)	Regulatory Adjustment:	-	
	Additional Tier 1 Capital:	0	
	Total Tier-1 Capital:	785.62	
	The total amount of Tier 2 Capital (General Provision)	137.19	-
d)	Regulatory Adjustments/Deductions from capital	0	-
e)	Total eligible capital	922.81	-

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.	<ul style="list-style-type: none"> ➤ 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 maintain the CRAR of 10.24% for the year ended December 2018 where the minimum requirement CRAR is 10% excluding Capital Conservation Buffer 1.875%. Apart from that necessary initiatives are taken for maintaining Capital Conservation Buffer (CCB) at 2.50% by the end of 31 December 2019. ➤ Union bank is maintaining Capital to Risk Weighted Assets Ratio (CRAR) at 10.24% on SOLO basis against the regulatory minimum level of 11.875%. Tier-I capital adequacy ratio under "Solo" basis is 8.71% against the minimum regulatory requirement of 6%.

Quantitative Disclosure			
	Particulars	Fig. in Crore	
		Solo	Consolidated
b)	Capital requirement for credit risk	840.38	-
c)	Capital requirement for market risk	1.91	-
d)	Capital requirement for operational risk	59.17	-
e)	Total and Tier 1 capital ratio:	-	-
	• For the consolidated group; and	-	-
	Total Risk Weighted Assets (RWA)	9014.54	-
	Minimum capital requirement	901.45	-
	Total and Tier-1 Capital Ratio:		-
	☐ Total CRAR	10.24%	-
	☐ Tier-1 Capital to RWA	8.71%	-
f)	Capital Conservation Buffer	As per BB guidelines on risk based capital adequacy, bank must require to maintain additional Capital Conservation Buffer 0.625% each year. So, for this year regulatory standard is 11.875%. Subsequently it will increase by 0.625% up to the end of 2019.	
g)	Available Capital under Pillar 2 Requirement	Yet to be calculated. Work under progress and the statement of ICAAP under SRP for the year 2018 will be submitted by 31 May 2019 as per BB guideline.	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 Bangladesh Bank guidelines, any Investment if not repaid within the fixed expiry date will be treated as Past Due/Overdue.</p> <ul style="list-style-type: none"> ▪ 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. ▪ 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. ▪ 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 from the following day of the expiry date. ▪ The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date. <p>The investments are classified as follows:</p> <ul style="list-style-type: none"> ➤ Continuous & Demand Investments are classified as: <ul style="list-style-type: none"> ▪ Sub-standard - if past due for 3 months or more, but less than 6 months; ▪ Doubtful - if past due for 6 months or more, but less than 9 months; ▪ Bad/Loss - if past due for 9 months or more. ➤ Fixed Term Investments amounting up to 10 lacs are classified as: <ul style="list-style-type: none"> ▪ Sub-standard - if the amount of past due installment is equal to or more than the amount of installment (s) due within 6 (Six) months; ▪ Doubtful - if the amount of past due installment is equal to or more than the amount of installment (s) due within 9 (Nine) months; ▪ Bad/Loss - if the amount of past due installment is equal to or more than the amount of installment (s) due within 12 (Twelve) months. ➤ Fixed Term Investments for more than 10 lacs are classified as: <ul style="list-style-type: none"> ▪ Sub-standard - if the amount of past due installment is equal to or more than the amount of installment (s) due within 3 (Three) months; ▪ Doubtful - if the amount of past due installment is equal to or more than the amount of installment (s) due within 6 (Six) months; ▪ Bad/Loss - if the amount of past due installment is equal to or more than the amount of installment (s) due within 9 (Nine) months. ➤ Short-term Agricultural and Micro Credit are classified as: <ul style="list-style-type: none"> ▪ 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>A continuous credit, 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>

ii) Description of approaches followed for specific and general allowance and statistical methods:

Type of Facility	Investment s Classification					
	Sub Standard		Doubtful		Bad & Loss	
	Overdue	Provision	Overdue	Provision	Overdue	Provision
	Period	(%)	Period	(%)	Period	(%)
Continuous Investment	≥3 & < 6 months	20%	≥6 & < 9 months	50%	≥9 months	100%
Demand Investment	≥3 & < 6 months	20%	≥6 & < 9 months	50%	≥ 9 months	100%
Fixed Term Investment more than Tk. 10 lac	≥3 & < 6 months	20%	≥6 & < 9 months	50%	≥ 9 months	100%
Fixed Term Investment up to Tk. 10 lac	≥6 & < 9 months	20%	≥9 & < 12 months	50%	≥ 12 months	100%
Short Term Agricultural & Micro Credit	≥12 & < 36 months	5.0%	≥36 & < 60 months	5.0%	≥ 60 months	100%

General provision on: (For both Standard and Special mention account)	Rate
All Unclassified Investments of Small and Medium Enterprise (SME)	0.25%
All Other Unclassified Investments (Other than investments under Consumer Financing, SME Financing, Housing Finance, Investment to professional to set up business, Investment to Brokerage Houses, Merchant Banks, Stock Dealers etc.,)	1%
Unclassified Consumer Financing (Other than Housing Finance and Investment for Professionals to set up business)	5%
Unclassified Investment for Professionals to set up business under Consumer Financing Scheme.	2%
Unclassified Investment to Housing Finance under consumer financing	1%
Unclassified Credit Card investment under consumer finance	2%
Unclassified Investment to Brokerage House, Merchant Banks, Stock dealers, etc.	2%
Off-Balance Sheet Exposure (excluding bills for collection) as per BB circular	1%
Short-term Agricultural and Micro-Credits:	
All unclassified credits (irregular & regular)	1%
Classified as "Sub-Standard" & "Doubtful"	5%
Classified as "Bad/Loss"	100%
Specific provision on:	
Substandard Investment s and advances	20%
Doubtful Investment s and advances	50%
Bad/loss Investment s and advances	100%

iii)	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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B) Quantitative Disclosure:

Total gross credit risk exposures broken down by major types of credit exposure: Bangladesh Bank guidelines on Basel III, stipulated to segregate bank's asset portfolio into different categories, and the below table shows our gross exposure in each asset category;

Sl. No.	Particulars	Exposure Fig. in crore)
a.	Cash	131.94
b.	Claims on Bangladesh Government and Bangladesh Bank	1125.75
c.	Claims on Banks & NBFIs	
	i) Original maturity over 3 months	1782.14
	ii) Original maturity up to 3 months	771.75
d.	Claims on Corporate:	
	Different Risk Weights	4694.66
	Unrated	945.98
e.	Claims on SME:	
	Different Risk Weights	952.30
	Unrated (small enterprise & <BDT 3.00m)	55.25
	Unrated (small enterprise having ≥ BDT 3.00m & Medium Enterprise)	54.69
f.	Claims under Credit Risk Mitigation [From Work Sheet 1(a) of revised RBCA Guidelines]:	
	i) Bank & NBFIs	0.15
	ii) Corporate	2251.08
	iii) Retail & Small	71.36
	iv) SME	101.67
	v) Consumer finance	412.11
	vi) Residential property	1.03
	vii) Commercial Real Estate	0.00
g.	Claims categorized as retail portfolio (excluding SME, Consumer Finance and Staff Investment) up to 1 crore	0.00
h.	Consumer finance	2.62
i.	Claims fully secured by residential property	26.73
j.	Claims fully secured by commercial real estate	370.03
k.	Past due claims that is due for 60 days or more:	
	Where specific provision are less than 20% of the outstanding amount of the past due claim	167.19
	Where specific provision are no less than 20% of the outstanding amount of the past due claim	30.28
	Where specific provision are more than 50% of the outstanding amount of the past due claim	1.54
	Capital market Exposure	6.84
	Investment in equity and other regulatory capital instruments issued by other banks and Merchant Banks/Brokerage Houses/Exchange Houses which are not listed in the Stock Exchanges (other than those deducted from capital) held in banking book	27.00
k.	Investments in premises, plant and equipment and all other fixed assets	112.27
l.	All other assets	
	i) Staff Investment /investment	43.76
	ii) Other assets (not specified above) [Net of specific provision, if any]	682.88

Quantitative Disclosure				
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	6,192.00
		2	Chittagong	5,740.58
		3	Rajshahi	19.73
		4	Sylhet	7.61
		5	Khulna	6.89
		6	Rangpur	17.25
		7	Barisal	5.06
8	Mymensingh	4.32		
	Total	11,993.44		
d)	Industry or counterparty type distribution of exposures, broken down by major types of investment exposure	Sl.	Industry-wise Investments	BDT in crore
		Exposure		
		1)	Agriculture	83.18
		2)	RMG	176.66
		3)	Textile	673.36
		4)	Ship Building	13.60
		5)	Ship Breaking	0.00
		6)	Other Manufacturing Industry	520.44
		7)	SME Investment	284.38
		8)	Construction	289.25
		9)	Power, Gas	126.23
		10)	Transport, Storage and Communication	18.43
		11)	Trade Service	8,820.67
		12)	Commercial real estate	374.21
		13)	Residential real estate	24.83
		14)	Consumer Credit	97.03
		15)	Capital Market	89.28
		16)	Non-bank financial institutions	0.15
17)	Others	401.74		
	Total	11,993.44		
e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of investment (credit) exposure.	SL. No.	Particulars	Exposure (BDT in crore)
		1	Payable on Demand	1052.30
		2	Up to Three months	3361.96
		3	Three months to One year	6548.38
		4	One year to Five years	746.23
		5	Above five years	284.57
			Total	11,993.44

f)		By major industry or counterparty type:																		
	i) Amount of impaired investment (Investment s) and if available, past due investment/Investment s, provided separately;	<p>The amount of classified investment of the bank is as under: (BDT in crore)</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Particulars</th> <th>Amt.</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>SS</td> <td>43.20</td> </tr> <tr> <td>2.</td> <td>DF</td> <td>6.38</td> </tr> <tr> <td>3.</td> <td>B/L</td> <td>66.89</td> </tr> <tr> <td>Total</td> <td></td> <td>116.48</td> </tr> </tbody> </table>	Sl. No.	Particulars	Amt.	1.	SS	43.20	2.	DF	6.38	3.	B/L	66.89	Total		116.48			
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	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.</p> <table border="1"> <thead> <tr> <th colspan="2">Particulars</th> <th>(Fig. in Crore)</th> </tr> <tr> <th>Provision maintained against requirement of provision:</th> <th colspan="2">Provision as on 31.12.2018</th> </tr> </thead> <tbody> <tr> <td>Unclassified Investments</td> <td colspan="2">127.49</td> </tr> <tr> <td>Classified Investment</td> <td colspan="2">53.00</td> </tr> <tr> <td>Off-balance sheet</td> <td colspan="2">9.70</td> </tr> <tr> <td>Total</td> <td colspan="2">190.19</td> </tr> </tbody> </table>	Particulars		(Fig. in Crore)	Provision maintained against requirement of provision:	Provision as on 31.12.2018		Unclassified Investments	127.49		Classified Investment	53.00		Off-balance sheet	9.70		Total	190.19	
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E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Qualitative Disclosures:	
a)	The general qualitative disclosures requirement with respect to equity risk, including
	<p>Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;</p> <p>Investment in equity securities are broadly categorized into two parts:</p> <p>i) Quoted Securities (common or preference share & mutual fund) that are traded in the secondary market;</p> <p>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.</p>
	<p>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> <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>

B) Quantitative Disclosures:

Bdt In Crore

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.	At Cost	At Market Value
		4.35	3.50
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting (31 December 2018) period.	-	
d)	Total unrealized gains (losses)	(0.85)	
	• 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)	<p>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.</p> <p>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.</p>																																																										
b)	<p>Quantitative Disclosure:</p> <p>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)</p> <p style="text-align: right;">BDT in crore</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>1 month</th> <th>3 months</th> <th>6 months</th> <th>1 year</th> <th>Above 1 year</th> </tr> </thead> <tbody> <tr> <td>Rate Sensitive Asset</td> <td>1255.96</td> <td>4317.51</td> <td>2782.14</td> <td>4173.20</td> <td>767.96</td> </tr> <tr> <td>Rate Sensitive liabilities</td> <td>841.42</td> <td>4326.31</td> <td>1707.32</td> <td>2560.98</td> <td>2983.46</td> </tr> <tr> <td>Net gap</td> <td>414.55</td> <td>(8.80)</td> <td>1074.82</td> <td>1612.23</td> <td>2215.50</td> </tr> <tr> <td>Cumulative gap</td> <td>414.55</td> <td>405.75</td> <td>1480.57</td> <td>3092.79</td> <td>877.29</td> </tr> </tbody> </table> <p style="text-align: right;">BDT in crore</p> <table border="1"> <thead> <tr> <th>Profit Rate Stress</th> <th>Minor</th> <th>Moderate</th> <th>Major</th> </tr> </thead> <tbody> <tr> <td>Assumed change in Profit Rate</td> <td>1%</td> <td>2%</td> <td>3%</td> </tr> <tr> <td colspan="4" style="text-align: center;">Net investment income impact</td> </tr> <tr> <td><12 months</td> <td>(0.31)</td> <td>(0.63)</td> <td>(0.94)</td> </tr> <tr> <td>Capital after-shock</td> <td>939.50</td> <td>939.18</td> <td>938.87</td> </tr> <tr> <td>CRAR after-shock (%)</td> <td>10.42</td> <td>10.42</td> <td>10.42</td> </tr> <tr> <td>Change in CRAR after-shock (%)</td> <td>0.00</td> <td>(0.01)</td> <td>(0.01)</td> </tr> </tbody> </table>	Particulars	1 month	3 months	6 months	1 year	Above 1 year	Rate Sensitive Asset	1255.96	4317.51	2782.14	4173.20	767.96	Rate Sensitive liabilities	841.42	4326.31	1707.32	2560.98	2983.46	Net gap	414.55	(8.80)	1074.82	1612.23	2215.50	Cumulative gap	414.55	405.75	1480.57	3092.79	877.29	Profit Rate Stress	Minor	Moderate	Major	Assumed change in Profit Rate	1%	2%	3%	Net investment income impact				<12 months	(0.31)	(0.63)	(0.94)	Capital after-shock	939.50	939.18	938.87	CRAR after-shock (%)	10.42	10.42	10.42	Change in CRAR after-shock (%)	0.00	(0.01)	(0.01)
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G. MARKET RISK:

a. 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>														
b)	Quantitative disclosure															
	The capital requirements for:	<table border="1"> <thead> <tr> <th data-bbox="634 699 1060 737">Solo</th> <th data-bbox="1060 699 1429 737">Consolidated</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="634 737 1429 777" style="text-align: center;">Fig. in Crore</td> </tr> <tr> <td data-bbox="634 777 1060 816">Profit rate risk</td> <td data-bbox="1060 777 1429 816" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="634 816 1060 856">Equity position risk</td> <td data-bbox="1060 816 1429 856" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="634 856 1060 896">Foreign exchange risk</td> <td data-bbox="1060 856 1429 896" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="634 896 1060 936">Commodity risk</td> <td data-bbox="1060 896 1429 936" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="634 936 1060 968">Total Capital Requirement</td> <td data-bbox="1060 936 1429 968" style="text-align: center;">-</td> </tr> </tbody> </table>	Solo	Consolidated	Fig. in Crore		Profit rate risk	-	Equity position risk	-	Foreign exchange risk	-	Commodity risk	-	Total Capital Requirement	-
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	Particulars															

H. OPERATIONAL RISK

a) Qualitative Disclosures:	
i)	<p>Operational Risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of a bank, including fraud, failure of management.</p> <ol style="list-style-type: none"> 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; Approve the implementation of a bank-wide framework to explicitly manage operational risk as a distinct risk to the bank's safety and soundness; Provide senior management clear guidance and direction regarding the principles underlying the framework and approve the corresponding policies developed by senior management; Establish a management structure capable of implementing the bank's operational risk management framework specifying clear lines of management responsibility, accountability and reporting; and 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.
ii)	<p>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.</p>
iii)	<p>The potential external events that may pose the bank in to operational risks are as follows.</p> <ol style="list-style-type: none"> 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. Taxation Risk: Sudden changes in tax laws and regulation that hamper the profitability of a bank. Legal Risk: Legal risk is the risk of the Bank's losses in cases of: <ol 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. Damage of physical asset: Loss or damage to physical assets from natural disaster or other events. Example includes terrorism, vandalism, earthquakes, fires, floods etc. Business disruption and system failures: Disruption of business or system failures. Examples include telecommunication problems, utility outages etc. 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.
iv)	<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.

v)	<p>The capital charge for operational risk is a fixed percentage, denoted by α (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 Indicate or Approach GI = only positive annual gross income over the previous three years(i.e., negative or zero gross income if any shall be excluded) α=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. 		
b)	46.63		
Capital Charge for Operational Risk-Basic Indicator Approach			
Year	Gross Income(GI)	Average Gross Income(AGI)	Capital Charge=15%of AGI
2016	318.60	394.46	59.17
2017	407.62		
2018	457.16		

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> <ul 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> <ul 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;
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BDT in Crore/Percentage

B) Quantitative Disclosure

Components	Amount
Liquidity Coverage Ratio (LCR)	56.85%
Net Stable Funding Ratio (NSFR)	115.07%
Stocks of high quality liquid assets	1249.37
Total net cash outflows over the next 30 calendar days	2197.66
Available amount of stable funding	9826.54
Required amount of stable funding	8539.40

J. LEVERAGE RATIO:

a) 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	
B) 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	5.22%
Tier 1 Capital	785.62
On balance sheet exposure	14828.20
Off balance sheet exposure	209.47
Total exposure	15037.67

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>	<p>Union Bank's remuneration policies are in place to provide assurance that remuneration decisions:</p> <ul style="list-style-type: none"> • 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. <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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:</p> <ul style="list-style-type: none"> • Managing Director. • Additional Managing Director. • Deputy Managing Director. • Board Secretary. • Head of HRD. • Risk & Compliance Manager. <p>The Bank has 02 (Two) group of material Risk Takers at present i.e., Senior Management and Branch Managers. The total no. of Senior Management is 16 and the total no. of Branch Managers is 77.</p>
b)	<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.

c)	<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>
d)	<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: 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. 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: 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)
a) 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>	Not Applicable
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 68 employees have received a variable remuneration award during the year 2018.</p> <p>Total no. & amount of 1454 guaranteed bonuses awarded during the year 2018.</p> <p>There were no sign-on awards made during the financial year.</p> <p>There was no severance payment made during the year 2018.</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>	There was no outstanding deferred remuneration, split into cash, shares, share-linked Instruments and other forms.
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
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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 Ltd. ("the Bank"), which comprise the balance sheet as at 31 December 2018 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 financial position of the Bank as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with international Financial Reporting Standards (IFRSs) as explained in note 2.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code & 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 maintenance of the required books of accounts & records and preparation & fair presentation of the Bank's financial statements 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 Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instance 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 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 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 transaction and events in a manner that achieves fair presentation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act 1994, the Securities and Exchanger Rules 1987, the Bank Company Act 1991 (as amended in 2013 & 2018) and the rules and regulations issued by Bangladesh Bank, we also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Bank as disclosed in notes 2.11.5 and 2.11.7 to the financial statements appeared to be with immaterial control deficiencies as identified in the Management Report;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- iii. in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from Branches not visited by us;
- 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 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 Union Bank Ltd. held on 27 .03.2019;
- vi. provisions as explained in note 11.2.1, 11.2.1 and 11.2.3 have been made for the investments and off-balance sheet items which are in our opinion, doubtful of recovery;
- vii. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- viii. the information and explanations required by us have been received and found satisfactory;
- ix. we have reviewed over 80% of the risk weighted assets of the Bank and spent around 3,632 person hours for the audit of the books and accounts of the Bank; and
- x. Capital to Risk-weighted Asset Ratio (CRAR) has been maintained during the year as explained in note 12.4.

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2018

Particulars	Notes	December 2018 Taka	December 2017 Taka
PROPERTY AND ASSETS			
Cash	3	7,724,798,234	11,257,005,478
In hand (Including foreign currency)	3.1	1,319,429,525	801,321,303
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	6,405,368,709	10,455,684,175
Balance with other Banks and Financial Institutions	4.1	195,754,444	244,582,063
In Bangladesh		143,623,615	38,074,756
Outside Bangladesh		52,130,829	206,507,307
Placement with banks & Other Financial Institutions	4.2	7,663,887,421	9,263,887,421
Investments in Shares & Securities	5	5,113,459,441	4,984,525,024
Government		4,800,000,000	4,650,000,000
		313,459,441	334,525,024
Investments	6	119,934,385,113	100,753,547,130
General Investments etc.	6.A	100,053,401,658	84,268,614,957
Bills Purchased and Discounted	6.B	19,880,983,455	16,484,932,173
Fixed Assets Including Premises, Furniture and Fixtures	7	1,122,688,777	849,999,808
Other Assets	8	6,828,791,770	4,324,019,497
Non Banking Assets		-	-
Total Assets		148,583,765,200	131,677,566,421
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9	8,257,531,702	5,141,390,322
Deposits and Other Accounts	10	124,898,503,882	114,049,889,571
Mudaraba Savings Deposits	10.1	4,177,209,904	2,876,904,725
Mudaraba Term Deposits	10.2	81,458,894,473	80,432,924,516
Other Mudaraba Term Deposits	10.3	21,094,533,811	16,035,274,892
Al-Wadia Current Accounts and Other Accounts	10.4	17,464,009,063	14,185,117,907
Bills Payable	10.5	703,856,631	519,667,531
Other Liabilities	11	7,615,264,040	5,611,985,916
Deferred Tax Liabilities/(Assets)	11.a	(43,689,446)	(28,199,024)
Total Liabilities		140,727,610,178	124,775,066,785
Capital/Shareholders' Equity			
Paid-up Capital	12	5,272,960,000	5,272,960,000
Statutory Reserve	13	1,227,575,435	876,837,431
Other Reserve	14	145,749,665	145,749,665
Retained Earnings	15	1,209,869,922	606,952,540
Total Shareholders' Equity		7,856,155,022	6,902,499,636
Total Liabilities and Shareholders' equity		148,583,765,200	131,677,566,421

UNION BANK LIMITED
BALANCE SHEET
 As at 31 December 2018

Particulars	Notes	December 2018 Taka	December 2017 Taka
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		5,868,736,973	3,079,016,917
Letter of Guarantees	16	605,602,026	315,956,779
Irrecoverable Letters of Credit	17	2,117,730,306	2,465,280,671
Bills for Collection	18	1,247,212,368	1,532,780,000
Other Contingent Liabilities		-	-
Total		9,839,281,673	7,393,034,367
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		9,839,281,673	7,393,034,367

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



Managing Director


Director


Director


Chairman

See annexed auditor's report of even date


Syful Shamsul Alam & Co.
Chartered Accountants

UNION BANK LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2018

Particulars	Notes	December 2018 Taka	December 2017 Taka
Investments Income	19	13,550,870,061	10,587,605,824
Profit Paid on Deposits	20	(9,583,740,019)	(6,905,419,048)
Net Investment Income		3,967,130,042	3,682,186,776
Income from Investment in Shares and Securities	21	137,873,199	61,680,973
Commission, Exchange and Brokerage	22	254,839,009	233,620,013
Other Operating Income	23	79,729,133	33,587,630
		472,441,341	328,888,616
Total Operating Income		4,439,571,383	4,011,075,392
Operating Expenses			
Salary and Allowances	24	1,118,798,277	849,834,207
Rent, Taxes, Insurances, Electricity etc.	25	335,738,366	303,826,381
Legal Expenses	26	735,948	1,010,223
Postage, Stamps, Telecommunication etc.	27	21,961,232	18,699,907
Stationery, Printings, Advertisements etc.	28	47,395,168	42,946,375
Chief Executives Salary and Fees	29	10,115,000	8,013,979
Auditors' Fees		690,000	345,000
Directors' Fees & Expenses	30	2,691,400	2,037,500
Shariah Supervisory Committee's Fees & Expenses	31	234,800	188,398
Depreciation and Repair of Bank's Assets	32	228,256,863	179,296,411
Zakat Expenses		26,500,000	20,000,000
Other Expenses	33	316,904,967	312,107,628
Total Operating Expenses		2,110,022,021	1,738,306,009
Profit/(Loss) before Provision and tax		2,329,549,362	2,272,769,383
Provisions for Classified Investments	11.2.a	346,800,000	157,000,000
Provisions for Unclassified Investments	11.2.a	199,000,000	360,900,000
Provisions for Off Balance Sheet items	11.2.a	22,000,000	5,000,000
Other Provisions	11.2.4	2,059,339	1,500,000
Provisions for diminution in value of investment in share	11.5	6,000,000	2,500,000
Total Provisions		575,859,339	526,900,000
Total Profit/(Loss) before Tax		1,753,690,023	1,745,869,383
Provision for Income Tax			
Current Tax	11.1	815,525,058	860,812,162
Diferred Tax Income	11.a	(15,490,422)	(5,024,979)
		800,034,636	855,787,183
Net Profit/(Loss) after Tax		953,655,387	890,082,200
Retained Earnings from Previous Year		606,952,540	66,044,217
Add: Net Profit/(Loss) after Tax		953,655,387	890,082,200
Profit available for Appropriation		1,560,607,927	956,126,417
Appropriations:			
Statutory Reserve		350,738,005	349,173,877
General Reserve		-	-
Dividend		-	-
Retained earnings		1,209,869,923	606,952,540
		1,560,607,927	956,126,417
Earnings Per Share (EPS)	34	1.81	1.69

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
28 March 2019


Syful Shamsul Alam & Co.
Chartered Accountants

UNION BANK LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
A. Cash Flow from Operating Activities			
Investments income receipts		13,222,782,940	10,639,984,913
Profit paid on deposit		(9,118,796,036)	(6,336,096,383)
Fee and Commission receipts		254,839,009	233,620,013
Dividend receipts		135,000	275,644
Payments to employees		(1,085,758,737)	(821,735,711)
Payments to suppliers		(47,395,168)	(42,946,375)
Income tax paid		(935,901,748)	(859,144,306)
Receipts from other operating activities	35	79,729,133	33,587,630
Payments for other operating activities	36	(760,587,039)	(702,737,048)
Operating Profit before changes in Operating Assets & Liabilities		1,609,047,354	2,144,808,377
Changes in Operating Assets & Liabilities			
(Increase)/ Decrease Investments to Customers		(19,180,837,983)	(33,603,356,380)
(Increase)/ Decrease of Other Assets	37	(1,115,885,000)	(854,516,530)
Increase/ (Decrease) Deposits from Customers		10,848,614,311	39,799,330,535
Increase/ (Decrease) of Other Liabilities	38	116,634,998	87,121,758
Cash Flow from Operating Assets and Liabilities		(9,331,473,674)	5,428,579,383
Net Cash Flow from Operating Activities		(7,722,426,320)	7,573,387,760
B. Cash Flow from Investing Activities			
Payments to Investment in Shares and Securities		(128,934,417)	(1,116,045,810)
Purchases of Property, Plant and Equipment		(445,815,506)	(155,352,102)
Net Cash Used in Investing Activities		(574,749,923)	(1,271,397,912)
C. Cash Flow from Financing Activities			
Increase/(Decrease) in Share Capital		-	-
Increase/(Decrease) in Other reserve		-	-
Increase/(Decrease) in Placement from Banks & other Financial Institutions		3,116,141,380	5,000,670,679
Net Cash Flow from Financing Activities		3,116,141,380	5,000,670,679
D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)		(5,181,034,863)	11,302,660,527
E. Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents		-	-
F. Beginning Cash & Cash Equivalents		20,765,474,962	9,462,814,435
G. Ending Cash & Cash Equivalents (D+E+F)		15,584,440,099	20,765,474,962
In hand (Including foreign currency)	3.1	1,319,429,525	801,321,303
Balance with Bangladesh Bank and its agent bank(s)	3.2	6,405,368,709	10,455,684,175
Balance with other Banks and Financial Institutions	4.1	195,754,444	244,582,063
Placement with banks & Other Financial Institutions	4.2	7,663,887,421	9,263,887,421
		15,584,440,099	20,765,474,962

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



Managing Director


Director


Director


Chairman

See annexed auditor's report of even date


Syful Shamsul Alam & Co.
Chartered Accountants

UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

Particulars	Paid-up Capital		Statutory Reserve		Other Reserve		Retained Earnings		Total	
	Taka		Taka		Taka		Taka		Taka	
Balance as on 01 January 2018	5,272,960,000		876,837,431		145,749,665		606,952,540		6,902,499,636	
Changes in Accounting Policy	-		-		-		-		-	
Restated Balance	5,272,960,000		876,837,431		145,749,665		606,952,540		6,902,499,636	
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	-		-		-		953,655,387		953,655,387	
Dividends	-		-		-		-		-	
Stock	-		-		-		-		-	
Cash	-		-		-		-		-	
Transfer to Statutory Reserve	-		350,738,005		-		(350,738,005)		-	
Transfer to Retained Earnings	-		-		-		-		-	
Issue of Share Capital during the year	-		-		-		-		-	
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	
Balance as on 31 December 2017	5,272,960,000		876,837,431		145,749,665		606,952,540		6,902,499,636	


O. Faroque
 Managing Director


 Director


 Director


 Chairman

See annexed auditor's report of even date

Dhaka
28 March 2019

UNION BANK LIMITED
LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)

As at 31 December 2018

Particulars	Up to 01	01-03	03-12	01-05	More than	Total
	Month	Months	Months	Years	05 years	
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash	2,590,198,234	-	-	-	5,134,600,000	7,724,798,234
Balance with banks & Other Financial Institutions	195,754,444	-	-	-	-	195,754,444
Placement with banks & Other Financial Institutions	-	3,273,887,421	4,300,000,000	90,000,000	-	7,663,887,421
Investments in Shares and Securities	350,000,000	1,830,000,000	2,663,459,441	270,000,000	-	5,113,459,441
Investments	10,523,000,000	33,619,600,000	65,483,800,613	7,462,300,000	2,845,684,500	119,934,385,113
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	657,603,412	465,085,365	1,122,688,777
Other Assets	472,000,000	645,100,000	2,763,100,000	2,948,591,770	-	6,828,791,770
Non-banking Assets	-	-	-	-	-	-
Total Assets	14,130,952,678	39,368,587,421	75,210,360,054	11,428,495,182	8,445,369,865	148,583,765,200
Liabilities						
Placement from Banks & Other Financial Institutions	1,279,000,000	6,978,531,702	-	-	-	8,257,531,702
Deposits and Other Accounts	8,625,303,882	43,544,600,000	42,894,100,000	24,114,500,000	5,720,000,000	124,898,503,882
Other Liabilities	119,200,000	141,850,904	5,956,800,000	1,353,723,690	-	7,571,574,594
Total Liabilities	10,023,503,882	50,664,982,606	48,850,900,000	25,468,223,690	5,720,000,000	140,727,610,178
Net Liquidity Gap	4,107,448,796	(11,296,395,185)	26,359,460,054	(14,039,728,508)	2,725,369,865	7,856,155,022


O. Hanique
 Managing Director


 Director


 Chairman

See annexed auditor's report of even date

Dhaka
28 March 2019

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 77 (seventy seven) branches operating as per Islamic Shariah prevailing in the country. The Bank has no overseas branches as at 31 December 2018.

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 POLICES AND BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Statements of Compliance

The financial statements of the Bank are made up to 31 December 2018 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 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**

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**

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**

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

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

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

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)

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

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

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

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. Off-balance sheet items

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.

xiii. Investments net of provision

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.

xiv. Revenue

As per IAS 18 “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 28 March 2019.

2.1.3 Changes in accounting standards

No new International Financial Reporting Standards (IFRSs) have been adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRSs) during the year that are effective for the first time for the financial year 2018 that have a significant impact on the Bank Company and accordingly no new accounting standards have been applied in preparing these financial statements.

2.1.4 Prior period adjustments

Prior period adjustments, if any, is recognized respectively as per IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

2.2 Basis of Preparation of Financial Statements

The Financial Statements of Union Bank Limited (UBL) represent Balance Sheet and Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity and Liquidity Statement which comprise of the financial information/ transaction of all branches. All significant inter-branches transactions are eliminated on preparation of these financial statements.

2.3 Use of estimates and Judgements

In the preparation of the financial statements management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

2.4 Going concern

When preparing financial statements, management makes an assessment of the Bank’s ability to continue as a going concern. The Bank prepares financial statements on a going concern basis.

2.5 Accruals and Deferrals

Accruals and deferrals have been made as per the guidance of IAS # 1: Presentation of Financial Statements. In order to meet their objectives, financial statements except for Cash Flow Statement and related information are prepared on accrual basis of accounting. Under this basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in accounts and reported in the financial statements of the year to which they relate.

2.6 Revenue Recognition

The revenues during the year are recognized on an accrual basis, which comply with the conditions of revenue recognition as provided in IAS # 18: Revenue.

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 IAS-18 “Revenue” 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 2018 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 2018 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 2018 have been shown in the Balance Sheet under Off-Balance Sheet items.

Exchange rates with major foreign currencies as on 31 December 2018 were as:

Currency Name	Exchange Rate (Taka)
US \$	83.9500
Euro	100.3325
Yen	0.7915
ACU	83.9500
GBP	108.7139
CHF	87.5411
SGD	62.4818
AUD	60.4939
CAD	62.5014

2.7.4 Translation gains and losses

As per provision of IAS # 21: The Effects of Changes in Foreign Exchange Rates, foreign currency transactions are translated into Taka at rates prevailing on the dates of such transactions. The resulting exchange transaction gains and losses arising through foreign currency buying and selling transactions effected on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account

2.8 Assets and their basis of valuation

2.8.1 Cash and Cash Equivalents

As per provision of IAS # 7 Cash Flow Statements of Banks and Similar Financial Institutions for the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including: cash and balances with central banks, treasury bills, and other eligible bills, amounts due from other banks and dealing securities other than those which are not available to finance the UBL day to day operations.

2.8.2 Investments

- a) Investments are stated in the balance Sheet at the net amount excluding unearned income and profit receivable.
- b) Provision for Investments Impairment:
 As per instructions contained in Bangladesh Bank 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 16, dated December 06, 1998, BRPD circular no 09, dated May 2001, BRPD circular no 05, dated June 05, 2006, BRPD circular no 14, dated September 23, 2012, BRPD circular no 19, dated December 27, 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 and BRPD circular no. 15, dated September 20, 2017 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. 16, 09, 08, 05, 14, 19, 05, 16, 08, 12, 15, 07 and 13 dated December 06, 1998, May 14, 2001, October 2005, June 05, 2006, September 23, 2012, December 27, 2012, May 29, 2013, November 18, 2014, August 02, 2015, August 20, 2017, September 27, 2017, June 21, 2018 and October 18, 2018 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. 02, Dated 13 January 2003. A separate Investment Monitoring and Recovery Division (IMRD) has been set up at the Head Office, which monitors investment Written-off and legal action through the Money Court. The process of Write-offs does not undermine or affect the amount claimed against the borrower by the Bank.

2.8.3 Investment in shares and securities

Investment in shares and securities (other than government treasury securities) are initially measured at fair value (which is actually the cost) and subsequently accounted for depending on their classification as either held to maturity, fair value through profit or loss, or available for sale.

Investment in Bangladesh Government Islamic Investment Bond (BGIIB) is measured both initially and subsequently at cost, which is also the fair value.

2.8.3.1 Valuation Method

Considerable value of Investments has been considered as follows:

Particulars	Valuation Method
Bangladesh Government Islamic Investment Bonds	Cost Price
Shares	Cost Price

2.8.4 Off setting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.8.5 Property, Plant and Equipment

All property and equipment are classified and grouped on the basis of their nature as required in as per provision of IAS # 16: Property, Plant and Equipment.

The major categories of property and equipment held by the bank are furniture and fixtures, office equipment's, motor vehicles and books.

As guided in paragraph 30 of IAS # 16 Property Plant and Equipment: all property and equipment are stated at historical cost less accumulated depreciation. The opening and closing carrying amounts of all property and equipment are presented including the amount of additions, disposals and depreciation charged during the year as required IAS # 16. Maintenance expenses that does not increase the value of assets is charged to profit & loss account.

Depreciation on Property, Plant and Equipment

As required in paragraph 43 of IAS # 16 Property Plant and Equipment depreciation has been charged on property and equipment at the following rates using reducing balance method, except on office equipment, motor vehicles on which straight-line method is applied.

Nature of Assets	Rate	Method of Depreciation
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 2018 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.

2.10.5 Functional and Presentation Currency

The financial statements are presented in Bangladesh Taka (BDT).

2.12 Risk Management

In the ordinary course of business, the bank is exposed to a variety of risks the most important of which are investments risk, liquidity risk, market risk, operational risk, legal risk, and profit rate risk. These risks should be identified, measured and monitored through various control mechanisms across the bank in order to ensure risk-adjusted business constantly and to prevent undesirable events in day to day business operations. The policies and procedures for managing these risks are outlined in the notes below. The Bank has designed and implemented a framework of controls to identify, monitor and manage these risks, which are as follows:

2.12.1 Investments Risk

Investments risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of investments risk arises when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. 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 Executive Risk management committee (ERMC) in its monthly meeting as well as Board Risk management committee (BRMC) in its quarterly meetings.

2.12.2 Foreign Exchange Risk

Since Foreign Exchange Risk involves purchase and sale of any national currency against other national currency, thus Foreign Exchange Risk is the chance of loss due to unexpected movement of market price of the currencies of different countries or the price of the assets denominated by foreign currencies. The Foreign Exchange Risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions. Treasury Division independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market-to-Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement.

2.12.3 Asset Liability Management Risk

Asset Liability Management is the key success of any financial intermediary especially for Banks. 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 risk 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. Asset Liability Committee (ALCO) reviews Liquidity requirement of the bank, the maturity of assets and liabilities, deposits and investments pricing strategy and the Liquidity contingency plan. The primary objective of the Asset Liability Committee (ALCO) is to monitor and avert significant volatility in Net Investments Income (NII), investment value and exchange earnings for the purpose of taking future action plan for better interest of the organization.

2.12.4 Prevention of Money Laundering and Terrorist Financing Risk

Money Laundering is the criminal practice of filtering ill-gotten gains or dirty money through a series of transaction so as to give the money a clean look that it appears to have originated from legal activities. It is a process of filtering money obtained through predicate offence such as corruption, fraud, drug trafficking etc. through the financial system. Money Laundering now a days is one of the greatest challenges that the Governments, Banks and Financial Institutions face in the globalize financial system.

Union Bank Limited identified the money laundering as one of its core risk areas and has been making all out efforts to prevent money laundering. For mitigating the risk, the bank has a designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) at Central Compliance Unit under Anti-Money Laundering Division, Head Office, who has sufficient authority to implement and enforce corporate wide AML policy, procedure & measure and who is reporting directly to the Senior Management and the Board of Directors. Moreover, every branch of our bank has a designated Branch Anti-Money Laundering Compliance Officer (BAMLCO) under Branch Anti-Money Laundering Compliance Unit, who independently reviews the transaction of accounts, with verification of Know Your Customer (KYC) and Suspicious Transaction Report (STR). They are also sending Cash Transaction Report (CTR) to the Central Compliance Unit, Head Office on monthly basis by using FIU Reporting System Software provided by Bangladesh Bank and finally we send the same to Anti-Money Laundering Department of Bangladesh Bank. The Central Compliance Unit has also arranged Training/Workshop for developing awareness and skill regarding AML activities of Executives and Officers of the bank and conducting inspection regarding AML activities of our branch. Bank has established a Manual for Prevention of Money Laundering and issues circulars time to time giving specific guidelines in accordance with Bangladesh Bank guidelines, regulations, Anti-Money Laundering Act, 2012 & Anti Terrorism Act, 2012. All the guidelines and circulars issued by Bangladesh Bank from time to time are being strictly complied with by Central Compliance Unit and branches of the Bank.

2.11.5 Internal Control and Compliance Risk

Internal Control & Compliance is considered as an eye of an organization. It is a mirror of operations and keeps record of the same. The primary objectives of internal control system are to help the bank to perform in a better height through the use of its resources & under the guidance of Internal Control system; bank identifies its weakness and takes appropriate measures to overcome the same. 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

Operational loss arises for the cause of errors and fraud due to lack of internal control and compliance. Internal Control & Compliance Division undertakes periodical and special audit & inspection of its branches and departments/divisions of Head Office for reviewing its operation and compliance of the statutory requirement. The Audit Committee of the Board of Directors 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

Banks are increasingly using sophisticated digital technology for banking activities with a view to achieving more customer satisfaction with less cost. In addition, it increases the efficiency of the banking and payment system, benefiting consumers and merchants leading to bring additional risks. These risks must be balanced against benefits i.e. must be controlled. Under this advanced and highly technical ICT environment banks must ensure that critical systems are not threatened by the risk exposures the banks take. For this purpose, a risk management process consisting of assessing risks, controlling risk exposure, 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.

In this context bank is implementing a core banking software (Ababil) ensuring adequate security. To protect sensitive information of core banking software and other software in the event of any disaster, the bank implementing a disaster recovery site. 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.

The Bank has developed fault tolerance plan of human resources with detail job description for each IT personnel, segregation of duties of IT tasks and system support in respect of severity. Training is a key component of ICT Risk Management. The Bank has been continuously conducting training sessions on sensitive IT tasks (i.e. operational procedure, Business Continuity Planning, Disaster Recovery Planning etc.) for relevant employees. The Bank management has been putting continuous efforts to improve IT Operation Management, Problem Management, Change Management, Asset Management and Request Management to maintain maximum uptime of automated banking business. The Bank has been maintaining adequate physical security inside its workplace to properly protect ICT resources. 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 Head Office divisions to ensure proper implementation of the ICT policies.

2.12.7 Internal audit

Internal Audit is used as an important element to ensure good governance of UBL. Internal Audit activity of UBL 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 2018, Audit Division of Internal Control & Compliance Wing conducted inspection on most of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance.

2.12.8 Fraud and forgeries

Fraud means wrongful or criminal deception intended to result in financial or personal gain. It will never be possible to eliminate all frauds and no system is completely fraud proof, since many fraudsters are able to bypass control systems put in place. UBL continuously pays attention to implement and improve the anti-fraud internal controls for prevention of fraud and forgery. UBL assesses /evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterly basis as per the items/ areas mentioned in the prescribed checklist of Bangladesh Bank. During the year 2018, no incident of fraud have been detected by the Bank.

2.13 Risk Based Capital Adequacy

Basel Accord is a set of agreements set by the Basel Committee on Bank Supervision (BCBS), which provides recommendations on banking regulations in regards to credit risk, market risk and operational risk. The purpose of the accord is to ensure that financial institutions have enough capital on account to meet obligations and absorb unexpected losses. As such, Basel-III has been introduced for improving the banking sector's ability to absorb shocks arising from financial and economic stress, reducing the risk of spill over from the financial sector to the real economy and improving risk management and governance as well as strengthening banks transparency and disclosures. The ultimate objectives of Basel-III are to strengthen the capital framework, enhance risk coverage, supplement the risk-based capital requirement with a leverage ratio, reduce pro-cyclicality and promote counter cyclical buffers, address systemic risk through introducing a global liquidity standard. For implementation of Basel-III in Bangladesh, a roadmap has been released by Bangladesh Bank vide BRPD Circular # 18, dated 21 December 2014. Under the Basel-III framework, banks have to maintain additional Capital Conservation Buffer (CCB) at 0.625 % per year from 2016 to 2019 where aggregated CCB will be 2.50% at the end of 2019 and at that stage total Capital to Risk Weighted Asset Ratio (CRAR) will be at 12.50%. Apart, as a part of liquidity coverage, banks need to implement Liquidity Coverage Ratio (LCR) at $\geq 100\%$, Net Stable Funding Ratio (NSFR) $> 100\%$ and Leverage Ratio at minimum 3% simultaneously. Details Calculation of Risk Based Capital Adequacy is shown in note 12.4

2.14 Stress Testing

Stress testing is one of the sophisticated risk management techniques that has been used to determine the reactions of different financial institution under a set of exceptional, but plausible assumptions through a series of test. At institutional level, stress testing techniques provide a way to quantify the impact of change in a number of risk factors on the assets and liabilities portfolio of the institution. Presently stress testing is being done by considering five different risk factors namely Profit rate, sale value of collateral, non-performing loans, stock price and foreign exchange rate.

UBL supplements their analysis of risk with stress testing. They perform stress tests because value-at-risk calculations are based on relatively recent historical data and only purport to estimate risk up to a defined confidence level. Therefore, they only reflect possible losses under relatively normal market conditions.

2.15 Reporting Period

The accounting year is 01 January to 31 December. The reporting year of 2018 is from 01 January 2018 to 31 December 2018.

2.16 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) VAT Act, 1991
- g) Standards issued by AAOIFI
- h) The Stamp Act-1899
- i) The Customs Act-1969
- j) The Money Laundering Prevention Act, 2012
- k) The Anti-Terrorism (Amendment) Act, 2012 etc.

2.17 Compliance with Financial Reporting Standards as applicable in Bangladesh subject to departure described in note-2.1, where we have followed Bangladesh Bank guideline:

SI. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Not Applicable
12	13	Fair Value Measurement	Complied

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Not Applicable
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Separate Financial Statements	Not Applicable
18	28	Investments in Associates and Joint Ventures	Not Applicable
19	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
20	31	Interest in Joint Ventures	Not Applicable
21	32	Financial Instruments: Presentation	Complied
22	33	Earnings per Share	Complied
23	34	Interim Financial Reporting *	Complied
24	36	Impairment of Assets	Complied
25	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
26	38	Intangible Assets	Complied
27	39	Financial Instruments: Recognition and Measurement	Complied
28	40	Investment Property	Not Applicable
29	41	Agriculture	Not Applicable

(*) Complied while the quarterly and half-yearly interim financial reports were prepared during the year.

2.18 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.

		31.12.2018 Taka	31.12.2017 Taka
3	CASH		
3.1	Cash in Hand		
	In Local Currency	1,317,296,155	798,366,575
	In Foreign Currencies	2,133,370	2,954,728
		1,319,429,525	801,321,303
3.2	Balance with Bangladesh Bank and its Agent Bank		
	In Local Currency	6,298,032,266	10,394,563,486
	In Foreign Currencies	107,336,443	61,120,689
		6,405,368,709	10,455,684,175
		7,724,798,234	11,257,005,478
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	5,134,551,462	5,786,839,980
	Actual Reserve maintained	6,266,961,887	10,370,618,850
	Surplus/(Short)	1,132,410,425	4,583,778,870
3.5	Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:		
	Required Reserve	5,134,551,462	4,896,556,906
	Actual Reserve held	7,294,883,235	10,059,770,031
	Surplus/(Short)	2,160,331,773	5,163,213,125
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.	13,320	20,085
	Others Accounts:		
	Mudaraba Short Notice Deposits		
	First Security Islami Bank Ltd.	67,927,289	30,356,856
	Prime Bank Ltd.	20,052	20,627
	NRB Global Bank Ltd.	2,549,425	-
	AB Bank Ltd.	70,000,000	-
	Trust Bank Ltd.	3,015,097	605,811
	Islami Bank Bangladesh Ltd.	98,432	7,071,377
		143,610,295	38,054,671
		143,623,615	38,074,756

B. Outside Bangladesh

Particular	Currency	Amount	Rate	31.12.2018 Taka	31.12.2017 Taka
Current Account					
Banco De Sabadell S.A., Spain	EURO	65,078.79	100.3325	6,529,518	-
Sonali Bank (UK) Limited, UK	GBP	-	-	-	158,375
Sonali Bank (UK) Limited, UK	USD	50,000.00	83.9500	4,197,500	-
Sonali Bank (UK) Limited, UK	ACU	-	83.9500	-	1,346,244
Habib American Bank, New York, USA	USD	414,664.34	83.9500	34,811,071	84,312,832
Kookmin Bank, Korea	USD	54,271.87	83.9500	4,556,123	120,140,378
Axis Bank Limited, Kolkata	ACU	4,625.59	83.9500	388,318	-
Meezan Bank Limited, Karachi	ACU	5,368.25	83.9500	450,665	-
AB Bank Ltd., Mumbai, India	ACU	4,787.01	83.9500	401,869	479,365
United Bank of India, Kolkata, India	ACU	5,369.43	83.9500	450,764	14,151
Sonali Bank Limited, Kolkata	ACU	3,375.34	83.9500	283,360	-
Mizuho Bank Ltd. Tokyo, Japan	JPY	-	-	-	55,212
National Bank of Pakistan, Tokyo, Japan	JPY	77,878.00	0.7915	61,640	750
				52,130,829	206,507,307
Total (A+B)				195,754,444	244,582,063

	31.12.2018 Taka	31.12.2017 Taka
4.1.1 Maturity-wise Grouping (Inside and Outside Bangladesh)		
Payable on Demand	195,754,444	244,582,063
Up to Three Months	-	-
Three Months to One Year	-	-
One Year to Five Years	-	-
Above Five Years	-	-
	195,754,444	244,582,063
4.2 Placement with banks & Other Financial Institutions		
Reliance Finance Limited	3,273,887,421	3,273,887,421
Phoenix Finance and Investments Ltd.	90,000,000	90,000,000
Union Capital Ltd.	1,100,000,000	1,100,000,000
Industrial and Infrastructure Development Finance Company Ltd.	-	1,100,000,000
International Leasing and Financial Services Ltd.	1,100,000,000	1,100,000,000
Islamic Finance and Investment Ltd.	1,100,000,000	1,100,000,000
First Finance Ltd.	1,000,000,000	1,000,000,000
FAS Finance and Investment Ltd.	-	500,000,000
	7,663,887,421	9,263,887,421
4.2.1 Maturity-wise Grouping (Placement with banks & other FI)		
Payable on Demand	-	-
Up to Three Months	3,273,887,421	3,273,887,421
Three Months to One Year	4,300,000,000	5,900,000,000
One Year to Five Years	90,000,000	90,000,000
Above Five Years	-	-
	7,663,887,421	9,263,887,421

	31.12.2018 Taka	31.12.2017 Taka
5 INVESTMENTS IN SHARES AND SECURITIES		
Government Securities		
Bangladesh Govt. Islamic Investment Bonds	4,800,000,000	4,650,000,000
Others		
Subordinated Bond	270,000,000	300,000,000
Quoted Shares (Note - 5.1)	43,459,441	34,525,024
	313,459,441	334,525,024
	5,113,459,441	4,984,525,024
5.1 Quoted Shares		
Name of Companies	Acquisition cost	Acquisition cost
CVO Petrochemical Refinery Limited	-	229,493
Bengal Windsor Thermoplastics Ltd.	5,838,069	-
Doreen Power Generations and Systems Limited	-	1,932,780
Bangladesh Submarine Cable Company Ltd.	1,221,032	-
Bashundhara Paper Mills Ltd.	5,285,540	-
Nahee Aluminum Composite Panel Ltd.	-	973,091
Lafarge Surma Cement Ltd.	-	3,478,860
Bangladesh Thai Aluminium	-	5,883,741
IDLC Finance Ltd.	8,705,220	-
IPDC Finance Ltd.	4,463,952	-
Miracle Industries Ltd.	8,205,877	-
Navana CNG Ltd.	1,729,693	-
National Polymer	-	5,169,075
Nurani Dyeing & Sweater Ltd.	-	8,212,720
Ratanpur Steel Re-Rolling Mills Ltd.	-	4,812,955
SAIF Powertec Ltd.	2,754,694	-
National Tubes Ltd.	-	2,947,307
Tallu Spinning Mills Ltd.	2,488,526	885,002
Western Marine Shipyard Ltd.	616,195	-
Zaheen Spinning Ltd.	2,150,643	-
	43,459,441	34,525,024
5.2 Market Value of Quoted Shares	35,020,563	32,224,500
5.3 Maturity Grouping of Investments in Shares and Securities		
On Demand	-	-
One Month to three Months	2,180,000,000	2,100,000,000
Three Months to One Year	2,663,459,441	2,584,525,024
One Year to Five Years	270,000,000	300,000,000
More than Five Years	-	-
	5,113,459,441	4,984,525,024

	31.12.2018 Taka	31.12.2017 Taka
6 INVESTMENTS (All Inside Bangladesh)		
General Investments etc. (Note-6.A)	100,053,401,658	84,268,614,957
Bills Purchased and Discounted (Note - 6.B)	19,880,983,455	16,484,932,173
	119,934,385,113	100,753,547,130
6.A General Investment etc.		
Inside Bangladesh		
Bai Murabaha (Hypo)	537,128,006	1,458,439,749
Bai Murabaha against MTDR	28,450,913,530	32,217,421,289
Bai Murabaha TR (Non INST)	53,903,624,566	36,255,863,099
Bai Murabaha TR (INST)	1,682,856,513	-
Bai Murabaha (Post Import) TR	2,368,999,398	2,708,144,656
Bai Murabaha (TR) SME	2,832,098,043	2,656,133,996
Bai Murabaha Agriculture	695,718,016	582,532,633
Bai Murabaha (TR) Agriculture	134,282,930	156,191,993
Bai Murabaha (TR) Women Entrepreneur	12,044,095	15,119,812
Bai Murabaha General	1,153,452,333	3,089,266,914
Bai Muazzal Real Estate (Short Term)	732,864,486	638,721,944
Bai Muazzal (Guarantee)	4,251,451	516,234
HPSM (Real Estate)	1,944,218,402	971,235,717
HPSM (Transport)	230,713,774	53,025,005
HPSM (SME)	502,286	-
HPSM House Building Staff	345,684,500	225,531,375
HPSM Rural Housing	2,148,837	2,284,755
HPSM House Building General	207,441,320	169,770,763
HPSM Industrial Term	815,181,642	661,759,892
HPSM Machinery	2,546,636,639	2,100,820,939
HPSM Machinery Women Entrepreneur	1,421,806	1,419,306
Car Leasing Scheme Staff	59,638,656	67,018,506
Murabaha EDF Investment	1,255,717,488	125,050,562
Bai Istisna	93,555,604	69,690,718
HPSM Consumer Durables (Scheme)	42,307,337	42,655,100
	100,053,401,658	84,268,614,957
Outside Bangladesh	-	-
	100,053,401,658	84,268,614,957
6.B Bills Purchased and Discounted		
Payable in Bangladesh	19,880,983,455	16,484,932,173
Payable outside Bangladesh	-	-
	19,880,983,455	16,484,932,173
	119,934,385,113	100,753,547,130
6.1 Maturity Grouping of Investments		
Payable on Demand	10,523,000,000	12,073,500,000
Up to Three Months	33,619,600,000	28,879,600,000
Three Months to One Year	65,483,800,613	53,456,500,000
One Year to Five Years	7,462,300,000	3,417,147,130
Above Five Years	2,845,684,500	2,926,800,000
	119,934,385,113	100,753,547,130

		31.12.2018 Taka	31.12.2017 Taka
6.2	Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted		
	Investments to Directors of other Banks	6,599,175,588	7,741,531,571
	Investments to Chief Executive and Other high Officials	-	-
	Investments to Customers Group	87,774,576,922	73,569,907,712
	Investments to Industry	25,121,883,108	19,117,228,605
	Investment to staff	438,749,495	324,879,242
		119,934,385,113	100,753,547,130
6.3	Investments to Customers amounting to 10% or more of UBL's Total Regulatory Capital		
	Number of Clients	23	24
	Amount of Outstanding Investments:		
	Funded	11,614,200,000	8,117,500,000
	Non-funded	1,555,900,000	1,666,600,000
		13,170,100,000	9,784,100,000
6.4	Sector wise Investments		
	Agriculture	831,801,620	743,666,265
	Ready Made Garments (RMG)	1,766,576,605	1,236,095,987
	Textile	6,733,555,113	5,178,305,666
	Ship Building	136,016,664	125,795,109
	Ship Breaking	-	-
	Other Manufacturing industry	1,888,683,613	1,536,282,512
	SME Investment	2,844,265,557	2,667,731,475
	Construction	2,785,211	2,656,358
	Power, Gas	1,262,328,316	1,300,439,453
	Transport, Storage and Communication	184,258,225	9,456,410
	Trade Service	88,206,664,285	75,663,051,075
	Commercial real estate financing	4,186,881,130	3,257,764,461
	Residential real estate financing	248,327,268	190,761,012
	Consumer Investment	970,314,626	676,985,513
	Capital market	892,842,996	1,401,854,179
	Non Banking Financial Institutions (NBFI)	-	-
	Others	9,779,083,884	6,762,701,655
		119,934,385,113	100,753,547,130
6.5	Geographical Location-wise Investments		
	Urban		
	Dhaka	61,512,269,511	51,377,837,064
	Chattogram	43,640,951,301	36,164,969,204
	Barishal	50,620,523	37,901,572
	Rajshahi	181,066,591	191,204,261
	Khulna	68,937,384	72,847,158
	Rangpur	9,725,831	1,006,310
	Sylhet	38,889,762	72,692,241
	Mymensingh	43,167,774	38,111,770
		105,545,628,677	87,956,569,580

	31.12.2018 Taka	31.12.2017 Taka
Rural		
Dhaka	407,722,341	539,039,086
Chattogram	13,764,829,982	12,065,877,439
Barishal	-	-
Rajshahi	16,254,131	12,335,778
Khulna	-	-
Rangpur	162,748,510	121,072,041
Sylhet	37,201,472	58,653,206
Mymensingh	-	-
	14,388,756,436	12,796,977,550
	119,934,385,113	100,753,547,130
6.6 Classification of Investments as per Bangladesh Bank (BRPD) Circular		
Unclassified		
Standard	117,633,908,413	97,877,876,402
Special Mention Account	1,135,693,027	2,303,598,390
	118,769,601,440	100,181,474,792
Classified:		
Sub-standard	432,029,023	55,983,114
Doubtful	63,823,722	83,408,010
Bad & Loss	668,930,930	432,681,214
	1,164,783,674	572,072,338
	119,934,385,113	100,753,547,130
6.7 Particulars of Required Provision for Investments and Off Balance sheet Items		
Classification status		
Unclassified (a)		
Standard	1,163,169,460	997,845,210
Special Mention Account	11,369,540	21,984,496
	1,174,539,000	1,019,829,706
Classified (b)		
Sub - Standard	15,937,954	9,210,617
Doubtful	5,877,679	16,056,810
Bad and Loss	503,645,367	158,327,705
	525,461,000	183,595,132
Off Balance Sheet Items (c)	96,000,000	73,930,344
	1,796,000,000	1,277,355,182
Required Provision for Investments (a+b+c)	1,796,000,000	1,277,355,182
Total Provision Maintained	1,901,919,545	1,350,900,000
Provision Excess/ (Shortfall)	105,919,545	73,544,818

* Details of provision is shown in note 2.8.2

		31.12.2018 Taka	31.12.2017 Taka
6.8	Particulars of Investments		
i)	Investments considered good in respect of which the Bank Company is fully secured	68,584,300,000	52,336,109,102
ii)	Investments considered good for which the bank holds no Security other than the debtors personal security	51,350,085,113	48,417,438,028
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	119,934,385,113	100,753,547,130
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	592,711,337	524,421,264
a.	Movement of classified Investments		
	Opening balance	572,072,338	47,651,074
	Increase/ (Decrease) during the year	592,711,337	524,421,264
		1,164,783,675	572,072,338
b.	Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet	503,645,367	158,327,705
c.	Profit credited to the profit/Rent/Compensation Suspense Account	132,069,802	65,129,264
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.	-	-

	31.12.2018 Taka	31.12.2017 Taka
6.9 Security against Investments including bills purchased & discounted:		
Collateral of movable/immovable assets	68,584,300,000	52,336,109,102
Local banks & financial institutions guarantee	-	-
Government Guarantee	-	-
Foreign Banks guarantee	-	-
Export documents	18,987,123,102	14,741,720,881
Fixed deposits receipts:	-	-
Own MTDR	28,450,913,529	32,217,421,334
MTDR of other Banks	-	-
Government Bonds	-	-
Personal guarantee	-	-
Other security	3,912,048,482	1,458,295,813
Unsecured	-	-
	119,934,385,113	100,753,547,130
6.10 Maturity Grouping of Bills Purchased and Discount		
Payable within one month	1,000,783,455	1,992,432,173
Over one month but less than three months	2,490,400,000	3,633,000,000
Over three months but less than six months	16,389,800,000	10,859,500,000
Six Months and Above	-	-
	19,880,983,455	16,484,932,173
7 FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES AT COST LESS ACCUMULATED DEPRECIATION (ANNEXURE-A)		
Furniture & Fixtures	781,344,464	692,595,059
Office Equipment	814,988,443	457,965,043
Vehicles	101,456,719	101,456,719
Books	254,304	211,603
	1,698,043,930	1,252,228,424
Less: Accumulated Depreciation	575,355,153	402,228,616
	1,122,688,777	849,999,808
8 OTHER ASSETS		
Inter - branch Transaction Account (Note - 8.a)	389,599,438	129,964,639
Accrued Income on MTDR	534,906,142	81,920,617
Advances, Deposits and Prepayment (Note - 8.1)	3,130,565,482	2,365,237,554
Advance Income Tax	2,546,910,291	1,611,008,543
Stock of Stationery	8,457,934	9,373,993
Suspense Account (Note - 8.2)	216,790,009	125,330,086
Stamps on Hand	1,562,474	1,184,065
	6,828,791,770	4,324,019,497
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. However, the status of non respondent entries on 31.12.2018 have been reconciled on 27.03.2019.	

	31.12.2018 Taka	31.12.2017 Taka
8.1 Advance, Deposits and Prepayment		
Advance against Rent - Office	312,076,192	312,365,990
Prepayment	2,818,489,290	2,052,871,564
	3,130,565,482	2,365,237,554
8.2 Suspense Account		
Sundry Debtors	216,790,009	104,440,085
Advance against TA/DA	-	50,300
Advance against New Branch	-	20,839,701
	216,790,009	125,330,086
9 PLACEMENT FROM BANK AND OTHER FINANCIAL INSTITUTIONS		
Inside Bangladesh		
Bangladesh Bank (Refinance Scheme)	6,410,000	16,665,586
Bangladesh Govt. Islami Investment Bond Funds	7,000,000,000	5,000,000,000
Bangladesh Bank Export Development Fund (EDF)	1,251,121,702	124,724,736
	8,257,531,702	5,141,390,322
Outside Bangladesh	-	-
	8,257,531,702	5,141,390,322
A. Security- wise grouping		
Secured Placement	-	-
Unsecured Placement	8,257,531,702	5,141,390,322
	8,257,531,702	5,141,390,322
B. Repayment Nature wise Grouping		
Repayable on demand	-	-
Others	8,257,531,702	5,141,390,322
	8,257,531,702	5,141,390,322
C. Maturity Analysis		
Repayable on Demand	-	-
Repayable within One Month	1,279,000,000	5,000,000,000
One Month to Six Months	6,978,531,702	141,390,322
Six Month to One Year	-	-
One Year to Five Years	-	-
Five Years to Ten Years	-	-
Unclaimed Deposits Ten Years and Over	-	-
	8,257,531,702	5,141,390,322
10 DEPOSITS AND OTHER ACCOUNTS		
Mudaraba Savings Deposits (Note-10.1)	4,177,209,904	2,876,904,725
Mudaraba Term Deposits (Note-10.2)	81,458,894,473	80,432,924,516
Other Mudaraba Term Deposits (Note-10.3)	21,094,533,811	16,035,274,892
Al-Wadia Current Accounts and Other Accounts (Note-10.4)	17,464,009,063	14,185,117,907
Bills Payable (Note-10.5)	703,856,631	519,667,531
	124,898,503,882	114,049,889,571

	31.12.2018 Taka	31.12.2017 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	375,948,891	258,921,425
91% of total Mudaraba Savings Deposits	3,801,261,013	2,617,983,300
	4,177,209,904	2,876,904,725
10.2 Mudaraba Term Deposits- Maturity wise Grouping		
Payable on Demand	1,128,342,893	86,470,973
Up to Three Months	39,132,918,697	41,019,529,008
From Three Months to Six Months	22,051,288,798	16,880,015,347
Above Six Months to One Year	17,602,509,737	20,925,671,324
Above One Year to Two Years	1,532,531,459	1,513,104,650
Above Two Years	11,302,889	8,133,214
	81,458,894,473	80,432,924,516
10.3 Other Mudaraba term Deposits		
Mudaraba Monthly Savings Scheme	2,991,947,972	1,767,279,339
Mudaraba Double Benefit Deposits Scheme	7,603,036,073	6,801,759,131
Mudaraba Monthly Profit Scheme	9,053,249,381	6,523,239,495
Mudaraba Millionaire Savings Scheme	880,954,629	609,982,619
Mudaraba Kotipoti Deposit Scheme	70,138,729	53,522,610
Mudaraba Marriage Scheme	30,110,186	13,790,902
Mudaraba Pension Deposit Scheme	527,627	393,377
Mudaraba Hajj Deposit Scheme	18,979,143	9,839,836
Mudaraba Union Pension Prokolpa	96,915,615	67,237,530
Mudaraba Muhor Savings Scheme	10,123,928	2,816,850
Mudaraba Corepoty Sanchaya Scheme	315,347,118	173,088,703
Mudaraba Barakah Deposit Scheme	23,203,410	12,324,500
	21,094,533,811	16,035,274,892
10.4 Al-Wadiah Current Accounts & Other Deposit Accounts		
Al-wadiah Current Deposits	4,473,047,451	2,799,631,705
Mudaraba Short Notice Deposits	12,306,491,146	10,780,621,583
Sundry Deposits (Note-10.4.1)	684,470,466	604,864,619
	17,464,009,063	14,185,117,907

10.4.1 Sundry Deposits

	31.12.2018 Taka	31.12.2017 Taka
Security Deposits	294,867,293	322,627,442
Sundry Creditors	42,217,410	71,553,103
Income Tax Deduction at Source -Profit on Deposits	114,010,660	79,153,791
Income Tax on Local L/C	118,100	56,025
Income Tax on Export bill (Foreign)	3,803,389	1,064,380
Income Tax on Export bill (Local)	11,865,490	2,684,830
Income Tax on Local/Buying Agents Commission	154,118	64,469
Excise Duty on Deposit & Investment	90,405,128	76,652,607
Tax on Honorarium	12,500	13,400
VAT on Online Charge	34,343	4,364
VAT on Commission TT/DD/PO/LG	39,693	29,648
VAT on Service Charge and Others	3,172,301	1,809,852
VAT Deduction Bills Paid	1,760,961	4,020,595
VAT Deduction from advertisement Bill	21,009	15,150
VAT on Rent and Others	1,631,006	2,069,410
VAT on Directors Fee	-	27,600
VAT on L/C	2,079,334	907,262
VAT on Postage	22,989	16,828
VAT on Security Service	12,326	60,356
VAT on Swift Charge	139,509	63,446
VAT on L/C Advising Charge	137,017	17,961
VAT on EXP Issue Charge	7,890	510
VAT on Acceptance Commission	4,368,916	3,099,347
VAT on Bank Guarantee Commission	133,473	57,461
VAT on Professional Fee	3,900	2,640
VAT on FDD Collection charge	64,411	4,740
VAT on commission on export bill	683,033	291,794
VAT on income from ATM	32,391	91,939
VAT in Misc. Earnings	39,004	23,204
Income Tax Deduction at Source - Office rent	550,273	696,832
Income Tax Deduction at Source - Bills	1,796,182	1,999,961
Income Tax Deduction at Source - Advertising Bill	3,140	4,040
Income Tax Deduction at Source-Employee's	2,933,089	1,812,875
Income Tax on Directors' Fee	17,600	18,400
Income Tax on Indenting Commission	268,409	-
Income Tax on Professional Fee	3,435	6,245
Marginal Deposit Export	45,037,804	3,586,621
F.C. Held against B.B L/C	33,850,306	14,636,738
Sundry Deposit - Swift charge	8,438,208	4,839,383
Sundry Deposit LAC (Export)	5,641,723	1,503,238
S/D/A/C ATM Charge collection Account	41,564	212,933
D&B Credit report collection fee	2,178	2,298
ATM Charge (NPSB)	447,261	120,542
S/D/A/C VAT on Polli Bidyut Samity	4,120,004	3,146,971
Central Fund (RMG Sector)	141,172	43,130
NR. Taka A/C Small World Finance	2,096,415	1,931,451
Security Deposit A/C Small World Finance	813,000	813,000
NR. Taka A/C Wall Street Finance	214,578	685,038
NR. USD A/C Wall Street Finance	505,493	-
NR. Taka A/C Xpress Money Services	1,447,582	-
Security Deposit A/C Xpress Money Services	837,500	-
Security Deposit A/C Wall Street	744,000	744,000
Income Tax on Cash Subsidy against export	29,565	-
S/D Cash incentive against export	53,970	35,340
NR. Tk. A/C Transfast Remittance	1,862,671	805,679
SD. A/C Transfast Remittance, LLC	735,750	735,750
	684,470,466	604,864,619

	31.12.2018 Taka	31.12.2017 Taka
10.5 Bills Payable		
Pay Order Issued	703,856,631	519,667,531
Demand Draft Issued	-	-
	703,856,631	519,667,531
10.6 Maturity wise Grouping of Deposits and Other Accounts		
Repayable within One Month	8,625,303,882	7,113,289,571
One Month to Three Months	43,544,600,000	39,944,000,000
Three Months to One Year	42,894,100,000	42,732,400,000
One Year to Five Years	24,114,500,000	19,341,500,000
Repayable over Five Years	5,720,000,000	4,918,700,000
	124,898,503,882	114,049,889,571
10. A Deposits received from Banks (Note A-1)	29,572,235,414	17,596,274,103
10.B Deposits received from other than Bank		
Payable on Demand (Note B-1)	6,237,323,439	4,183,085,280
Other Deposits (Note B-2)	89,088,945,029	92,270,530,188
	95,326,268,468	96,453,615,468
	124,898,503,882	114,049,889,571
10.A.1 Deposits Received from Banks		
AB Bank Limited	205,985,086	5,229
Bangladesh Development Bank Ltd.	250,000,000	-
Bangladesh Commerce Bank Ltd.	1,000,000,000	-
Janata Bank Ltd.	1,800,000,000	1,300,000,000
Islami Bank Bangladesh Ltd.	15,276,683,783	11,658,466,529
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.	4,000,000,000	600,000,000
Sonali Bank Ltd.	1,128,543,750	500,000,000
Social Islami Bank Ltd.	710,916,150	-
Probashi Kallayan Bank Ltd.	155,604,395	-
Rupali Bank Ltd.	2,250,000,000	1,250,000,000
Trust Bank Ltd.	5,506,507	5,317,931
Uttara Bank Ltd.	500,000,000	-
South Bangla Agriculture and Commerce Bank Ltd.	89,432	78,225
First Security Islami Bank Ltd.	6,785,274	9,053
NRB Global Bank Ltd.	2,121,037	2,397,136
	29,572,235,414	17,596,274,103
Maturity wise Grouping of Deposits Received from Banks		
Repayable on Demand	-	-
Repayable within One Month	10,208,087,269	8,166,274,103
Repayable over One Month but within Six Months	19,208,543,750	9,430,000,000
Repayable over Six Months but within one Year	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	-	-
	29,572,235,414	17,596,274,103

	31.12.2018 Taka	31.12.2017 Taka
B-1 Payable on Demand		
Al-wadiah Current Deposits	4,473,047,451	2,799,631,705
Mudaraba Saving Deposits (9%) (Note-10.1)	375,948,891	258,921,425
Bills Payable (Note-10.5)	703,856,631	519,667,531
Sundry Deposits (Note-10.4.1)	684,470,466	604,864,619
	6,237,323,439	4,183,085,280
B- 2 Other Deposits		
Mudaraba Saving Deposits (91%) (Note-10.1)	3,801,261,013	2,617,983,300
Mudaraba Term Deposits	62,094,746,328	71,002,924,516
Mudaraba Short Notice Deposits	2,098,403,877	2,614,347,480
Other Mudaraba Term Deposits (Note-10.3)	21,094,533,811	16,035,274,892
	89,088,945,029	92,270,530,188
11 OTHER LIABILITIES		
Inter - branch Transaction Account	-	-
Provision for Taxation (Note-11.1)	2,802,011,265	1,986,486,207
Accumulated Provision against Investments (Note-11.2)	1,901,919,545	1,350,900,000
Accrued Profit and Expenses Payable (Note-11.3)	2,443,536,670	1,978,592,687
Provision for Gratuity (Note-11.4)	35,307,446	23,567,446
Provisions for diminution in value of Investments in share (Note-11.5)	8,500,000	2,500,000
Provision for Zakat	26,500,000	20,000,000
Other provisions (Note-11.2.4)	8,559,339	6,500,000
Provident Fund	325,108	761,472
Benevolent Fund	161,395	819,421
Provision for Incentive Bonus	141,850,904	110,000,000
Provision for Audit fee	345,000	345,000
Clearing adjustment account	3,008,619	2,952,186
Compensation Realized	20,803,930	14,822,267
ATM Adjustment (NPSB)	2,671,289	3,976,460
Settlement account Foreign Remittance	88,668	237,838
Profit Rent Suspense	132,069,802	65,129,264
Compensation Receivable	46,610,547	31,217,917
Others	40,994,513	13,177,751
	7,615,264,040	5,611,985,916
11.1 Provision for Taxation		
Opening balance	1,986,486,207	1,125,674,045
Add : Provision made during the year	815,525,058	860,812,162
Less: Adjustment/settlement during the year	-	-
Closing balance	2,802,011,265	1,986,486,207

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 first 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.

	31.12.2018 Taka	31.12.2017 Taka
11.2 Accumulated Provision against Investments		
Specific Provision for Classified Investments (Note -11.2.1)	530,019,545	200,000,000
General Provision for Unclassified Investments (Note -11.2.2)	1,274,900,000	1,075,900,000
General Provision for off- balance sheet exposure (Note -11.2.3)	97,000,000	75,000,000
	1,901,919,545	1,350,900,000
11.2.1 Movement in Specific Provision for Classified Investments		
Provision held at the beginning of the year	200,000,000	43,000,000
Fully Provided Debts written off	(16,780,455)	-
Recoveries of amounts previously written off	-	-
Specific Provision for the year (Note-11.2.a)	346,800,000	157,000,000
Recoveries and Provisions no longer required	-	-
Net Charge to Profit and Loss Account	-	-
Provision held at the end of the year	530,019,545	200,000,000
11.2.2 General Provision for Unclassified Investments		
Provision held at the beginning of the year	1,075,900,000	715,000,000
Addition/transfer during the year (Note-11.2.a)	199,000,000	360,900,000
Provision held at the end of the year	1,274,900,000	1,075,900,000
11.2.3 General Provision for off-balance sheet exposure		
Provision held at the beginning of the year	75,000,000	70,000,000
Addition/transfer during the year (Note-11.2.a)	22,000,000	5,000,000
Provision held at the end of the year	97,000,000	75,000,000
11.2.4 Other Provisions		
Provision held at the beginning of the year	6,500,000	5,000,000
Addition/transfer during the year	2,059,339	1,500,000
Provision held at the end of the year	8,559,339	6,500,000
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	6,500,000	5,000,000
Addition/transfer during the year	1,000,000	1,500,000
Provision held at the end of the year	7,500,000	6,500,000
To comply BRPD Circular no. 6 dated March 19, 2015, BRPD letter no-16 dated 30 December 2015 and BRPD letter no-3 dated 16 February 2016 the Bank has been maintaining a provision of lump sum amount for incentive of good borrower.		
11.2.a Provision for Investments during the year		
Specific Provision for Classified Investments	346,800,000	157,000,000
General Provision for Unclassified Investment	199,000,000	360,900,000
General Provision for off- balance sheet exposure	22,000,000	5,000,000
	567,800,000	522,900,000

	31.12.2018 Taka	31.12.2017 Taka
11.3 Accrued Profit and Expenses Payable		
Mudaraba Term Deposit Receipt	1,722,604,796	1,415,171,183
Mudaraba Monthly Benefit Savings Scheme	134,811,440	75,437,818
Mudaraba Double Benefit Savings Scheme	468,478,103	413,652,360
Mudaraba Monthly Profit Scheme	47,983,727	30,253,164
Mudaraba Pension Prokolpa	5,181,982	3,266,176
Mudaraba Marriage Deposit Scheme	1,133,363	498,537
Mudaraba Hajj Deposit Scheme	763,743	357,872
Mudaraba Millionaire Savings Scheme	44,717,199	30,195,339
Mudaraba Kotipoti Deposit Scheme	3,293,467	2,563,444
Mudaraba Pension deposit Scheme	50,832	36,984
Mudaraba Mohor Saving Scheme	328,752	84,155
Mudaraba Croreputy Sanchaya Prokalpa	13,341,344	6,792,866
Mudaraba Barakah Deposit Scheme	847,922	282,789
	2,443,536,670	1,978,592,687
11.4 Provision for Gratuity		
Opening Balance	23,567,446	17,867,446
Add: Provision made during the year	35,240,000	23,500,000
	58,807,446	41,367,446
Less: Adjustment	23,500,000	17,800,000
Closing Balance	35,307,446	23,567,446
11.5 Provisions for diminution in value of Investments in share		
Opening Balance	2,500,000	-
Add: Provision made during the year	6,000,000	2,500,000
	8,500,000	2,500,000
Less: Adjustment	-	-
Closing Balance	8,500,000	2,500,000
11.a Deferred Tax Liabilities/(Assets)		
Opening Balance	(28,199,024)	(23,174,045)
Add: Addition during the year	(15,490,422)	(5,024,979)
	(43,689,446)	(28,199,024)
Less: Adjustment	-	-
Closing Balance	(43,689,446)	(28,199,024)
12 CAPITAL		
AUTHORISED CAPITAL		
1,000,000,000 Ordinary Shares of Taka 10 each.	10,000,000,000	10,000,000,000
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

		31.12.2018 Taka	31.12.2017 Taka
12.2	Category of shareholding as at 31 December 2018		
	Name of Category	Percentage (%)	Percentage (%)
	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 2018		
	Shareholding Range	No. of Shares	Percentage (%)
	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		
	I. Tier - 1 Capital		
	a. Common Equity Tier-1 Capital (CET-1)		
	Paid up Capital	5,272,960,000	5,272,960,000
	Statutory Reserve	1,227,575,435	876,837,431
	Other Reserve	145,749,665	145,749,665
	Retained Earnings	1,209,869,922	606,952,540
		7,856,155,022	6,902,499,636
	b. Additional Tier –1 Capital (AT-1)	-	-
		-	-
	Total Tier 1 Capital (a + b)	7,856,155,022	6,902,499,636
	II. Tier –2 Capital		
	General Provision	1,371,900,000	1,150,900,000
		1,371,900,000	1,150,900,000
	A. Total Regulatory Capital (I+II)	9,228,055,022	8,053,399,636

	31.12.2018 Taka	31.12.2017 Taka
B. Total Risk Weighted Assets	90,145,366,888	68,696,648,753
C. Minimum Capital Requirement	9,014,536,689	6,869,664,875
D. Capital Surplus/(Shortfall); (A - C)	213,518,333	1,183,734,761
Capital to Risk Weighted Assets Ratio (CRAR)	10.24%	11.72%
Capital to Risk Weighted Assets Ratio (CRAR):	Held	Held
a. Common Equity Tier-1 Capital to Risk Weighted Assets	8.71%	10.05%
b. Tier - 1 Capital to Risk Weighted Assets	8.71%	10.05%
c. Tier - 2 Capital to Risk Weighted Assets	1.52%	1.68%
Total (b+c)	10.24%	11.72%

The Bank has maintained the CRAR ratio of 10.24% for the year ended 31 December 2018 where the minimum required CRAR is 10% excluding Capital Conservation Buffer 1.875%. Apart from that necessary initiatives are taken for maintaining Capital Conservation Buffer (CCB) at 2.50% by the end of 31 December 2019. In addition to comply the requirement of Capital to Risk Weighted Asset Ratio (CRAR) as per Bangladesh Bank BRPD Circular No. 18 dated 21 December 2014 on Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III); the Board of Directors in its 50th meeting on 15 September 2018 and Shariah Supervisory Committee in its 24th meeting on 17 December 2018 have approved to issue 7 (seven) years "Union Bank Mudaraba Subordinated Bond" of Taka 4,000 Million. In this regard, Bangladesh Securities and Exchange Commission has given consent to issue Union Bank Mudaraba Subordinated Bond of Taka 4,000 Million vide BSEC letter no. BSEC/CI/DS-94/2018/878 dated 20 December 2018 and Bangladesh Bank has given No Objection Certificate (NOC) vide BRPD(BFIS)661/14B(P)/2018-9715 dated 27 December 2018 for considering the same under Tier-II capital accordingly.

13 STATUTORY RESERVE		
Opening Balance	876,837,431	527,663,554
Transferred during the year from Profit & Loss A/C	350,738,005	349,173,877
Closing Balance	1,227,575,435	876,837,431
14 OTHER RESERVE	145,749,665	145,749,665
15 RETAINED EARNINGS		
Opening Balance	606,952,540	631,004,217
Add: Net Profit after tax for the year	953,655,387	890,082,200
Less: Transferred to Statutory Reserve	350,738,005	349,173,877
Less: Transferred to Paid up Capital	-	564,960,000
Closing Balance	1,209,869,922	606,952,540
16 LETTER OF GUARANTEES		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Letters of Guarantee - Local	605,602,026	315,956,779
Letter of Guarantee - Foreign	-	-
	605,602,026	315,956,779

	31.12.2018 Taka	31.12.2017 Taka
16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	605,602,026	315,956,779
	605,602,026	315,956,779
17 IRREVOCABLE LETTERS OF CREDIT		
Letters of Credit - Cash	1,653,071,250	2,031,129,192
Letter of Credit - Cash Inland	-	-
Back to Back Letters of Credit - Local	306,633,285	291,252,479
Back to Back Letters of Credit - Foreign	158,025,771	142,899,000
	2,117,730,306	2,465,280,671
18 BILLS FOR COLLECTION ISSUED BY THE BANK		
Foreign Documentary Bills	356,897,050	215,417,000
Outward Bills	-	-
Inland Documentary Bills	890,315,318	1,317,363,000
	1,247,212,368	1,532,780,000
19 INVESTMENT INCOME		
Profit Received from:		
Deposit with Other Banks	603,383,674	340,895,252
Bai Murabaha - General	249,479,396	1,150,418,242
Bai Murabaha Hypothecation	25,845,131	80,686,440
Bai Murabaha against MTDR	3,642,300,850	2,618,772,283
Bai Murabaha - TR	5,717,927,200	3,559,152,642
Bai Murabaha - Agriculture	56,423,317	62,184,075
Musharaka - MDB	2,033,126,218	1,662,436,948
Bai Muajjal General	-	949,984
Bai Muajjal Guarantee	166,887	70,761
Bai Muajjal Real Estate	80,402,785	18,694,444
Bai Murabaha Post Import Bill - TR	336,916,170	259,252,746
HPSM Transport	20,090,473	4,614,748
HPSM Industry	84,885,398	91,391,059
HPSM Real Estate	183,765,906	118,368,572
HPSM Employees House Building	13,072,625	9,999,052
HPSM Machinery	220,926,071	194,446,425
HPSM Consumer Durables	5,311,220	4,861,753
HPSM SME	1,986	111,037
HPSM Rural House Building	1,752,757	3,732,385
Quard against MTDR	-	1,445,550
Bill Purchased - Foreign	410,561	1,107,314
Bai Murabaha Import Bill (MIB)	86,856,825	379,544,048
Bai Murabaha EDF Investments	13,015,683	1,712,980
Back to Back Bill	103,245,178	16,105,688
Bai Muajjal against Import Bill	63,978,682	-
Bai Istisna	7,585,068	6,651,396
	13,550,870,061	10,587,605,824

	31.12.2018 Taka	31.12.2017 Taka
20 PROFIT PAID ON DEPOSITS		
Profit Paid on:		
Mudaraba Term Deposit	6,476,253,366	4,941,044,842
Mudaraba Double Benefit Deposits Scheme	847,030,567	750,916,762
Mudaraba Monthly Savings Scheme	225,499,205	125,848,939
Mudaraba Monthly Benefit Savings Scheme	800,707,436	606,971,307
Bangladesh Government Islami Bond	380,694,904	71,157,315
Mudaraba Savings Deposits	110,941,282	75,755,867
Mudaraba Short Notice Deposits	624,222,057	257,746,449
Mudaraba no Frill Savings Deposits	189,496	92,478
Mudaraba Marriage Scheme	1,972,113	970,973
Mudaraba Union Pension Prokolpo	8,547,200	5,971,841
Mudaraba Pension Deposit Scheme	57,045	38,163
Mudaraba Millionaire Deposit Scheme	75,886,650	51,996,018
Mudaraba Hajj Deposit Scheme	1,215,397	531,878
Mudaraba Mohor Savings Scheme	503,959	116,252
Mudaraba Corepoty Savings Scheme	21,979,238	11,006,943
Mudaraba Kotipoti Deposit Scheme	6,596,360	4,970,215
Mudaraba Barakah Deposit Scheme	1,443,744	282,806
	9,583,740,019	6,905,419,048
21 INCOME FROM INVESTMENT IN SHARES AND SECURITIES		
Bangladesh Govt. Islamic Investment Bond	102,257,736	23,259,689
Other Bond	30,642,500	31,587,500
Profit/(Loss) on sale of shares	4,837,963	6,558,140
Dividend Income	135,000	275,644
	137,873,199	61,680,973
22 COMMISSION, EXCHANGE AND BROKERAGE		
Commission	198,575,476	145,918,503
Exchange Gain	56,263,533	87,701,510
Exchange Earning	66,403,826	98,119,718
Less: Exchange Loss	10,140,293	10,418,208
	254,839,009	233,620,013
23 OTHER OPERATING INCOME		
Account maintenance charge	27,966,212	21,669,203
Clearing cheque processing fee	152,061	153,447
Investment processing fee	24,952,184	798,525
Miscellaneous Earnings	26,658,676	10,966,455
	79,729,133	33,587,630

	31.12.2018 Taka	31.12.2017 Taka
24 SALARY AND ALLOWANCES		
Basic Salary	359,669,739	285,805,287
Bonus	183,691,602	152,445,788
Bank's Contribution to Staff Provident Fund	30,104,473	22,169,362
Gratuity	35,240,000	23,500,000
House Rent Allowance	184,650,202	138,028,106
Conveyance Allowance	30,670,150	17,320,701
Leave Fare Allowance	114,970,403	73,279,783
Entertainment Allowance	29,844,339	27,707,498
Medical Allowance	45,576,176	33,486,242
Utility Services	45,358,525	33,338,707
House Maintenance Allowance	47,536,542	34,535,603
Bengali New Year Allowance	6,003,131	4,057,134
Other Allowances	5,482,995	4,159,996
	1,118,798,277	849,834,207
25 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Rent	239,348,432	224,605,477
Insurance	57,287,408	47,273,216
Rates and Taxes	3,497,357	2,798,235
Water Charges	791,697	536,033
Gas Charges	354,636	279,879
Electric Bills	34,458,836	28,333,541
	335,738,366	303,826,381
26 LEGAL EXPENSES		
Law Charges	91,750	48,100
Stamp	41,163	26,180
Other Professional Charges	603,035	935,943
	735,948	1,010,223
27 POSTAGE, STAMP AND TELECOMMUNICATION etc.		
Telephone - Office	4,521,402	3,871,120
Telegram, Telex, Internet, Fax and Email charge	8,952,038	8,524,919
Stamp	38,970	22,590
Telephone - Residence	5,682	7,170
Swift charge	4,418,676	3,082,343
Postage	4,024,464	3,191,765
	21,961,232	18,699,907
28 STATIONERY, PRINTING AND ADVERTISEMENT etc.		
Publicity and Advertisement	19,698,651	22,617,353
Printing and Stationery	27,696,517	20,329,022
	47,395,168	42,946,375

	31.12.2018 Taka	31.12.2017 Taka
29 CHIEF EXECUTIVE'S SALARY & FEES		
Basic Pay	3,900,000	2,954,704
House Rent Allowances	1,500,000	1,136,425
Leave Fare Allowance	1,500,000	1,136,425
Bonus	1,650,000	1,650,000
Bengali New Year Allowance	65,000	-
House Maintenance Allowance	1,500,000	1,136,425
	10,115,000	8,013,979
30 DIRECTORS' FEES & EXPENSES		
Fees	1,536,400	1,104,000
Travel	1,155,000	933,500
	2,691,400	2,037,500
31 SHARIA'H SUPERVISORY COMMITTEE'S FEES AND EXPENSES		
Fees	174,800	147,200
Travel	60,000	41,198
	234,800	188,398
32 DEPRECIATION AND REPAIRS TO FIXED ASSETS		
Depreciation on Fixed Assets (Annexure - A)	173,126,537	134,774,400
Repairs:	55,130,326	44,522,011
Office equipment	24,710,972	19,563,937
Renovation and Maintenance of Office Premises	32,757	20,741
Furniture and Fixtures	216,140	253,027
Repair & Maintenance of Vehicle	30,170,457	24,684,306
	228,256,863	179,296,411
33 OTHER EXPENSES		
Car Expense	48,792,149	39,841,396
Wages	126,720,977	101,417,491
Traveling	10,418,149	9,008,741
Donation and Subscription:		
Donation	43,869,570	84,534,050
Subscription	8,182,467	3,047,422
Newspaper and Periodicals	412,878	381,796
Entertainment	18,734,695	16,121,352
Conveyance	5,546,011	4,928,398
Bank charges	4,226,999	5,759,097
Holiday Banking allowances	1,033,505	894,082
Medical Expense	6,739,072	5,098,845
Training, Seminar and Workshop	3,311,553	4,087,914
Photocopy, Photograph & Toner	2,172,512	2,061,766
Generator Expenses	5,272,906	4,875,884
Washing and Cleaning	424,620	313,967
Online Expenses	2,632,599	2,734,260
Office Maintenance	8,683,989	8,221,199
Crockery Expense	244,921	396,927
Meeting Expenses	14,064,233	12,606,163
ATM Expenses	2,997,731	2,849,141
Miscellaneous Expenses	2,423,431	2,927,737
	316,904,967	312,107,628

	31.12.2018 Taka	31.12.2017 Taka
34 EARNINGS PER SHARE (EPS)		
A. Net Profit after Tax	953,655,387	890,082,200
B. Weighted Average Number of Ordinary Shares	527,296,000	527,296,000
Earnings Per Share (A/B)*	1.81	1.69
* Prior period EPS has been restated to comply with IAS-33 "Earning Per Share".		
35 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Account maintenance charge	27,966,212	21,669,203
Clearing cheque processing fee	152,061	153,447
Investment processing fee	24,952,184	798,525
Miscellaneous Earnings	26,658,676	10,966,455
	79,729,133	33,587,630
36 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Rent, Taxes, Insurances, Electricity etc.	335,738,366	303,826,381
Legal Expenses	735,948	1,010,223
Postage, Stamps, Telecommunications etc.	21,961,232	18,699,907
Directors' fees	2,691,400	2,037,500
Sharia'h Supervisory Committee's fees and expenses	234,800	188,398
Auditor's Fee	690,000	345,000
Repair of Fixed Assets	55,130,326	44,522,011
Zakat Expenses	26,500,000	20,000,000
Other Expenses	316,904,967	312,107,628
	760,587,039	702,737,048
37 INCREASE / DECREASE OF OTHER ASSETS		
Inter - branch Transaction Account	389,599,438	129,964,639
Advances, Deposits and Prepayment	3,130,565,482	2,365,237,554
Stock of Stationery	8,457,934	9,373,993
Suspense Account	216,790,009	125,330,086
Stamps on Hand	1,562,474	1,184,065
	3,746,975,337	2,631,090,337
(Increase)/Decrease during the year	(1,115,885,000)	(854,516,530)
38 INCREASE / DECREASE OF OTHER LIABILITIES		
Provision for Zakat	26,500,000	20,000,000
Benevolent Fund	161,395	819,421
Clearing Adjustment Account	3,008,619	2,952,186
Others	244,643,088	133,906,497
	274,313,102	157,678,104
Increase /(Decrease) during the year	116,634,998	87,121,758
39 NUMBER OF EMPLOYEES		
Executives and Officers	1,188	1,050
Members of Staff (Contractual)	289	258
	1,477	1,308

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	43,903,913

- 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	<p>Managing Director Galco Steel (Bangladesh) Ltd. Prasad Paradise Resorts Ltd. S. Alam Vegetable Oil Ltd. Norinco Engineering Ltd.</p> <p>Director Reliance Brokerage Services Ltd.</p> <p>Proprietor M/s. Tazin Enterprise Sonali Traders</p>

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.
2	Ahsanul Alam	Vice Chairman	<p>Managing Director Genesis Textiles Accessories & Apparels Ltd. Western Designers Ltd.</p> <p>Chairman Hasan Abasan (Pvt) Ltd.</p> <p>Director Norinco Engineering Ltd.</p> <p>Proprietor Genesis Enterprise</p> <p>Chief Executive S. Alam & Co.</p>
3	Hussain Muhammad Ershad	Director	<p>Chairman Podagonj Cold Storage Ltd.</p>
4	Ms. Marzina Sharmin	Director	<p>Managing Director Unique Investment & Securities Limited Times Securities Limited</p> <p>Director Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd.</p> <p>Proprietor M/s. Marzina Trading</p>
5	Shahedul Huq	Director	<p>Managing Partner Crystal Bridge (Pvt) Ltd.</p> <p>Proprietor S. Huq Properties Ltd.</p>
6	Rashedul Alam	Director	<p>Managing Director Global Trading Corporation Ltd.</p> <p>Director S. Alam Steels Ltd. Bangladesh Petro Chemical Ltd. S. Alam Hatchery Ltd. Ocean Resorts Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd.</p> <p>Proprietor Rafe Enterprise Khurshed Poribohon Sangstha</p>

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.
7	Showkat Hossain, FCA	Director	Senior Partner Hoda Vasi Chowdhury & Co. Director Chattogram WASA
8	Ms. Farzana Begum	Director	Managing Director Shah Amanat Prakritik 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
9	Mohammad Fazlay Morshed	Director	Managing Director MRM Trading Ltd. Chattogram Logistic Ltd. Worth Avenue Steels Ltd. Adviser C&A Fabrics Ltd.
10	Mohammad Manzoor Alam Seth	Director	Adviser C&A Accessories Ltd. Partner Shobel Engineers & Construction
11	Ziauddin Ahmed	Director	Managing Director Ashik Garments Ltd. Chairman First Communication (IGW) Ltd.
12	Ms. Halima Begum	Director	Proprietor Brothers Syndicate Halima Trading Enterprise
13	Ms. Sarwar Jahan Maleque	Director	Director JESCO Bangladesh Ltd. Vice Chairman JESCO Capital Management Ltd.
14	Dr. Mehe Zebunnesa Rahman	Director	Director, BBA Programme & Asst. Prof. North South University

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.
15	Md. Abdul Quddus	Independent Director	EX- Managing Director NRB Global Bank Ltd. EX- Chief Executive Officer (CEO) First Security Islami Bank Foundation
16	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

42 AUDIT COMMITTEE

a) Constitution

Name	Status with the Bank	Status with the Committee	Educational Qualification
Showkat Hossain, FCA	Director	Chairman	B. Com, Fellow Chartered Accountant
Ms. Farzana Begum	Director	Member	B. A.
Mohammad Fazlay Morshed	Director	Member	B. Com.
Md. Abdul Quddus	Independent Director	Member	M. A. Economics
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.

43 EVENTS AFTER BALANCE SHEET DATE

a) The Board of Directors of the Bank in its 57th Board meeting held on 28 March 2019 approved the financial statements of the Bank for the year ended 31 December 2018 and the same for issue.

b) As per Bangladesh Bank Letter no. BRPD(P-3)/745(60)/2013-1122, dated 10 March 2013 and Bank's communication with Bangladesh Bank vide their letter no. UBL/HO/2019/25 dated 15 January 2019, UBL/HO/2017/250 dated 28 August 2017, UBL/HO/2016/120 dated 28 February 2016 and Bangladesh Bank response against this letter vide their letter no. BRPD(P-3)/745(63)/2019-1098, the Bank required to start the process of raising capital/ fund through initial public offerings (IPO) in 2019.

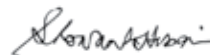
c) There is no other significant event that has occurred between the balance Sheet date and the date when the financial statements were authorized for issue by the Board of Director which require adjustment in the financial statements.



Managing Director



Director



Director



Chairman

Dhaka
28 March 2019

UNION BANK LIMITED
SCHEDULE OF FIXED ASSETS
As on 31 December 2018

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 Dec'18
	Balance as on 01 Jan'18	Addition during the period	Sales/ Transfer during the period	Balance as on 31 Dec'18	Balance as on 01 Jan'18	Charged for the period	Adjustment on sale/ transfer during the period	Balance as on 31 Dec'18	
Furniture & Fixtures	692,595,059	88,749,405	-	781,344,464	140,675,904	59,311,854	-	199,987,758	581,356,706
Office Equipment	457,965,043	357,023,400	-	814,988,443	194,147,756	102,703,089	-	296,850,845	518,137,598
Vehicles	101,456,719	-	-	101,456,719	67,354,047	11,074,134	-	78,428,181	23,028,538
Books	211,603	42,701	-	254,304	50,909	37,460	-	88,369	165,935
Total Dec' 2018	1,252,228,424	445,815,506	-	1,698,043,930	402,228,616	173,126,537	-	575,355,153	1,122,688,777
Total Dec' 2017	1,096,876,322	155,352,102	-	1,252,228,424	267,454,216	134,774,400	-	402,228,616	849,999,808

UNION BANK LIMITED
FINANCIAL HIGHLIGHTS
For the year ended 31 December 2018

Amount in Taka

SL. No.	Particulars	2018	2017
1	Paid-up Capital	5,272,960,000	5,272,960,000
2	Total Regulatory Capital	9,228,055,022	8,053,399,636
3	Total Regulatory Capital Surplus/(deficit)	213,518,333	1,183,734,761
4	Total Assets	148,583,765,200	131,677,566,421
5	Total Deposits	124,898,503,882	114,049,889,571
6	Total Investments	119,934,385,113	100,753,547,130
7	Total Contingent Liabilities and Commitments	9,839,281,673	7,393,034,367
8	Investment Deposit Ratio (in %)	96.03%	88.34%
9	Percentage of Classified Investments against total Investments (in %)	0.97%	0.57%
10	Profit before Provision and Tax	2,329,549,362	2,272,769,383
11	Amount of Classified Investments	1,164,783,675	572,072,338
12	Provision kept against Classified Investments	530,019,545	200,000,000
13	Investments Provision Surplus/(deficit)	105,919,545	73,544,818
14	Cost of Fund	10.31%	9.35%
15	Profit Earning Assets	132,907,486,419	115,246,541,638
16	Non-profit Earning Assets	15,676,278,781	16,431,024,783
17	Income from Investments	13,550,870,061	10,587,605,824
18	Return on Investment (ROI)(in %)	11.30%	10.51%
19	Income from Investment in Shares & securities	137,873,199	61,680,973
20	Return on Investment in Shares & securities (ROI)(in %)	2.70%	1.24%
21	Return on Assets (ROA)(in %)	0.68%	0.83%
22	Earnings Per Share (Tk.)	1.81	1.69
23	Net Income Per Share (Tk.)	1.81	1.69
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 : +88-02-9859313

Revenue Stamp
 Taka 20/-

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 6th Annual General Meeting of the Members of Union Bank Limited will be held on Monday, 23rd December 2019 at 11:00 am at Union Bank Ltd. Head Office, Bahela Tower, 72, Gulshan Avenue, Gulshan-1, Dhaka-1212.

Signed this day of, 2019.

 (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 : +88-02-9859313

Attendance Slip

I/we hereby record my attendance at the 6th Annual General Meeting of the Members of Union Bank Limited will be held on Monday, 23rd December 2019 at 11:00 am at Union Bank Ltd. Head Office, Bahela Tower, 72, Gulshan Avenue, Gulshan-1, Dhaka-1212.

Name of the Member/Proxy :

Membership No. :

Signature of Member/Proxy and Date

