

**ANNUAL
REPORT**
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Letter of Transmittal

To
All Shareholders
Registrar of Joint Stock Companies & Firms
Bangladesh Bank

Subject: Annual Report 2013 of Union Bank Limited.

Muhtaram

As-salamu Alikum 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 2013. 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 2013.

This is for your kind information and record please.

Best regards

Yours truly



Abdul Hannan Khan
SVP & Company Secretary

Notice of the 1st Annual General Meeting

Notice is hereby given that the 1st Annual General Meeting of the Members of Union Bank Limited will be held on Saturday, the September 06, 2014 at 12:30 PM at Hotel the Westin Dhaka, Gulshan-2, Dhaka-1212 to transact the following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2013 along with the Auditors' Report and the Directors' Report thereon.
02. To retire and elect/re-elect of Directors.
03. To appoint Auditors of the Company for the period until the next Annual General Meeting and to fix their remuneration.

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

By order of the Board of Directors

Date: August 20, 2014
Dhaka

Sd-
Abdul Hannan Khan
SVP & Company Secretary

NOTES:

- a. The Members (Sponsors) whose names appear in the Register of the Company shall attend the AGM.
- b. Any Member (Sponsor) 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 (Sponsor) and stamped, must be submitted at the Registered Office of the Company at least 48 (Forty eight) hours before the meeting.
- d. Members (Sponsors) are requested to notify the change of address, if any, well in time.
- e. 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.
- f. M/s K M Hasan & Co, the current Auditors, will retire from office in the 1st Annual General Meeting. Since they have audited the accounts of the Bank for one year only, and as such as per Bangladesh Bank circular No.BCD(P)748/3/546 dated 31.03.1991, they are eligible for re-appointment.



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 the 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

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)/2013-1122
Dated: March 10, 2013

VAT Registration Number

18121026762

Tax Payer's Identification Number

796739852073

External Auditors

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

Tax Consultants

K M Hasan & Company
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 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 & micro economic developments.
- Bring the unbanked rural people under the umbrella of banking service.
- Modern Technology based banking as well as environmental banking.



Vision and Mission

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.

Financial Performance at a Glance

		Amount in million Tk.
SL No.	Particulars	2013
1	Authorized capital	10,000.00
2	Paid - up capital	4,280.00
3	Shareholder's Equity	4,513.09
4	Total capital (Tire - 1 + Tire - 2)	4,588.19
5	Statutory Reserve	33.46
6	Total Assets	17,081.14
7	Total Liabilities	12,568.05
8	Deposits	12,165.19
9	Total Investment and Advance	7,308.82
10	Total contingent Liabilities	7.17
11	Total Risk Weight Asset	13,313.60
12	Total Fixed Assets	86.29
13	Operating Income	401.56
14	Operating Expenditure	155.27
15	Profit before provision & Tax	246.29
16	Profit before Tax	167.34
17	Net profit after provision & Tax	87.34
18	Foreign Exchange Business:	-
	a) Import Business	-
	b) Export Business	-
	c) Remittance	-
19	No. of Foreign Correspondent	-
20	Profit Earning Assets	14,085.15
21	Nonprofit Earning Assets	2,995.98
22	Investment as a % of Total Deposit	60.08%
23	Capital Adequacy Ratio	34.46%
24	Dividend:	-
	a) Cash	-
	b) Bonus	-
	c) Right Share	-
25	Cost of Fund	7.78%
26	Net asset value per share	-
27	Earnings per share (EPS)	0.20
28	Price Earnings Ratio (times)	-
29	Return on Assets (ROA)	1.44%
30	No. shareholders	-
31	Number of Employees	317
32	Number of Branches	11

Shareholders' Information

Details of Capital Fund As on 31 December 2013

1. Tire - 1 (Core Capital)		Tk. In Crore
1.1	Fully Paid - up Capital/ Capital Deposited with BB	428.00
1.2	Statutory Reserve	3.34
1.3	Non - repayable Share Premium account	-
1.4	Other Reserve	14.57
1.5	Retained Earnings	5.38
1.6	Non - Cumulative irredeemable Preferences shares	-
1.7	Dividend Equalization Account	-
1.8	Other (if any item approved by Bangladesh Bank)	-
1.9	Sub - Total : (1.1 to 1.8)	451.29
Deduction from Tier - 1 (Core Capital)		Tk. In Crore
1.10	Book value of Goodwill and value of any contingent assets which are shown as assets	-
1.11	Shortfall in provisions required against investment in shares irrespective of any relaxation allowed	-
1.12	Deficit on account of revaluation of investment in AFS category	-
1.13	Any increases in equity capital resulting from a securitization transaction	-
1.14	Any Investment in TFCs of other banks exceeding the prescribed limit	-
1.15	Eligible Capital	-
1.16	Sub - Total (1.10 - 1.16)	-
1.17	Total Eligible Tier - 1 Capital (1.9 - 1.16)	451.29
2. Tier - 2 (Supplementary Capital)		Tk. In Crore
2.1	General Provision (Unclassified loans +SMA+ Off Balance Sheet exposure	7.51
2.2	Assets Revaluation Reserve up to 50%	-
2.3	Revaluation Reserve for Securities up to 50%	-
2.4	Revaluation Reserve for equity instruments up to 10%	-
2.5	All other Preference Shares	-
2.6	Subordinated debt	-
2.7	Other (if any item approved by Bangladesh Bank)	-
2.8	Sub - Total (2.1 to 2.7)	7.51
2.9	Deductions if any	-
2.10	Total Eligible Tire - 2 Capital (2.8 -2.9)	7.51
3. Tier - 3 (eligible for market risk only)		Tk. In crore
3.1	Short - term subordinated debt	-
	Total Supplementary Capital (2.10 + 3.1)	7.51
4	(Maximum up to 100 % of Total eligible tier - 1 Capital)	458.80
5	Total Eligible Capital (1.17 + 4)	1,331.36
6	Total Risk Weighted Assets	33.90%
7	Core Capital Ratio	0.56%
8	Supplementary Capital Ratio	34.46%
9	Total Capital Adequacy Ratio	





***Management
Information***

Board of Directors` Profile



Shahidul Alam
Chairman



Belal Ahmed
Vice Chairman



Hussain Muhammad Ershad
Director



Muhammed Mosleh Uddin, FCA
Director



Ashik Ahmed
Director



Ms. Marzina Sharmin
Director



Mortuza Siddique Chowdhury
Director



Md. Arshed
Director



Shahedul Huq
Director



Ms. Shahana Ferdous
Director



Morsalin Islam Shouradip
Director



Rashedul Alam
Director



Showkat Hossain, FCA
Director



Arif Ahmed
Director



Mohammad Mostan Billah Adil
Director



Ms. Sarwar Jahan Maleque
Director



Chowdhury Mohammed Hanif Shoeb
Director



S. M. Anowar Sadat
Director



Mohammed Abdul Salam
Director



Ms. Farzana Begum
Director



Md. Abdul Hamid Miah
Managing Director

Sponsor Shareholders

1.	Shahidul Alam
2.	Hussain Muhammad Ershad
3.	Muhammed Mosleh Uddin, FCA Nominee of Unique Investment & Securities Ltd.
4.	Ashik Ahmed
5.	Ms. Farzana Parveen
6.	Ms. Marzina Sharmin
7.	Belal Ahmed
8.	Mortuza Siddique Chowdhury
9.	Mahmudul Alam Nominee of Lion Securities & Investment Ltd.
10.	Md. Arshed
11.	Khandkar Iftekhar Ahmad Nominee of C&A Fabrics Ltd.
12.	Shahedul Huq Nominee of Crystal Bridge (Pvt) Ltd.
13.	Ms. Shahana Ferdous
14.	Md. Abdul Wahed Nominee of C&A Accessories Ltd.
15.	Morsalin Islam Shouradip
16.	Rashedul Alam Nominee of Western Designer Ltd.
17.	Showkat Hossain, FCA Representative of Ocean Resorts Ltd.
18.	Ahsanul Alam
19.	Arif Ahmed
20.	Mohammad Mostan Billah Adil
21.	Ms. Sarwar Jahan Maleque
22.	Chowdhury Mohammed Hanif Shoeb
23.	S. M. Anowar Sadat
24.	Mohammed Abdul Salam
25.	Ms. Farzana Begum
26.	Ms. Mehe Zebunnesa Rahman

Committees

EXECUTIVE COMMITTEE

Shahidul Alam	Chairman
Belal Ahmed	Member
Ms. Marzina Sharmin	Member
Md. Arshed	Member
Chowdhury Mohammed Hanif Shoeb	Member
S. M Anowar Sadat	Member
Md. Abdul Hamid Miah	Ex-Officio

AUDIT COMMITTEE

Showkat Hossain, FCA	Chairman
Mortuza Siddique Chowdhury	Member
Shahedul Huq	Member
Arif Ahmed	Member
Mohammad Mostan Billah Adil	Member

Management Team

Designation	Name	Place of Posting
Managing Director	Mr. Md. Abdul Hamid Miah	Head Office
Deputy Managing Director	Mr. Syed Abdullah Mohammed Saleh	Head Office
Senior Executive Vice President	Mr. S. A. M. Salimullah	Head Office
Executive Vice President	Mr. A. B. M. Mokammel Hoque Chowdhury	Gulshan Branch
Senior Vice President	Mr. Abdul Hannan Khan Mr. Faridul Hoque Chowdhury	Company Secretary & Head of HRD, HO Agrabad Branch, Ctittagong
Vice President	Mr. Md. Idris Ali Mr. Md. Munirul Islam	Dilkusha Branch Hatkhola Branch
First Vice President	Mr. Kazi Abul Manjur Mr. Md. NaimurRahman	Gulshan Branch Zindabazar Branch, Sylhet
Senior Assistant Vice President	Mr. Mansoor Ahmed Mr. Abdus SamadShaheen	Investment Audit Division, HO Management & Information Systems Div., HO
Assistant Vice President	Mr. Niaz Mohammed Khan Mr. Muhammed Didarul Alam Mr. Md. Rofiqul Islam Mr. Mohammad Sirajul Kabir Mr. A.N.M. Sadan Jahan Mr. Delwar Hossain Delu Mr. Md. Mosaref Hossain	Zindabazar Branch, Sylhet Gulshan Branch International Division, HO Khatungonj Branch Hatkhola Branch AML & Green Banking Div., HO General Services Division, HO



Messages

Message from the Chairman



Shahidul Alam
Chairman

শ্রেয় শেয়ার হোল্ডারবৃন্দ,

আসসালামু আলাইকুম।

ইউনিয়ন ব্যাংক লিমিটেডের প্রথম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত। আমি বাংলাদেশ ব্যাংক, অফিস অফ দ্যা রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস কে অব্যাহত সহযোগিতা ও দিকনির্দেশনা দেওয়ার জন্য কৃতজ্ঞতা ও আন্তরিক ধন্যবাদ জানাচ্ছি। আমি আরও আন্তরিক ধন্যবাদ জানাতে চাই আমাদের সকল গ্রাহক, পৃষ্ঠপোষক, শুভাকাঙ্ক্ষী, শেয়ারহোল্ডারবৃন্দ এবং সকল কর্মকর্তা-কর্মচারীদেরকে তাদের নিরলস সমর্থন, সহযোগিতার জন্য। আমরা আন্তরিকতার সাথে একটি যুগোপযোগী এবং শারী'আহ ভিত্তিক ইসলামী ব্যাংক পরিচালনা করার চেষ্টা করছি যা ডোক্তা, কর্পোরেট ও গ্লোবাল ব্যাংকিংকে প্রাধান্য দিবে।

প্রিয় শেয়ার হোল্ডারবৃন্দ,

আমরা গ্রাহকদের দ্রুত ও সম্মানজনক সেবা দানে অঙ্গীকারবদ্ধ। আমরা শক্তিশালী আন্তঃব্যক্তিক সম্পর্ক উন্নয়নে বিশুসী। চতুর্থ প্রজন্মের ব্যাংক হিসেবে আমরা নৈতিকভাবে আধুনিক প্রযুক্তির সহায়তায় সর্বোত্তম ব্যাংকিং সেবার মাধ্যমে আমানতকারীদের বিনিয়োগের নিরাপত্তা নিশ্চিত করতে প্রতিজ্ঞাবদ্ধ। আমরা সর্বোত্তম সেবা দিয়ে আমাদের সমাজের প্রাপ্য মানুষের ভাগ্য উন্নয়নে বিশুস করি।

আমাদের লক্ষ্য হচ্ছে, সামাজিকভাবে প্রতিশ্রুতিবদ্ধ বিশ্বমানের আর্থিক প্রতিষ্ঠানে পরিণত হওয়া এবং সুষ্ঠু ব্যাংকিং সেবা প্রদান করে আমাদের দেশের দরিদ্র মানুষকে তাদের দারিদ্র্য থেকে মুক্ত করা।

আমাদের ব্যাংক ২০১৩ বছরে শুষ্কপূর্ব মুনাফা ২৪.৬২ কোটি টাকা অর্জন করেছে যা আমাদের ব্যাংকের জন্য একটি উল্লেখযোগ্য অর্জন। এটি শুনে অত্যন্ত খুশি হবেন যে, আমাদের ব্যাংক চতুর্থ প্রজন্মের ব্যাংকগুলোর মধ্যে ডাল অবস্থানে রয়েছে।

২০১৩ সালে আমরা দেশের রাজধানী ঢাকাসহ বিভিন্ন গুরুত্বপূর্ণ অবস্থানে মোট ১৯টি নতুন শাখা খুলেছি, যার মধ্যে ৬টি শহর ও ৫টি গ্রামীণ শাখা। চতুর্থ প্রজন্মের ব্যাংক হিসেবে আমরাই প্রথম এ মাইলফলকে পৌঁছেছি। দেশের গুরুত্বপূর্ণ শহর ও গ্রামীণ এলাকায় নতুন নতুন শাখা খোলার মাধ্যমে ব্যাংকের কর্ম পরিধি সম্প্রসারণ এবং মানুষের দ্বারে দ্বারে আমাদের ব্যাংকিং সেবা প্রদানের জন্য একটি পরিকল্পনা রয়েছে।

ইউনিয়ন ব্যাংক লিমিটেড গ্রাহকদের অনলাইন সুবিধা দিতে শারী'আহ ভিত্তিক কোর ব্যাংকিং সফটওয়্যার চালু করেছে। আমাদের ব্যাংকের সকল কার্যক্রম শারী'আহ ভিত্তিক পরিচালনা নিশ্চিত করতে দেশের বিশিষ্ট ইসলামী চিন্তাবিদদের সমন্বয়ে গঠিত একটি শারী'আহ সুপারভাইজরি কমিটি রয়েছে।

কর্পোরেট সামাজিক দায়বদ্ধতা পরিপালনে জাতীয় কোষাগারে রাজস্ব প্রদান, সমাজের সুবিধা বঞ্চিত জনগোষ্ঠীকে সাহায্য প্রদান, প্রাকৃতিক দুর্যোগে ক্ষতিগ্রস্ত জনগণকে সহায়তা প্রদান ইত্যাদি ক্ষেত্রেও আমরা অবদান রেখে যাচ্ছি। দারিদ্র্য বিমোচন ও স্বনির্ভর দেশ গড়তে সরকারের প্রতি আমরা আমাদের সার্বিক সহযোগিতার হাত প্রসারিত করেছি এবং ভবিষ্যতেও করবো।

পরিশেষে, আমি ব্যাংকের প্রথম বার্ষিক সাধারণ সভায় আপনাদের সদয় উপস্থিতির জন্য সকলকে ধন্যবাদ জ্ঞাপন করছি। আমি পরিচালনা পর্ষদের পক্ষ থেকে বাংলাদেশ ব্যাংক, শুভাকাঙ্ক্ষী, শেয়ারহোল্ডার এবং স্টেকহোল্ডার ও অন্যান্য নিয়ন্ত্রকদের তাদের নিরলস সমর্থন, সহযোগিতা এবং দিকনির্দেশনার জন্য আবারও ঋণ ও আন্তরিক কৃতজ্ঞতা প্রকাশ করছি।

আমি আরও মূল্যায়ন করতে চাই ইউনিয়ন ব্যাংক লিমিটেড এর ব্যবস্থাপনা পরিষদের কর্ম প্রচেষ্টা, কঠোর পরিশ্রম ও বদ্ধমূল অঙ্গীকার, যা আমাদের কাঙ্ক্ষিত লক্ষ্য অর্জনে সহায়তা করেছে।

আল্লাহ আমাদের সকলের সহায় হন এবং আমাদের চলার পথে তাঁর অনুগ্রহ বর্ষিত করুক।

শুভেচ্ছান্তে,



শহীদুল আলম
চেয়ারম্যান

Respected Shareholders

Assalamu Alaikum,

It is my great pleasure to welcome you all here in the First Annual General Meeting of the Bank on behalf of the Board of Directors of Union Bank Ltd. I would like to express my gratitude and heart left thanks to Bangladesh Bank and Office of the Registrar of Joint Stock Companies and Firms for their continued support and guidance. I would also like to express my heart left thanks to all clients, patrons, well-wishers, shareholders and all employees for their active support and cooperation. We are sincerely steering a pragmatic and Shari'ah based Islamic banking focused on consumer, corporate and global banking.

Dear Shareholders

We focus on proactive and dignified services as we promise to render in meeting the needs of our customers. We believe in developing strong interpersonal relationship. As a 4th generation bank, we are morally bound to provide high quality banking services supported by the latest technology to obtain optimum return on shareholders' equity ensuring safety of depositors investment. We consider our services to be of utmost importance as we look forward to improving the fate of deserving people in our society.

Our Vision is to become socially committed world class financial institution and to emancipate our poor people from poverty by empowering them with smooth banking service.

The Bank earned a profit before tax of Tk. 24.62 Crore in 2013 which is a remarkable achievement for our bank. It would be a great pleasure to hear that our bank is in a well position among the newly opened Bank's in our country.

During the year 2013 we have opened 11 (Eleven) branches at different important locations of the country including capital city Dhaka, whose six are in urban area and other five are in rural area. As a 4th generation bank we are the first to reach this milestone. The Bank has a plan to expand its area of operation and provide our banking services to the door to door of the mass people by opening new branches that will cover rest of the important urban and rural areas of the country.

Union Bank Limited has adopted Shari'ah Based Core Banking Software to give the clients real-time online facilities. In the bank, there is a Shari'ah Supervisory Committee comprising of renowned Islamic Scholars of the country. They are well versed in Shari'ah principles and entrusted with the responsibility to ensure that the activities are conducted on the precepts of Islam.

As a part of Corporate Social Responsibility (CSR) program, our bank contributes to the national exchequer, helps the under privileged section of the society, assists the people distressed by natural calamities etc. We have extended our responsibilities to the government by all possible

efforts to alleviate poverty and make the country self-reliant and we will also do it in future.

In conclusion, I would like to thank you all for your kind presence in the First Annual General Meeting of the Bank. I would further recall and express my deep sense of gratitude on behalf of Board to Bangladesh Bank, well-wishers, shareholders and stakeholders, and other regulators for their sincere support, cooperation and guidance for excellence.

I also place on record my appreciation to the efforts made by the management of Union Bank Ltd for their hard work and deep-rooted commitment towards achieving our cherished goals.

May Allah help us and bestow blessing on us on the way to move.

With Best regards,



Shahidul Alam
Chairman

From The Desk Of Managing Director



Md. Abdul Hamid Miah
Managing Director

বিস্মিল্লাহির রহমানির রাহিম।

পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, সম্মানিত শেয়ারহোল্ডারবৃন্দ এবং ইউনিয়ন ব্যাংক লিঃ - এ আমার প্রানপ্রিয় সহকর্মীবৃন্দ
 আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ

ইউনিয়ন ব্যাংক লিমিটেড এর ১ম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে জানাই আন্তরিক অভিবাদন। ২০১৩ সালে আমাদের ব্যাংকের সফলতা আপনাদের সামনে উপস্থাপন করতে পেরে আমি আনন্দিত ও গবিত। ব্যাংকের সর্বস্তরে নৈতিকতা ও স্বচ্ছতা নিশ্চিত করার জন্য আমাদের প্রাজ্ঞ ও বিচক্ষণ পরিচালনা পর্ষদকে ব্যাংকের ব্যবস্থাপনার উপর আস্থা রাখার জন্য ধন্যবাদ জানাই। ২০১৩ সালটি আমাদের ব্যাংকের জন্য ছিল একটা মাইলফলক। “*To become socially committed world class financial institution*” লক্ষ্যটি হাতে নিয়ে ২০১৩ সালের ৯ এপ্রিল চতুর্থ প্রজন্মের ব্যাংক হিসেবে আমরা যাত্রা শুরু করি। অভিজ্ঞ ব্যাংক ব্যবস্থাপনার গতিশীল নেতৃত্ব এবং দক্ষ কর্মীবাহিনীর অক্লান্ত পরিশ্রমে গত বৎসর আমাদের ব্যাংক চতুর্থ প্রজন্মের ব্যাংকগুলোর মধ্যে প্রথম স্থান অর্জনে সক্ষম হয়েছে। সম্মানিত পরিচালকবৃন্দ, শেয়ারহোল্ডারগণ, গ্রাহকগণ, পৃষ্ঠপোষকবৃন্দ ও শুভাকাঙ্ক্ষীদের আন্তরিক সাহায্য ও সক্রিয় সহযোগিতা ছাড়া আমাদের পক্ষে প্রথম হওয়ার গৌরব অর্জন করা সম্ভব হত না, আর এ জন্য আমি সবাইকে জানাই আমার অন্তরের অন্তস্থল হতে আন্তরিক শুভেচ্ছা ও অভিনন্দন।

২০১৩ সালটি ছিল প্রকৃতপক্ষে পরিবর্তনশীল বিশ্ব অর্থনীতির বছর। বৃহৎ অর্থনৈতিক দেশসমূহ যেমন যুক্তরাষ্ট্র, চীন, জাপান, গ্রীস, ফ্রান্স এবং স্পেন ইত্যাদি দেশ এমন কিছু রাজনৈতিক পরিবর্তন প্রত্যক্ষ করেছে যা ভবিষ্যৎ বিশ্ব রাজনৈতিক অর্থনীতির পুনর্বিন্যাস করতে পারে। গত বছর নানা রকম টানা পোড়েন বিশেষ অর্থনৈতিক ব্যবস্থাকে গ্রাস করে ফেলেছিল এবং কয়েকটি দেশে আন্তর্জাতিক ব্যাংকসমূহ নীতি নির্ধারকদের নিবিড় তত্ত্বাবধানে ছিল। ২০১৩ সালটি আমাদের ব্যাংকিং খাতের জন্য ছিল একটি ব্যতিক্রমধর্মী বছর। ২০১৩ সালে আর্থিক ক্ষেত্রসমূহ অসংখ্য চাপের সন্মুখীন হওয়া সত্ত্বেও দেশের সার্বিক অবস্থা ও ব্যাংকিং খাতে কতিপয় ইতিবাচক উন্নতি সাধিত হয়েছিল। গত অর্থবছরে জিডিপি নেমে এসেছে ৬.০৩%-এ যা ২০১২ অর্থবছরে ছিল ৬.২৩%। জিডিপির হার কমে যাওয়া সত্ত্বেও আমরা অনেকাংশে কৃষি উপার্জন, গার্মেন্টস শিল্প ও প্রবাসীদের পাঠানো রেমিটেন্সের উপর নির্ভর করে টিকে আছি। মিলিনিয়াম লক্ষ্যমাত্রা অর্জনের উল্লেখযোগ্য অগ্রগতির সাথে সাথে বাংলাদেশে আরও অধিক লোকের কর্মসংস্থানের ব্যবস্থা করা এবং জিডিপি প্রবৃদ্ধির সক্ষমতা রয়েছে।

যদিও দেশের অভ্যন্তরীণ ও বাহ্যিক পারিপাস্থিক অবস্থা ঝুঁকিপূর্ণ, তারপরও আমাদের ব্যাংক ইতিবাচক সাড়া দিয়েছে এবং ২০১৩ অর্থবছরে ব্যাংক সন্তোষজনক আর্থিক সাফল্য অর্জন করতে সক্ষম হয়েছে। ইউনিয়ন ব্যাংক লিঃ ২০১৩ সালের ২০ মে প্রকাশন শাখা চালু করার মধ্যে দিয়ে প্রত্যক্ষভাবে ব্যাংকিং কার্যক্রম শুরু করে এবং ৩১শে ডিসেম্বর, ২০১৩ইং সালে যাত্রার ০৭(সাত) মাসে ব্যাংক (নিরীক্ষিত আর্থিক বিবরণী অনুসারে) পরিচালন মুনাফা ৬২৪৬.২৯ মিলিয়ন এবং কর পূর্ব মুনাফা ৬১৬৭.৩৪ মিলিয়ন অর্জনে সক্ষম হয়। একই সময়ে ব্যাংকের মোট আমানতের পরিমাণ ৬১২১৬৫.১৯ মিলিয়ন এবং মোট বিনিয়োগের পরিমাণ ৬৭৩০৮.৮২ মিলিয়ন। ২০১৩ অর্থবছরে ব্যাংকের মোট সম্পদের পরিমাণ দাড়ায় ৬১৭০৮১.১৪ মিলিয়ন এবং মোট শেয়ারহোল্ডারদের ইকুইটি ৬৪৫১৩.০৯ মিলিয়ন।

সর্বশক্তিমান আল্লাহর অশেষ রহমতে আমরা সমগ্র বাংলাদেশে ১১টি নতুন শাখা চালু করতে সক্ষম হয়েছি। যার মধ্যে ০৫টি পল্লী শাখা ও ০৬টি শহুরে শাখা। ইসলামী শারী'আহ অনুযায়ী আমরা আমাদের ব্যাংকিং পণ্যগুলো সাজিয়েছি এবং লক্ষ্য নির্ধারণ করেছি। দ্রুত, যথাযথ এবং কার্যকরী গ্রাহক সেবা এবং অনলাইন ব্যাংকিং সেবা নিশ্চিত করার জন্য আমরা গত ১৮ মে, ২০১৩ তারিখে “*Millennium Information Solution Ltd.*” সত্ত্বে একটি চুক্তিতে আবদ্ধ হই। ব্যাংকের সার্বিক কর্মকাণ্ড পরিচালনার জন্য উল্লেখিত কোম্পানী এই চুক্তির আওতায় একটি সম্পূর্ণ ইসলামী শারী'আহ ভিত্তিক ব্যাংকিং সফটওয়্যার “*ABABIL*” স্থাপন করেছে, যাহা বৈদেশিক বাণিজ্য ও তহবিল ব্যবস্থাপনার কার্যক্রমের সাথে সম্পূর্ণ সমন্বিত। এটা আমাদের জন্য গর্ব ও সম্মানের বিষয় যে, আমরা আমাদের দক্ষ কর্মী বাহিনীর নিরলস পরিশ্রমের মধ্যদিয়ে *SWIFT Code* অর্জনে সক্ষম হয়েছি এবং বিশ্বের বিভিন্ন দেশে *NOSTRO* হিসাব চালু করার জন্য তারা বিরামহীনভাবে কাজ করে যাচ্ছে। ইতিমধ্যে আমরা একটি *NOSTRO* হিসাব চালু করতে সক্ষম হয়েছি এবং আরো বেশকিছু হিসাব স্বল্প সময়ে মধ্যে চালু হবে বলে আশা করছি। আমাদের অফিসারদের অধিকতর দক্ষ ও আধুনিকায়ন করার জন্য আমরা

নিয়মিত প্রশিক্ষণের ব্যবস্থা করে থাকি। গ্রামের ব্যাংকিং সুবিধা বঞ্চিত মানুষদের ব্যাংকিং সুবিধার আওতায় আনার জন্য শহুরে শাখার পাশাপাশি আমরা সারাদেশে পল্লী শাখাও চালু করছি এবং গ্রাম্য ক্ষুদ্র অর্থনীতির উন্নয়ণ সাধনে আমাদের ব্যাংক এসএমই সেবার উপর বিশেষ জোর দিয়ে যাচ্ছে।

চতুর্থ প্রজন্মের ব্যাংকের সদস্য হিসেবে ইউনিয়ন ব্যাংক লিঃ অসংখ্য CSR (Corporate Social Responsibility) এ অংশ গ্রহণ করেছে যেমনঃ বিভিন্ন সামাজিক সংঘঠন ও দাতব্য প্রতিষ্ঠানে আর্থিক সহায়তা প্রদান, গরীব অসহায় মানুষদের মাঝে শীত বস্ত্র বিতরণ, মেধাবী ও কমভাগ্যবান ছাত্র-ছাত্রীদের মধ্যে শিক্ষাবৃত্তি এবং বিভিন্ন শিক্ষা প্রতিষ্ঠানে অনুদান প্রদান ইত্যাদি।

চতুর্থ প্রজন্মের ব্যাংকসমূহের মধ্যে ইউনিয়ন ব্যাংক লিঃ একমাত্র ব্যাংক যা ইসলামী শারী'আহ্ মোতাবেক ব্যাংকিং কার্যক্রম পরিচালনা করার জন্য বাংলাদেশ ব্যাংক হতে অনুমোদন লাভ করে। আমাদের ব্যাংকিং কার্যক্রম শারী'আহ্ মোতাবেক পরিচালিত হচ্ছে কিনা তা বিশেষভাবে তদারকি করার জন্য পরিচালনা পর্ষদ “শারী'আহ্ সুপারভাইজরি কমিটি” গঠন করেছে।

অধিকন্তু ইউনিয়ন ব্যাংক লিঃ ব্যাংকের আর্থিক অবস্থা, লক্ষ্য ও দীর্ঘমেয়াদী কৌশল নির্ধারণের জন্য বাংলাদেশের চতুর্থ প্রজন্মের ব্যাংকসমূহের মধ্যে সবচেয়ে ব্যবসা সফল ব্যাংক হিসেবে “Business Asia Most Respected Company Award-2013”, “Business Excellence Award Singapore-2014” এবং “International Quality Summit Award New york-2014” লাভ করে।

সবশেষে ব্যাংকের ১ম বার্ষিক সাধারণ সভায় উপস্থিত থাকার জন্য সবাইকে আমি আন্তরিকভাবে ধন্যবাদ জানাচ্ছি। আমি অত্র ব্যাংকের সম্মানিত চেয়ারম্যানের, মূল্যবান গ্রাহকগণ, ইউনিয়ন ব্যাংক লিঃ এর নিবাহীগণ ও সকল কর্মকর্তা-কর্মচারীগণকে তাদের নিরাবিচ্ছিন্ন বিশৃঙ্খতার জন্য কৃতজ্ঞতা ও আন্তরিক ধন্যবাদ জ্ঞাপন করছি।

সর্বশক্তিমান আল্লাহতায়ালো আমাদের উপর তার অফুরন্ত রহমত বর্ষণ করুন এবং আমাদের সবাইকে ভালো রাখুন।

আল্লাহ হাফেজ।



মোঃ আব্দুল হামিদ মিক্রা
ব্যবস্থাপনা পরিচালক

Honorable shareholders, respected members of the Board of Directors and my dear team members of Union Bank Limited.

Assalamu Alaikum Wa Rahmatullah.

It is indeed a great pleasure for me to present the performance of our Bank for the year 2013. Thanks to our dynamic and generous Board of Directors for their confidence over the bank management for ensuring ethics and transparency at all level. The year 2013 was a milestone for UBL (Union Bank Ltd.). We have started our journey as a fourth-generation Bank on 1st April, 2013 with the aim of "To become socially committed world class financial institution". Under the dynamic leadership of the experienced Bank management along with hard work of a skilled workforce leads the bank to acquire the number one position among the fourth generation banks in the year 2013. I, sincerely, offer my heartfelt gratitude and congratulation to our honorable directors and shareholders, valued clients, patrons and well-wishers for their active support, cooperation and strong association with us, without which it would have not been possible for us to take the Bank to the height of today's stratum.

2013 was, indeed, a year of transformation for global economy. Major economies like the USA, China, Japan, Greece, France and Spain has seen some political changes which may redesign the landscape of future global political economy. Last year, a number of turmoil's engulfed the global financial system and international banks were under investigation by regulators in several countries.

The year 2013 was rather a different year for the banking sector of our country. Despite various stresses faced by the financial sector during 2013, some positive developments also took place in the macro economic situation and in the banking sector. GDP growth in the fiscal year 2013 fall to 6.03 percent comparing with 6.23 percent in the fiscal year 2012. Cushioned by agricultural income, RMG, strong remittances and robust service sector performance, the country can still sustain this slower, yet healthy growth rate. Coupled with remarkable progress on achieving the Millennium Development Goals, Bangladesh has the potential to generate more jobs and increase GDP.

Though the challenging environment, at home and abroad, our bank responded positively and was able to achieve satisfactory financial result in 2013 for the benefit of the bank and its stakeholders. UBL launched its banking operation on 20 May, 2013 by opening its Gulshan Branch. According to our audited financial statement during these seven months of initial operation, bank was able to make an operating profit of BDT 246.29 million as on 31 December, 2013, profit before tax was BDT 167.34 million. At the same time, total deposit of the Bank was BDT 12165.19 million and total investment was BDT 7308.82 million. Total Asset of the Bank was BDT 17081.14 million and total Shareholder's Equity was BDT 4513.09 million in 2013.

By the blessing of Almighty Allah, we have been able to open 11 (Eleven) new branches all over the country. Whereas 05 are rural branches and 06 are urban branches. Concentrating on Islami

Shari'ah we have designed our products and also set our mission. To ensure fast, accurate and effective customer services and online banking facilities we signed an agreement with "Millennium Information Solution Ltd." on 18th May, 2013. Under the agreement the undersigned company has deployed its product "ABABIL" a complete end to end Islamic Shari'ah based core banking solution with Trade Finance, Treasury Modules, and integrated with the major delivery channels to run the entire banking operation. It's really a great pride and honor for us that our skilled employee have been able to acquire SWIFT code by dint of hard labor. The efficient officials are also relentlessly working for opening NOSTRO account in different countries all over the world. To make our officials more modernized and efficient we always arrange training program and workshop. We are opening new branches all over the country to bring the unbanked rural people under the umbrella of banking service. Our management is arraying services focusing on rural & micro economic developments.

As a member of fourth generation bank, Union Bank Limited participated in so many Corporate Social Responsibilities (CSR) such as giving financial support to various charitable institutions and social foundations, distributing winter cloth among helpless people, giving scholarship to the poor students and also donation to educational institutions etc.

Among the fourth generation banks, the Union Bank Limited is the only bank that got approval for running its operation according to the principles of Shari'ah. Our Board of Directors has already established a "Shari'ah Supervisory Committee" to ensure whether our operations are operated according to the principle of the Shari'ah.

Moreover, UBL has also been awarded with the prestigious "Business Asia Most Respected Company Award, 2013", "Business Excellence Award Singapore -2014" and also "International Quality Summit Award New York-2014" in the relevant field among the fourth generation Banks of Bangladesh on its performance in the year 2013, financial status, vision and long term strategies.

In conclusion, I would like to thank you all for your kind presence in the 1st Annual General meeting of the Bank. I also extend the gratitude and appreciation of the Board to our shareholders, valued customers, and the UBL Management Committee and all employees for their continuous dedication and commitment.

With Best regards,



Md. Abdul Hamid Miah

Managing Director

**TO BECOME SOCIALLY COMMITTED
WORLD CLASS
FINANCIAL INSTITUTION**







Directors' *Reports*

Bismillahir Rahmanir Rahim

Honorable Shareholders,

Assalamu Alaikum Wa-Rahmatullah

On behalf of the Board of Directors of Union Bank Ltd. I have the pleasure of presenting you the Bank's audited Annual report for the year ended 31st December, 2013 and also a brief description of the performance and affairs of the bank for the same year.

The audited financial statements in this Annual Report have been prepared in accordance with Bangladesh Financial Reporting Standards along with Rules & Regulation issued by the Bangladesh Bank and also have included Basel II Pillar III disclosures.

An Overview of the Bank

Union bank Limited, one of the leading fourth generation banks in the region, was formed on 1st April, 2013 with the aim of "To become socially committed world class financial institution" and started operation as a Shari`ah based bank in the private sector on 20 May, 2013 by opening Gulshan Branch with an authorized capital of Tk. 10,000 million, paid up capital of Tk. 4280 million which is divided into 428 million shares of Tk. 10 each. It renders all types of commercial banking services in compliance with the Bank Companies Act, 1991.

Islamic banking is now spread over almost all the world, in both Muslim and non-Muslim countries as a viable entity and financial intermediary. The second half of the twentieth century witnessed a major shifting of thinking in devising banking policy and framework on the basis of the "Shari`ah"

The bank provides high quality customer service through the integration of the latest banking technology and also Shari`ah based products. Last year our Bank was succeeded to open 11 new branches at various commercially important locations and also some rural zones. Whereas 06 are Urban branches and 05 are Rural Branches. In accordance with our Vision and Mission we are trying hard to provide spectrum of services whether the clients are individual, small entrepreneurs or Industrial firms. To ensure fast, accurate and effective customer services and online banking facilities we have already made an agreement with the vendor of Ababil. Not only by technology our Bank has also plan to provide physical banking facilities to all of our customers and bring the unbanked rural people under the umbrella of banking service. In the age of 21st century we all know that all Commercial Banks are now providing overseas facilities. I am really glad to announce you that our Bank has already got the SWIFT code and our skilled and efficient officials are also relentlessly working for opening NOSTRO account in different countries all over the world. UBL employees are committed to the highest ethics and a code of conduct. How we do business is as important as the business that we do. Our employees share a common bond and a strong belief that the basic principles of corporate governance, fairness, transparency, accountability and responsibility are relevant in everything they do.

Financial Highlights / Bank's Performance in 2013

Union Bank Ltd. was able to make an operating profit of BDT 246.29 million as on 31st December, 2013. The net profit was a result of a strong performance across all the business lines. UBL's personal banking strategy with Shari`ah based products and services has 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 contribute at agriculture industry to ensure that UBL remains their preferred banking partner in the coming years. According to our audited financial statement Profit before tax is BDT 167.34 million. At the same

time, total deposits of the Bank are BDT 12165.19 million and total investments are BDT 7308.82 million. Total Assets of the Bank are BDT 17081.14 million and total Shareholder's Equity is BDT 4513.09 million in 2013. During the year 2013, the Bank also handled BDT 0.65 million of Export business and BDT 10.33 million of Import business.

Financial Products & Services

Union bank Ltd. has been operating a number of popular and innovative financial products from time to time considering the benefit of depositors, clients and Bank.

Present deposit products of the bank are:

- Pension Scheme (Obolombon)
- Millionaire deposit Scheme (Lacpoti)
- Monthly deposit Scheme (Prerona)
- Double deposit Scheme (Somriddhi)
- Triple deposit Scheme (Sompod)
- Marriage despite Scheme (Sohozatri)
- Hajj deposit Scheme (Hajj)
- Mudaraba Student deposit Scheme (Udvas)
- Mudaraba Mohor deposit Scheme (Denmohor)

Moreover, other Principal deposit products of the Bank are as follows:

- Al-Wadiah Current Deposit Account
- Mudaraba Saving Deposit Account
- Mudaraba Term Deposit Account
- Mudaraba Short Notice Deposit Account

Investment Products:

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

Services:

- Internet Banking
- Mobile Banking
- ATM Banking
- SMS Banking

Information & Communication Technology Division

The banking industry has changed in the way they provide service to their customers and process information in recent years. Information Technology has brought about this momentous transformation. In today's technologically advanced environment Banking Industry is completely incapable of functioning without the help of Information & Communication Technology (ICT). Security of ICT systems has therefore gained much greater in importance and treated as an essential assets of the banks and as well as for its customers and stake-holders. Information & Communication Technologies application therefore expanding different wings of banking services in various fields like online banking, SMS banking, mobile banking, internet banking, ATM, POS, etc. As such, Banks must take the responsibility of protecting the information from unauthorized access, modification, disclosure and destruction to protect customers' interest.

In such environment, Union Bank Limited (UBL) started its journey as a technologically advanced, full-fledged private commercial Bank based on the principle of Islamic Shari'ah. The ICT Division of Union Bank Limited is using latest technology and advanced facilities for providing the best banking services to make the bank fully automated. The Bank started its banking operation on 20th May 2013 and within a year the bank is running with branches covering both urban and rural areas of our country through full centralized and effective online banking system under a single platform.

ICT Division's detail Activities & Performance over the year 2013:

01. Implementation of Core Banking Solutions:

Since the day of inception Union Bank Limited has introduced online Banking with the help of the state-of-the-art banking software (ABABIL), which will enable the bank to perform as any branch real time banking services to the clients. Right now, different module like GB, Foreign Trade, ATM Services are operating in live. Few more modules like, Treasury, SMS Banking, Utility Bills and Payment System Module will be operational within short time frame as the implementation task is going on. Moreover, Core Banking Solution has extra feature to add or modify required banking services modules as instructed by Bangladesh Bank.

02. Implementing BACH Automation:

Union Bank's online clearing process is running through BACH Automation System in order to boost up its business in multiple dimensions. Adopting BACH system as per guidelines of Bangladesh Bank, UBL ensures security, safety and hassle free faster transactions from one terminal to another.

03. Establishing own tier –III Data Center:

The bank has already established its own Data Center at its ICT Division (2nd floor) of Head office building at Gulshan area. The centralized online banking operation is fully dependent on this Data Center. For performing smooth, uninterrupted and centralized banking operation on 24/7 basis a huge number of high technologically advanced ICT devices have been set up inside the data center. This Data Center is also comprised of redundant power supply, data connectivity, high end technologies storage area network, active-active application, database, ATM and internet Banking Server. UBL is supported by core banking solutions and thus products & services are strongly backed by ICT infrastructure, which are being upgraded & expanded on continuous basis.

04. Disaster Recovery Site (DRS):

Disaster Recovery Site or DRS is a place or location to recover and protect ICT infrastructure and systems following a natural, environmental or human induced disaster. Mainly DRS is a backup site of Data Center itself. In case of any disruption the organization can easily access its required documents as well as necessary business resources through Disaster Recovery Site. Customer data will be secured by DR site if any unwanted disaster happens in Data Center. In case of any disruption, ICT Division can drive the Banking service through Disaster Recovery (DR) site.

In this context, ICT Division of Union Bank Limited has already planned for set up its DR site. Disaster recovery site focuses exclusively on a data center facility and its infrastructure, e.g., physical location, construction, security, power sources, and environmental systems. ICT Division focuses on above mentioned issues and thus required planning phase is already done. Now the implementation, installation and commissioning task will be started within a very short time.

05. ATM & Debit Card Service Implementation:

Union Bank Limited is going to start its on shared ATM service through Q-Cash Network by IT Consultants Ltd and planning to establish its own ATM booth at its main Head Office Building.

Through this ATM service Union Bank limited wishes to establish Anywhere Anytime convenience banking to serve all of our valued customers through proprietary Debit card accessible in ATM (Automated Teller Machine) and POS (Point of sale).

06. Web Site Launching:

In today's technologically advanced environment, a website plays an important role to improve service quality as well as create value addition point for all types of people. As a result, a well-equipped, furnished & resourceful website is undoubtedly essential to mark the differences between an organization and its competitor's.

In such context, Union Bank Limited launched their official website fully developed by UBL ICT Department. The website is user friendly, secured as well as convenient which is accessible by every taste of people through internet. As a part of safety & security the website is hosted by Bangladesh Online Limited (BOL), a recognized and secure hosting partner working in multiple banks in Bangladesh.

07. E-recruitment System:

E-Recruitment is the process of personnel recruitment using electronic resources, particularly using internet. Companies and recruitment agents have moved much of their recruitment process online so as to improve the speed by which candidates can be matched with live vacancies. Using database technologies, and online job advertising boards and search engines, employers can now fill posts in a fraction of the time previously possible. Conventional methods of recruitment processes are readily acknowledged as being time-consuming with high costs and limited geographic reach. However, recruitment through World Wide Web (WWW) provides global coverage and ease.

From the very first day Union Bank is managing its recruitment system through its own developed e-recruitment software which is fully on live. This software provides a tracking number to the applicants through which they can edit/update their resumes and may apply in future if any position matches.

08. Other services:

(i) 24/7 support services:

Union Bank Limited has started its journey as a fourth generation bank by adopting advanced technological facilities. The bank is running through full centralized and effective online banking system under a single platform. For performing smooth, uninterrupted and centralized banking operation on 24/7 basis a huge number of high technologically advanced & well equipped ICT devices have been set up inside the data center.

Through such structured ICT system all the branches and Head Office of Union Bank are performing their daily operation in perfect, efficient and on time basis as like the other banks or financial organization. As such, the support services have to be ensured by a number of skilled ICT professionals. This ICT people are classified mainly in three category (i.e. Software, Networking & Hardware) and monitor the entire ICT system through NOC on 24/7 basis.

In addition, if any complicity or disaster arises related to networking connectivity or data center issues, ICT personnel need to come even on holidays.

(ii) Reporting to Bangladesh Bank:

Different divisions of Union Bank Limited provide different reports to Bangladesh Bank on a regular basis or as per requirements. These reports mainly include- GoAML, MIS, CIB report of Investment

Department, SBS-1 and SBS-2 of Finance & Accounts Department. These reports are developed and generated by respective division and ICT Division provides full technical support to process the reports.

(iii) In-house Software:

ICT Division has already developed different in house softwares like Asset Management, Trouble Ticketing and Debit Card requisition software for smooth functioning of its day to day operation. The real time implementation of these software will be started within a very short time.

(iv) Antivirus:

Antivirus software is a computer program that detects, prevents, and takes action to disarm or remove malicious software programs, such as viruses and other malicious software like worms, trojans, adware, and more. As total ICT infrastructure of Union Bank Limited are functioning under a single centralized platform so computers without anti-virus software will be infected within minutes if connected to the internet and this may damage the entire ICT system.

As such, for greater security of the bank and data resources as well Union Bank Limited already installed “Kaspersky” antivirus software for its Desktop Computer. At present “Kaspersky” licenses copy of antivirus software are being used for every single unit of Computer. This software is centrally operated and maintained by ICT division following the policies and guidelines provided by Bangladesh Bank. Necessary upgradation, modification and yearly renewal is also done by ICT division which helps smoothly and hassle free movement of the whole ICT system.

9. Security & Compliance:

Every bank having Information systems must have an ‘ICT Security & Compliance Policy’ which must be fully complied with ICT Security Guideline provided By Bangladesh Bank. The policy provides the guideline for Information System and its secured usage for the banks. It establishes general requirements and responsibilities for protecting Information and Information System. The policy covers common technologies such as computers & peripherals, data and network, web system, and other specialized ICT resources.

The bank’s delivery of services depends on availability, reliability and integrity of its information technology system. Therefore, each bank must adopt appropriate methods to protect its information system. The senior management of the bank must express a commitment to ICT security by continuously increasing awareness and ensuring training of the bank’s staff. The policy will require regular update to cope with the evolving changes in the ICT environment both within the bank and overall industry.

ICT security includes- physical security (Data Center security, environmental security and fire prevention), Information security (i.e. Data Resources) and Network security. ICT Division of Union Bank Limited follows these security & compliance guidelines provided by Bangladesh Bank for smooth functioning of the entire ICT system.

10. ICT Policy

Union Bank Limited has written ICT policy guidelines in order to drive the entire ICT system. This document describes Information Technology (ICT) Policy of Union Bank Limited. All concerned both in the Branches or in the Head Office of the Bank shall observe and follow the guidelines provided in this document.

The policy statements developed for all levels of users acting in different roles in the ICT system of the Bank including general users of different software used in the Bank, all executives, and officers of ICT division responsible for maintaining the system, and the members of the top management of the Bank. In order to quick identify the responsibility of different group of roles for each policy statement, a tag attached to the end of each policy statement for ease of identification. Multiple tags also attached to a single policy statement if that statement is applicable to multiple roles.

This policy has been prepared during the implementation of Core Banking Solutions (CBS) of the Bank and in the areas of operation that the policy addresses the issues that are relevant to the operation. This guideline comply with Bangladesh Bank instructions and make standard ICT policy, disaster recovery, risk management and ICT surveillance policy for the Bank. This also serves to demonstrate the Bank's capacity to act swiftly and effectively in times of crisis. ICT Division is always concerned with the information security risk and hence to keep up business continuity plan, the division follows ICT policies and move forward accordingly.

Branch Expansion

During 2013 Bank has launched 11 new branches at various commercially important location and also some rural zone. Out of 11 branches, 06 are Urban branches and 05 are Rural Branches. The name, location and type of branches are as follows:

SI	Name of the Branch	District	Urban/Rural
01	Gulshan Branch	Dhaka	Urban
02	Dilkusha Branch	Dhaka	Urban
03	Hatkhola Branch	Dhaka	Urban
04	Lichubagan Branch	Chittagong	Rural
05	Sathibari Branch	Rangpur	Rural
06	Mouchak Branch	Gazipur	Rural
07	Shantirhat Branch	Chittagong	Rural
08	Bogabari Branch	Dhaka	Rural
09	Khatungonj Branch	Chittagong	Urban
10	Zindabazar Branch	Sylhet	Urban
11	Ashkhona Bazar Branch	Dhaka	Urban

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.

Executive Committee

The Executive Committee is comprised of seven (07) members of the Board. 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. During the year 2013, the Executives Committee conducted five (05) meetings.

Audit Committee

The Audit Committee is comprised of five (05) members of the Board. The Committee assists the Board of Directors in ensuring and maintaining oversight of the financial reporting system, internal control and risk management framework, audit functions, legal and regulatory requirements. During the year 2013, the committee conducted two (02) meetings.

Other Committees

To assist the Managing Director for smooth operation of the Banking activities, several committees were formed with competent members from Management. The main committees are grouped into Management Committee (MANCOM), Asset Liability Management Committee (ALCO), Investment Committee etc. All the Committees are constituted headed by the Managing Director along with Deputy Managing Director, SEVP, EVP, SVP, VP and other Executives of the different level.

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 the investment proposal for onward submission to the Board for decision.

Internal Control & Compliance

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. Our Internal Control and Compliance department has been established since the very beginning of the 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, Audit committee of Board of Directors and ICC Division are carrying out regular audit & inspection of the functions of the branches and divisions of Head Office. Deficiencies/ lapses/ irregularities detected by these audit & inspection are rectified/ regularized/ set right at the earliest and submit compliance report to the Head office. 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. ICCD is thoroughly guided by the motto “Prevention is better than cure”. The array of ICCD 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 frame work including applicable laws and regulations.

We have sufficient members in our ICC Division under the leadership of a senior executive. Soon we will organize zonal ICC unit to cover the branches division wise. The audit/inspection teams conduct periodic and special audit, inspection and investigation. Since beginning, the division carried out comprehensive inspection on 05 branches.

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

Risk Management

Basel II is the second of the Basel Accords, (now extended and effectively supersede by Basel III), which are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision. Basel’s main objective is to ensure that a bank has adequate capital for the risk exposes itself through its lending and investment. The greater risk to which the bank is exposed, the greater the amount of capital the bank needs to hold to safeguard its solvency and overall economic stability.

Risk Management’s main activities are to identify and measuring the risk in a specific framework and advise mitigation there against. Risk Management have to minimize the adverse effect of a possible financial loss through identification of potential sources of loss, measuring the financial consequences of a loss, using tools to minimize actual losses or their financial consequences. By which bank will strength its capital. Basel is structured on following three aspects:

- a) Pillar-1: Minimum capital requirements to be maintained by a bank against credit, market, and operational risks under Basel-II.
- b) Pillar-2: Process for assessing the overall capital adequacy aligned with risk profile by calculating ICAAP (Internal Capital Adequacy Assessment Process).
- c) Pillar-3: Framework of public disclosure on the position of a bank’s risk profiles, capital adequacy, and risk management system.

Highlights of the Regulatory Report under Risk Management Division:

- Basel Report
- Risk Management Paper (RMP)
- Stress Testing
- Internal Capital Adequacy Assessment Process (ICAAP)

Treasury Operation & Fund Management

Union Bank Limited’s Treasury is fully concentrated on fund management and maintaining adequate cash to meet day-to-day requirements. It is responsible to maintain Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) with Bangladesh Bank and also deals with funding operation for managing the liquidity, exchange positions, foreign exchange dealings, Islami Money

Market operation etc. Thus the Treasury Division of UBL essentially deals with liquidity management and from an organizational point of view, is considered as a service center. At present, the function of treasury has expanded considerably; it has evolved as a profit center with its trading and investment activity.

Anti Money Laundering & Anti Terrorist Financing Activities

Money Laundering is being employed by launderers worldwide to conceal the proceeds earned from criminal activities. It happens in almost every country in the world, and a single scheme typically involves transferring money through several countries in order to obscure its origins. And the rise of global financial markets makes money laundering easier than ever, making it possible to anonymously deposit “dirty” money in one country and then have it transferred to any other country for use.

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 Division (AMLDD) has been formed under close supervision of higher authorities. The bank has formulated “Anti Money Laundering Policy” vetted by the higher authorities of the bank. Circulars and circular letters from Bangladesh Bank are circulated to all branches. All the branches are advised to strictly follow the orders and instruction mentioned in the circulars and circular letters. For constant vigilance against money laundering, every branch has a “ Branch Anti Money Laundering Compliance Officer (BAMLCO)”.

Management Information System

Union Bank (UBL) has already established a separate division named Management Information System (MIS) from its inception. MIS division usually provides the information accurately, timely and consistently as required to the Management and regulatory body Bangladesh Bank.

A Management Information System provides information that organizations require to manage themselves efficiently and effectively. Management Information Systems are typically computer systems used for managing. The five primary components are i) Hardware ii) Software iii) Data (Information for decision making). iv) Procedures (design, development and documentation) and v) People (individuals, groups, or organizations). Management information systems are distinct from other information systems because they are used to analyze and facilitate strategic and operational activities.

Our MIS division collects information from day to day business and processes the same as per requirement of the 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).

A common misconception is that MIS only concerns programming. However, programming is just a small part of the MIS curriculum. A large portion of the MIS degree focuses on data analysis,

teamwork, leadership, project management, customer service and underlying business theories. MIS professionals create information systems for data management (i.e., storing, searching and analyzing data). In addition, they manage various information systems to meet the needs of managers, staff and customers. By working collaboratively with various members of their work group, as well as with their customers and clients, MIS professionals are able to play a key role in areas such as information security, integration and exchange. As an MIS major, we will learn to design, implement and use business information systems in innovative ways to increase the effectiveness and efficiency of our company.

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-sight Supervision considering various aspects as usual.

Green Banking for safe environment:

While the country's environment is facing threat in various ways hindering sustainable economic growth and endangering human health, experts feel green banking can be an avenue to reduce pollution and safe environment.

Being a part of financial corporate house of the country, Union Bank Limited 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.

Our bank has already come forward for policy formulation and implementation, allocation of budget, environmental risk rating, green financing, utilization of climate risk fund. Moreover, CSR activities for green events and green projects, online banking, 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.

Human Resources Management

The bank being a service based financial institute, it always emphasizes on the development of its manpower to provide quality services of its clients. It believes that the factors which help the banks to survive and differentiate it from other banks are closely interlinked with the quality of services and satisfaction of clients and these depend on the qualification of employees, efficiency & effectiveness of work. As our human resources give the organization a significant competitive edge, we continue our policy of recruiting the best professionals and implement programs to develop retain high quality employee for facing challenges of 21st Century. The bank is making equal opportunity for new talents in its process of recruitment and selection. It is continuing its effort towards the development of its manpower by providing required training, workshop, seminar etc. in home and abroad to make them well equipped to provide quality services to its customs. It also arranges priority-based training and workshop to make its employees compliant to its regulatory body and helps its employees for career development.

HR Strategy:

- To make equal opportunity for all concerned.
- To recruit the best person through rigorous and competitive examination(s).
- To provide required trainings for newly appointed employees for their development.
- To arrange priority-based training, workshop, seminar etc. to make employees competent for facing new challenges.
- To make appropriate placement based on the need of the organization and experience & qualifications of employees.

- To ensure congenial and conducive working environment.
- To help to contribute individually and as a member of a team.
- To provide opportunities for self-development and self exposure for becoming a future leader.
- To provide competitive pay package and other benefits to maximize the satisfaction level and retain qualified personnel.
- To make its employees more compliant as per requirement of the Regulatory body(s).

We are committed to maintain a congenial working environment free from discrimination based on parochialism, religion, sex, race, creed, age or any other issues. We do not tolerate any behavior that can be perceived as degrading or threatening. We believe in working in a friendly, positive and respectful environment which permits employees to work maximum effectiveness and efficiency and to their full potential. The Bank excels the performance of its employees by creating opportunities through providing proper training, rewards and recognitions. To attract and retain qualified and efficient employees, the bank has formulated a number of well tough policies for the welfare of its employees in the form of Contributory Provident Fund, Gratuity, Employees' Social Security and Benevolent Fund, Employee House Building Investment Scheme, Employees' Car Financing Scheme, HPSM Consumer Durables and House Furniture Benefits etc.

The bank is going to appoint faculty members for its training institute in order to provide priority-based training for the employees. It is continuously revising the syllabus of Foundation Training for the fresher's to make them more competent. From the inception of the training Institute of the bank, it has been providing various training like Foundation Training, General Banking, Islamic Banking, Investment management, Islamic investment mechanism, Trade Finance and Foreign Exchange, Documentation in the light of UCP & ISBP, Information and Communication Technology, SME & Agriculture, Mobile Financial Services, Online Banking, Malpractices in Banking, anti- Money Laundering, Online Bill Collection, Bangladesh Automated Clearing House(BACH), Online CIB Reporting and Searching, Core Risk Management and many other related to.

Statement of Training Programs Conducted By UBL Training Institute-2014

SL No	Title of the Training	Working days	No. of Participants
1	Orientation Course	3	25
2	Workshop on Investment	1	37
3	Orientation Course	3	40
4	Orientation Course	3	28
5	Foundation Training Course: Module II(Investment)	5	25
6	Training on-BACH automation & EFT operation	1	16

Dividend

The Board of the Directors of the bank has recommended Dividend "No Dividend" to the Shareholders for the year ended on 31st December, 2013 subject to approval of shareholders in the 1st Annual General Meeting (AGM) of the Bank.

Retirement & Re-Election of Directors

In the 1st Annual General meeting , retirement/re-election of the directors of the Bank will be as per the companies Act, 1994, Bank Company (Amendment) Act, 2013 and Articles of Association of the Bank.

Appointment of Auditors

The present Auditor K M Hasan & Company, Chartered Accountant appointed by the Board of Directors has completed the last (2013) year as Auditor. And in accordance with the decision of Board of Directors K M Hasan & Company is eligible for re-election for with the year 2014.

Future Outlook of the Bank

In response to the fast improving economic scenario, the Bank decided to redraw its strategy for the year 2014. This preventive preparation was aimed to meet the challenges of the new market realities. The extensive work done on organizational transformation during the last year in the area of technology upgrade, customer segmentation, process re-engineering and organizational design has provided the foundation for future strategic growth. The financial plan for 2014 is reasonably aggressive keeping in view strong growth trajectory of the Bangladesh economy – and the bank's revised strategic agenda set by transformational exercise conducted during 2013. This bottoms-up plan is built unit by unit at customer level, product level, portfolio level and geographic level. I have full confidence in the management team's ability to execute its strategy precisely and effectively to deliver a sterling performance in 2014.

Appreciation

Thanks to almighty Allah for the Business success of the Bank in 2013. 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 Ltd.

The UBL Board and 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, Register of Joint Stock Companies and Firms and all other concerned who have supported us and extended to us their valuable co-operation.

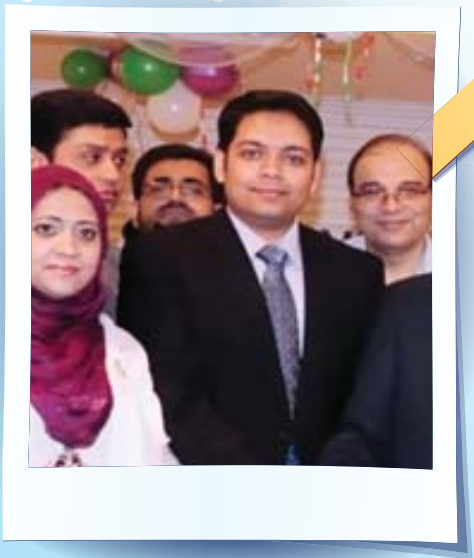
May Almighty Allah grant his infinite mercy upon us.

Ameen.

On behalf of the Board of Directors



Shahidul Alam
Chairman





Memories *in Frame*



Mr. Hussain Muhammad Ershad, former President of Bangladesh and Director of Union Bank Ltd, formally inaugurated the Head office at Gulshan, Dhaka



Mr. Hussain Muhammad Ershad, former President of Bangladesh and Director of Union Bank Ltd, formally inaugurated the Gulshan branch, at Gulshan, Dhaka.



Mr. Hussain Muhammad Ershad, former President of Bangladesh and Director of Union Bank Ltd. formally inaugurated the Dilkusha branch, at Dilkusha. Motijheel.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Hatkhola branch, at Hatkhola, Dhaka.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Ashkona Bazar branch, at Ashkona, Dhaka



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Mouchak branch, at Gazipur, Dhaka.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Bogabari branch, at Ashulia, Dhaka.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Lichubagan branch, at Kaptai, Chittagong.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the data center of the head office, Gulshan, Dhaka.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the SWIFT Operations of the Bank..



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Workshop on BACPS, BEFTN, PBM, CPS & IT Security.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. formally inaugurated the Workshop on Core Risk Management, Classification & Rescheduling of Investment.



Syed Abdullah Mohammed Saleh, Deputy Managing Director of Union Bank Ltd. formally inaugurated the Basic Banking Training Course for Junior level Officers of Union Bank Ltd.



Syed Abdullah Mohammed Saleh, Deputy Managing Director of Union Bank Ltd. formally inaugurated the Basic Banking Training Course for Junior and Mid Level Officers of Union Bank Ltd.



Hon'ble Chairman Mr. Shahidul Alam & Vice-Chairman Mr. Belal Ahmed Congratulated to Mr. Hussain Muhammad Ershad for the appearance to Special Envoy of Prime Minister.



Union Bank Ltd. got "Business Asia Most Respected Company Award" Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd, received the award.



The first award for the Union Bank Ltd.
“Business Asia-Most Respected Company Award”
Holding by Mr. Abdul Hamid Miah, Managing Director, Union Bank Ltd.

Corporate Social Responsibility

Issues relating to Corporate Social Responsibility (CSR) have taken a center stage in modern societies. It can no longer be denied that we are all expected to have a high degree of responsibility. This generation must ensure that future generations of living creatures enjoy the same standards of living, if not better standards of existence than theirs. In other words, we ought to create an environment that leads us towards sustainable development. This fact cannot be overstressed.

As a 4th generation leading Bank, Union Bank Limited always like to extend their assistance towards the distressed community in education, health and various natural calamities as a part of Corporate Social Responsibility (CSR). Since its inception besides banking activities Union Bank Ltd. contributing to countries health, education, disaster preparedness and sports development.

In the year 2013, Union Bank Ltd. has contributed a large amount of money in various Sectors of the country as a part of Corporate Social Responsibility (CSR), those sectors are as follows:

Health

Disaster Management

Education

Art & Culture

Sports development



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. handing over a cheque to the wife of Mr. Ijot Ali for the treatment as the part of Corporate Social Responsibility (CSR).



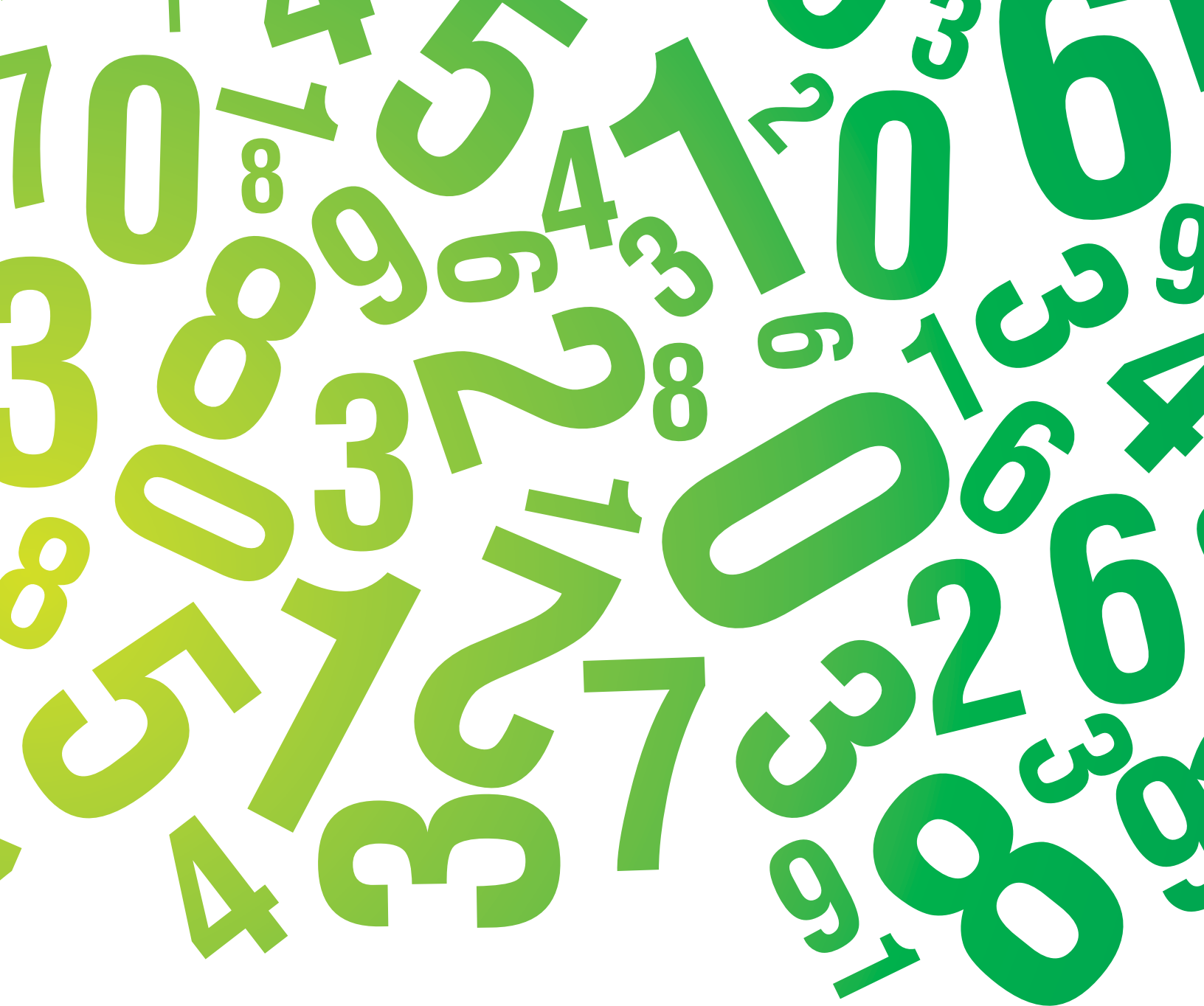
Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. handing over a cheque to Fatema Akhter as the part of Corporate Social Responsibility (CSR) for her University admission.



Md. Abdul Hamid Miah, Managing Director of Union Bank Ltd. was distributing blankets among the distressed people.

**“Local Bank
Global Opportunity”**





Financial
Reports

AUDITORS' REPORT

We have audited the accompanying financial statements of Union Bank Limited (“the bank”), as at December 31, 2013 which comprise the balance sheet, profit and loss account, statement of changes in equity, statement of cash flows and statement of liquidity statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Consolidated Financial Statements

Management of the Union Bank Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards along with Rules & Regulation issued by the Bangladesh Bank. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements referred to above which have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in the form prescribed by Bangladesh Bank vide Circular # 14 dated June 25, 2003 give a true and fair view of the state of the affairs of the Bank as at December 31, 2013 and of the results of its operations and its cash flows for the period then ended and comply with Banking Companies Act 1991 as amendments up to 2013, Companies Act 1994, the Securities and Exchange Rules 1987 and rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that;

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law has been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) The records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements;
- d) The Balance Sheet and Profit and Loss Account together with dealt with by this report are in agreement with the books of account and returns;
- e) The Financial Statements have been drawn up in conformity with Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank and the Financial Statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh.
- f) The financial position of the Bank as at December 31, 2013 and the profit for the period then ended have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards;
- g) The records and statements submitted by the branches have been maintained and consolidated in the financial statements.
- h) The expenditures incurred during the period were for the purposes of the business of the Bank;
- i) Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) with Bangladesh Bank have been maintained as per rule;
- j) As far as it was revealed from our test checks, the existing rules and regulation for loan sanctioning and disbursements have been followed properly;
- k) It appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable frauds and forgeries;
- l) Adequate capital of the Bank, as required by law, has been maintained during the period under audit;
- m) We were not aware of any other matters, which are required to be brought to the notice of the shareholders of the Bank;
- n) 80% of the Risk Weighted Assets have been reviewed by us;
- o) We have spent approximately 1,795 man hours for the audit of books and accounts of the Bank.

Place: Dhaka
Date: 25 February 2014


K. M. Hasan & Co.
Chartered Accountants

Balance Sheet

**UNION BANK LIMITED
BALANCE SHEET**

As at 31 December 2013

	Notes	2013 Taka
PROPERTY AND ASSETS		
Cash	3	2,063,851,312
In hand (Including foreign currencies)	3.1	108,280,763
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3.2	1,955,570,549
Balance with other Banks and Financial Institutions	4	6,445,848,472
In Bangladesh		6,445,848,472
Outside Bangladesh		-
Investments in Shares & Securities	5	330,484,738
Government		300,000,000
Others		30,484,738
Investments	6	7,308,820,728
General Investment (Bai-Murabaha, Bai-Muajjal, HPSM) etc.	6.A	7,308,820,728
Bills Purchased and Discounted	6.B	-
Fixed Assets Including Premises, Furniture & Fixtures	7	86,290,695
Other Assets	8	845,845,297
Non-banking Assets		-
Total Assets		17,081,141,242
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks & other Financial Institutions	9	-
Deposits and Other Accounts	10	12,165,198,711
Al-Wadia Current Accounts and Other Deposit Accounts	10.1	411,500,008
Bills Payable	10.2	5,392,842
Mudaraba Savings Bank Deposits	10.3	37,159,132
Mudaraba Term Deposits including other Banks	10.4	11,536,460,529
Mudaraba Deposits under Schemes	10.5	174,686,200
Other Liabilities	11	402,849,953
Total Liabilities		12,568,048,664
Capital/Shareholders' equity		
Paid-up Capital	12	4,280,000,000
Statutory Reserve	13	33,468,582
Other Reserve	14	145,749,665
Retained Earnings	15	53,874,331
Total Shareholders' Equity		4,513,092,578
Total Liabilities and Shareholders' Equity		17,081,141,242

Balance Sheet

UNION BANK LIMITED
BALANCE SHEET
 As at 31 December 2013

	Notes	2013 Taka
OFF- BALANCE SHEET ITEMS		
Contingent Liabilities		
Acceptances and Endorsements		-
Letters of Guarantee	16	7,170,000
Irrevocable Letters of Credit	17	-
Bills for Collection	18	-
Other Contingent Liabilities		-
Total		7,170,000
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		-
Total		-
Total Off -Balance Sheet Items Including Contingent Liabilities		7,170,000

The annexed notes form an integral part of these financial statements



Managing Director


Director


Director


Chairman

Signed in terms of our per annexed report of even date

Place: Dhaka
 Date: 25 February 2014

K. M. Hasan & Co.
K. M. HASAN & CO
 Chartered Accountants

Profit and Loss Account

UNION BANK LIMITED
PROFIT AND LOSS ACCOUNT
 For the period ended 31 December 2013

	Notes	2013 Taka
Investments Income	19	954,409,235
Profit Paid on Deposits	20	(554,950,245)
Net Investment Income		399,458,990
Income from Investment in shares and securities	21	793,582
Commission, Exchange and Brokerage	22	182,501
Other Operating Income	23	1,131,110
		2,107,193
Total Operating Income		401,566,183
Less: Operating Expenses		
Salary and Allowances	24	83,444,561
Rent, Taxes, Insurances, Electricity etc.	25	25,337,397
Legal Expenses	26	50,300
Postage, Stamps, Telecommunication etc.	27	680,574
Stationery, Printings, Advertisements etc.	28	3,653,568
Managing Director's Salary and Fees	29	7,406,452
Auditors' Fees		200,000
Directors' Fees	30	1,898,650
Shariah Committee's Fees & Expenses	31	50,000
Depreciation and Repair of Bank's Assets	32	9,779,432
Zakat Expenses		3,000,000
Other Expenses	33	19,772,336
		155,273,270
Total Operating Expenses		246,292,913
Profit before Provision and Tax		-
Provisions for Classified Investments		-
Provisions for Unclassified Investments including off-B/S items	11.2	75,100,000
Provisions for diminution in value of Investment in Shares		3,850,000
Total Provisions		78,950,000
Total Profit before Taxes		167,342,913
Provision for Taxation	11.1	80,000,000
Net Profit after tax for the period		87,342,913
Retained Earnings Brought Forward from Previous Year		-
		87,342,913
Appropriations:		
Statutory Reserve		33,468,582
		33,468,582
Retained Earnings Carried Forward		53,874,331
Earnings Per Share (EPS)	34	0.20

The annexed notes form an integral part of these financial statements



Managing Director



Director



Director



Chairman

Signed in terms of our per annexed report of even date

Place: Dhaka
 Date: 25 February 2014



K. M. HASAN & CO
 Chartered Accountants

Cash Flow Statement

UNION BANK LIMITED
CASH FLOW STATEMENT
 For the period ended 31 December 2013.

	Notes	2013 Taka
A. Cash Flow from Operating Activities		
Profit received		954,409,235
Profit paid		(554,950,245)
Commission, exchange & brokerage received		182,501
Payment to employees		(90,851,013)
Payment to suppliers		(8,015,412)
Income tax paid		-
Received from other operating activities	35	1,924,692
Payment for other operating activities	36	(47,789,257)
Operating Profit before changes in Operating Assets & Liabilities		254,910,501
Increase / Decrease in Operating Assets & Liabilities		
Investments to Customers		(7,308,820,728)
Other Assets	37	(845,836,453)
Deposits from Customers		12,165,198,711
Other Liabilities	38	240,691,109
		4,251,232,639
Net Cash Inflow from Operating Activities		4,506,143,140
B. Cash Flow from Investing Activities		
Investment in Shares and Securities		(330,484,738)
Purchase of Property, Plant and Equipment		(91,708,283)
Sale of Property, Plant and Equipment		-
Net Cash Inflow from Investing Activities		(422,193,021)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital		4,280,000,000
Increase/(Decrease) in Other reserve		145,749,665
Receipt from issuance of Mudaraba Subordinated Bond		-
Increase/(Decrease) in Placement from Banks & FI		-
Net Cash Inflow/(Outflow) from Financing Activities		4,425,749,665
D. Net Increase/Decrease of Cash & Cash Equivalent (A+B+C)		8,509,699,784
Effect of Exchange Rate on Cash & Cash Equivalent		-
E. Opening Cash & Cash Equivalent		-
F. Closing Cash & Cash Equivalent (D+E)		8,509,699,784
The above closing Cash and Cash Equivalents include:		
Cash in hand (Including Foreign Currencies)		108,280,763
Balance with Bangladesh Bank, other banks & FI		8,401,419,021
		8,509,699,784

The annexed notes form an integral part of these financial statements



 Managing Director



 Director



 Director



 Chairman

Signed in terms of our per annexed report of even date

Place: Dhaka
 Date: 25 February 2014

K. M. Hasan & Co.
K. M. HASAN & CO
 Chartered Accountants

Statement of Changes in Equity

UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
 For the period ended 31 December 2013

Particulars	Paid-up Capital		Statutory Reserve		Other Reserve		Assets Reval. Reserve		Retained Earnings		Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 07 March 2013	4,280,000,000	-	-	145,749,665	-	-	-	-	-	-	-	4,425,749,665
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance	4,280,000,000	-	-	145,749,665	-	-	-	-	-	-	-	4,425,749,665
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 period	-	-	-	-	-	-	-	-	87,342,913	-	-	87,342,913
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	33,468,582	-	-	-	-	-	-	-	-	-
Issue of Share Capital during the year	-	-	-	-	-	-	-	-	-	(33,468,582)	-	-
Balance as on 31 December 2013	4,280,000,000	-	33,468,582	145,749,665	-	-	-	-	53,874,331	-	-	4,513,092,578


Managing Director

Director

Director

Chairman

Signed in terms of our per annexed report of even date


K. M. HASAN & CO
 Chartered Accountants

Place: Dhaka
Date: 25 February 2014

Liquidity Statement

UNION BANK LIMITED
LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)
 As at 31 December 2013

Particulars	Up to 01	01-03	03-12	01-05	More than	Total
	Month	Months	Months	Years	05 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash	2,063,851,312	-	-	-	-	2,063,851,312
Balance with other Banks and FI	195,848,472	3,950,000,000	2,300,000,000	-	-	6,445,848,472
Investments in Shares and Securities	30,484,738	-	-	300,000,000	-	330,484,738
Investments	-	-	40,626,116	7,268,194,612	-	7,308,820,728
Fixed Assets including Premises, Furniture and Fixtures	-	-	-	-	86,290,695	86,290,695
Other Assets	-	220,800,000	272,500,000	352,545,296	-	845,845,296
Non-banking Assets	-	-	-	-	-	-
Total Assets	2,290,184,522	4,170,800,000	2,613,126,116	7,920,739,908	86,290,695	17,081,141,241
Liabilities						
Placement from Banks & Other Financial Institutions	-	-	-	-	-	-
Deposits and other Accounts	598,186,028	6,046,203,811	5,346,122,671	174,686,200	-	12,165,198,710
Other Liabilities	-	-	65,000,000	337,849,953	-	402,849,953
Total Liabilities	598,186,028	6,046,203,811	5,411,122,671	512,536,153	-	12,568,048,663
Net Liquidity Gap	1,691,998,494	(1,875,403,811)	(2,797,996,555)	7,408,203,755	86,290,695	4,513,092,578


 Managing Director


 Director


 Chairman

 Place: Dhaka
 Date: 25 February 2014

Notes to the Financial Statements

Union Bank Limited
Notes to the Financial Statements
For the period ended 31 December 2013

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 to carry on banking business. 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 eleven (11) branches in the country. The Bank have no overseas branches as at December 31, 2013.

The registered office of the Bank is located at Bahela Tower, 72 Gulshan Avenue, Gulshan-1, Dhaka-1212.

1.2 Principal Activities

All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Shari'ah, 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 handle the export and import trade of Bangladesh
- (c) To take part in international banking etc.

2. Significant Accounting Policies and basis for Preparation of Financial Statements

2.1 Basis of Accounting

Statements of Compliance

The financial statements the Bank are made up to December 31, 2013 and are prepared under the historical cost convention on a going concern basis and in accordance with the " First Schedule Section 38(4) of the Bank Companies Act, 1991, BRPD Circular # 14 dated 25 June 2003, BRPD Circular # 15 dated 09 November 2009, Other Bangladesh bank Circulars, Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, The Companies Act 1994, Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh.

2.2 Basis of Consolidation

The Financial Statements of UBL represent consolidated Statement of Affairs and Statement of Profit and Loss of all branches. All significant inter-branches transactions are eliminated on consolidation.

2.3 Use of estimates and Judgments

In the preparation of the financial statements management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Accruals & 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 Statement of Cash Flows 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 periods to which they relate.

2.5 Revenue Recognition

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

2.5.1 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 sale price 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.

2.5.2 Income from Investments in Securities

- Investment in shares and securities are stated at cost. Provisions have been made against probable losses on the basis of period end reviewed by the management and in compliance with Bangladesh Bank circulars.
- Dividend income on shares of joint stock companies is accounted for when it is received.
- 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.

2.5.3 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.

2.5.4 Profit/Rent/Compensation Suspense Account

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.

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.

2.5.5 Profit paid and other expenses

In terms of the provision of IAS # 1: Presentation of Financial Statements, Profit paid and other expenses are recognized on accrual basis.

2.5.6 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 December 31 2013 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.

2.6 Foreign Currency Transactions

2.6.1 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.

2.6.2 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 2013 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.

2.6.3 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 2013 have been shown in the Balance Sheet under Off-Balance Sheet items.

Exchange rates with major foreign currencies as on 31 December 2013 were as:

Currency Name	Exchange Rate (TK)
US \$	77.7500
Euro	106.8363
Yen	0.7384
ACU	77.7500
GBP	128.0854
CHF	87.0953
SGD	61.2301
AUD	68.8243
CAD	72.5754

2.6.4 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.

2.7 Assets and their basis of valuation

2.7.1 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.

2.7.2 Investments

- Investments are stated in the balance Sheet at the net amount excluding unearned income and profit receivable.
- Income on investment calculated on daily product basis and charged yearly.
- 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 4, 1995, BRPD circular no 16, dated December 6, 1998, BRPD circular no 09, dated May 2001, BRPD circular no 5, dated June 5, 2006, BRPD circular no 14, dated September 23, 2012 and BRPD circular no 19, dated December 27, 2012 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 instruction of BRPD circular no 16, 09, 08, 05, 14 and 19 dated December 6, 1998, May 14, 2001, October 2005, June 5, 2006, September 23, 2012 and December 27, 2012 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, Investment to Brokerage House, Merchant Banks, Stock Dealers etc., Special Mention Account as well as SME Financing) 1%
- Unclassified Consumer Financing (Other than Housing Finance and Investment for Professionals to set up business) 5%
- Unclassified Consumer Financing (For Investments to Housing Finance and Investment for Professionals to set up business under Consumer Financing Scheme.) 2%
- Unclassified Investment to Brokerage House, Merchant Banks, Stock dealers, etc Housing Finance and Investment for Professionals to set up business under Consumer Financing Scheme 2%

- Special Mention Account (SMA) Investments 5%
- Off-Balance Sheet Exposure 1%

Provision for Short-term agricultural and Micro-Credits:

- All credits except “Bad/Loss” 5%
- Bad/Loss 100%

d) 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.

e) Investment are normally written off, when there is no chance of recovery of these amounts in accordance with BRPD Circular no. 2, Dated 13 January 2003 and BRPD Circular no. 15, Dated 23 September 2012 respectively. A separate Investment Monitoring and Recovery Division (IMRD) have been set up at the Head Office, which monitors investment written off and legal action through the Money Court. The process of write-offs do not undermine or affect the amount claimed against the borrower by the bank.

2.7.3 Valuation Method

Considerable value of Investments have been considered as follows:

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

2.7.4. Offsetting 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.

2.7.5 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 equipments, 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 period as required by paragraph 73 (a-e)of 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, excepton office equipment, motor vehicles and building on which straight-line method is applied.

Nature of Assets	Rate of Depreciation	Method of Depreciation
Furniture and Fixtures	10%	Reducing Balance Method
Office Equipments	20%	Reducing Balance Method except
		Computer Equipment where used
		Straight Balance Method.
Vehicles	20%	Straight Line Method
Books	20%	Reducing Balance Method

Depreciation on addition to fixed assets is charged in the year of acquisition, while no depreciation is charged in the year of disposal as per policy of UBL.

2.8 Liabilities and Provision

2.8.1 Taxation

Provision for corporate current income tax has been made @ 42.50% as prescribed in the Finance Act 2013 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 BAS-12: Income Taxes.

2.8.2 Retirement Benefits of Employees

Required in IAS # 19: Employee Benefit, provident fund and gratuity benefits are given to eligible staff 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.

2.8.2.1 Provident Fund

Provident fund benefits are given to staffs 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 recognition is under process.

2.8.2.2 Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits if his length of service is eight (08) years. Actual valuation of gratuity scheme had been made to assess the adequacy of the liabilities provided for the scheme as per IAS-19 "Employee Benefits".

2.8.2.3 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.

2.8.3 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.

2.8.4 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.

2.8.5 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.

2.8.6 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 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.

2.9 Others

2.9.1 Statement of Cash Flows

Cash flow statement is to be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with a basis to assess the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows. Cash flows statement has been prepared under the direct method for the period, classified by operating, investing and financing activities as prescribed in paragraph 10 and 18 (a) of IAS 7.

2.9.2 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, money at call and short notice, etc. are on the basis of their maturity term;
- Investments are on the basis of their respective maturity;
- Investments are on the basis of their 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.

2.9.3 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 period's financial statements.

2.9.4 Earnings Per Share (EPS)

2.9.4.1 Basic Earnings per Share

Earnings per share have been calculated in accordance with IAS 33 "Earning Per Share" (EPS) which has been shown on the face of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

2.9.4.2 Diluted Earnings per Share

No diluted earnings per share is required to calculate for the period as there was no scope for dilution during the period under review.

2.9.5 Functional and presentation currency

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

2.10 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 price its products and services on a risk-adjusted basis and to prevent undesirable concentrations. 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:

2.10.1 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 credit limits to its customers and obtains adequate collaterals. Investments risk in the Union Bank's portfolio is monitored, reviewed and analyzed by the Investments Risk Management (IRM).

Union Bank Ltd. established Asset-Liability Management Committee (ALCO) to screen out the banks/financial institutions and determine the maximum risk exposure on each of them. ALCO also assesses recommends and controls cross border/country risk. To manage the Non-Performing Investments (NPI), Union Bank Ltd. has in place comprehensive remedial management policy, which includes a framework of controls to identify weak investments and monitoring of these accounts.

2.10.2 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 Mark-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.

2.10.3 Asset Liability Management

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.

2.10.4 Prevention of Money Laundering

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 review 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, 2009 & Anti Terrorism Act, 2009. 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.

2.10.5 Internal Control and Compliance

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.

2.10.6 Guideline on Information & Communication Technology:

Banks are increasingly using sophisticated digital technology for banking activities with a view to achieve more customer satisfaction with less cost. In addition, it increases the efficiency of the banking and payment system, benefiting consumers and merchants leading to bringing 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 has implemented 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.

2.11 Risk Based Capital (Basel-II)

To comply with the international best practice and to make the bank's capital more risk sensitive as well as to build the banking industry more shock absorbent and stable, Bangladesh Bank is aimed to implement Basel-II reporting from 2010. As per the directive of Bangladesh Bank, all schedule banks in Bangladesh are now reporting risk based capital adequacy for banks under Basel-II. All scheduled banks are also required to disclose capital adequacy in both quantitative terms.

2.12 Stress Testing

Stress testing is one of the sophisticated risk management techniques that have 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 interest 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.

2.13 Reporting Period

The accounting year is January to December. However, this reporting period is from 07 March 2013 to 31 December 2013.

2.14 General

The figures have been rounded off nearest taka.

	2013
	<u>Taka</u>
3 CASH	
3.1 Cash in Hand	
In Local Currency	108,280,763
In Foreign Currencies	-
	108,280,763
3.2 Balance with Bangladesh Bank and its Agent Bank	
In Local Currency	1,955,570,549
In Foreign Currencies	-
	1,955,570,549
	2,063,851,312
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.	
3.4 Cash Reserve Ratio (CRR): 6.00% of Average Demand and Time Liabilities:	
Required Reserve	268,127,000
Actual Reserve maintained	1,887,295,000
	1,619,168,000
3.5 Statutory Liquidity Ratio (SLR): 11.50% of Average Demand and Time Liabilities:	
Required Reserve (including CRR)	513,909,000
Actual Reserve held (including CRR)	2,295,575,000
Surplus/(Short)	1,781,666,000
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS	
A. Inside Bangladesh	
Al-Wadiah Current Accounts	
Janata Bank Ltd.	3,005,022
	3,005,022
Others Accounts	
Mudaraba Short Notice Deposits	
First Security Islami Bank Ltd.	192,843,450
	192,843,450
Mudaraba Term Deposits	
Reliance Finance Limited	6,050,000,000
Peoples Leasing and Financial Services Ltd.	200,000,000
	6,250,000,000
	6,445,848,472

		2013
		<u>Taka</u>
B. Maturity-wise Grouping (Inside and Outside Bangladesh)		
Payable on Demand		195,848,472
Up to Three Months		3,950,000,000
Three Months to One Year		2,300,000,000
One Year to Five Years		
Above Five Years		
		<u>6,445,848,472</u>
5 INVESTMENTS IN SHARES AND SECURITIES		
Government Securities		
Bangladesh Govt. Islamic Investment Bonds		300,000,000
		<u>300,000,000</u>
Others		
Quoted/Unquoted Shares (Note - 5.1)		<u>30,484,738</u>
		<u>330,484,738</u>
5.1 Quoted/Unquoted Shares		
Name of Companies	Acquisition cost (Taka)	
Quoted:		
CVO Petrochemical Refinery Limited	12,774,595	
Fuwang Ceramic Industry Limited	291,060	
Global Heavy Chemicals Limited	277,857	
Grameenphone Ltd.	946,150	
Jamuna Oil Company Ltd.	949,995	
JMI Syringes & Medical Devices Ltd.	1,975,169	
Lafarge Surma Cement Ltd.	1,926,676	
Malek Spinning Mills Ltd.	613,745	
Meghna Petroleum Limited	4,448,443	
Orion Pharma Ltd.	616,376	
Paramount Textile Ltd.	424,768	
Rahima Food Corporation Ltd.	3,471,731	
Singer Bangladesh Ltd.	381,530	
Titas Gas Transmission & Distribution Co. Ltd.	588,103	
Unique Hotel & Resorts Ltd.	412,177	
Usmania Glass Sheet Factory Ltd.	386,363	
	<u>30,484,738</u>	
5.2 Market Value of Quoted Shares		<u>25,846,692</u>
5.3 Maturity Grouping of Investments in Shares and Securities		
On Demand	30,484,738	
Within One Month	-	
One Month to three Months	-	
Three Months to One Year	-	
One Year to Five Years	300,000,000	
More than Five Years	-	
	<u>330,484,738</u>	
6 INVESTMENTS (All Inside Bangladesh)		
General Investments (Bai-Murabaha, Bai - Muajjal, HPSM, etc.)(Note - 6.A)	7,308,820,728	
Bills Purchased and Discounted (Note - 6.B)	-	
	<u>7,308,820,728</u>	

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6.A General Investment (Bai-Murabaha, Bai - Muajjal, HPSM) etc.	
Inside Bangladesh	
Bai Murabaha (Hypo)	1,877,071,638
Bai Murabaha against MTDR	1,367,255,323
HPSM (Real Estate)	9,755,196
HPSM (Transport)	3,987,205
Bai Murabaha General	4,026,619,582
HPSM (SME)	372,969
Quard against Car Leasing Scheme - staff	18,190,875
Quard against MTDR	1,100,820
HPSM Consumer Durables (Scheme)	4,467,120
	7,308,820,728
Outside Bangladesh	-
	<u>7,308,820,728</u>
6.B Bills Purchased and Discounted	
Payable in Bangladesh	-
Payable outside Bangladesh	-
	-
	-
6.1 Maturity Grouping of Investments	
Payable on Demand	-
Up to Three Months	-
Three Months to One Year	40,626,116
One Year to Five Years	7,268,194,612
Above Five Years	-
	7,308,820,728
6.2 Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted	
Investments to Directors of other Banks	1,693,169,466
Investments to Chief Executive and Other high Officials	-
Investments to Customers Group	4,401,509,508
Investments to Industry	1,191,421,684
Investment to staff	22,720,070
	7,308,820,728
6.3 Investments to Customers for more than 15% of UBL's Total Eligible Capital	
Number of Clients	-
Amount of Outstanding Investments	-
Funded	-
Non-funded	-
	-

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6.4 Economic Sector wise Investments	
Agriculture:	
Fishing	-
Tea	-
Others	-
Textile and Readymade Garments:	
Garments	365,754,120
Readymade Garments - Export	-
Textile and Textile Products- Import	-
Others -Export	-
Others -Import	-
Medicine - Import	-
Chemical - Import	-
Contractor Finance	-
Transport	-
Bricks	-
Cold Storage	-
Steel and Engineering	-
Internal Trade Finance:	
Whole Sale Trading	6,447,641,918
Retail Trading	372,968
Others	-
House Building:	
Commercial	416,944,334
Staff	22,720,070
Special Program:	
Consumer Finance and Hire Purchase Scheme	12,418,208
Others	42,969,110
	<u>7,308,820,728</u>
6.5 Geographical Location-wise	
<u>Urban</u>	
Dhaka	7,308,220,728
Chittagong	600,000
Barisal	-
Rajshahi	-
Khulna	-
Rangpur	-
Sylhet	-
	<u>7,308,820,728</u>
<u>Rural</u>	
Dhaka	-
Chittagong	-
Khulna	-
Barisal	-
Sylhet	-
	<u>7,308,820,728</u>

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6.6 Classification of Investments as per Bangladesh Bank Circular	
Unclassified	
Standard	7,308,820,728
Special Mention Account	-
	<u>7,308,820,728</u>
<u>Classified:</u>	
Sub-standard	-
Doubtful	-
Bad & Loss	-
	<u>7,308,820,728</u>
6.7 Particulars of Required Provision for Investments	
<u>Classification status</u>	
Unclassified	
Standard	74,491,076
Special Mention Account	-
	<u>74,491,076</u>
Classified:	
Sub - Standard	-
Doubtful	-
Bad and Loss	-
	<u>74,491,076</u>
Required Provision for Investments	74,491,076
Total Provision Maintained	75,100,000
Provision Excess/ (Shortfall)	<u>608,924</u>
* Details of provision may kindly be in note 2.7.2	
6.8 Particulars of Investments	
i) Investments considered good in respect of which the Bank Company is fully secured	1,312,109,497
ii) Investments considered good for which the bank holds no Security other than the debtors personal security	5,996,711,231
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 adversely classified; provision not maintained there against	-
	<u>7,308,820,728</u>
v) Investments due by directors or executives of the banking company or any of them taken either severally or jointly with any other person.	-

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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	-
a. Movement of classified Investments	
Opening balance	-
Increase/ (Decrease) during the year	-
b. Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet	-
c. Profit credited to the profit/Rent/Compensation Suspense Account	-
xi) Amount of written off Investment:	
a. Cumulative amount	-
b. Amount written off during the period	-
c. Total amount of written off (a+b)	-
d. Amount recovered against such written- off up to this year	-
e. Amount of investment written- off against which suit has been filled to recover the same.	-
6.9 Security against Investments including bills purchased & discounted:	
Collateral of movable/immovable assets	210,273,230
Local banks & financial institutions guarantee	-
Government Guarantee	-
Foreign Banks guarantee	-
Export documents	-
Fixed deposits receipts:	
Own MTDR	1,086,318,567
MTDR of other Banks	-
Government Bonds	-
Personal guarantee	5,996,711,231
Other security	15,517,700
Unsecured	-
	<u>7,308,820,728</u>

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6.10 Maturity Grouping of Bills Purchased and Discount

Payable within one month	-
Over one month but less than three months	-
Over three months but less than six months	-
Six Months and Above	-
	-

7 Fixed Assets including premises, Furniture & Fixtures at cost less accumulated depreciation (Annexure-A)

Furniture & Fixtures	16,079,459
Office Equipment	51,344,482
Vehicles	24,281,822
Books	2,520
	91,708,283
Less: Accumulated Depreciation	5,417,588
	86,290,695

8 OTHER ASSETS

Inter - branch Transaction Account (*)	62,086,900
Accrued Income on MTDR	434,800,000
Advances, Deposits and Prepayment (Note -8.1)	200,823,582
Advance Income Tax	28,829,440
Stock of Stationery	692,454
Suspense Account (Note- 8.2)	118,578,163
Stamps on Hand	34,758
	845,845,297

(*) 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 31.12.2013 have been reconciled on 20.02.2014.

8.1 Advance, Deposits and Prepayment

Advance against Rent - Office	200,568,000
Prepayment	255,582
	200,823,582

8.2 Suspense Account

Sundry Debtors	92,713,328
Advance against New Branch	25,864,835
	118,578,163

9 PLACEMENT FROM BANK & OTHER FINANCIAL INSTITUTION
Inside Bangladesh

Bangladesh Bank	-
	-

Outside Bangladesh
A. Security- wise grouping

Secured Placement	
Unsecured Placement	
	-

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B. Repayment Nature wise Grouping	
Repayable on demand	-
Others	-
	<u>-</u>
C. Maturity Analysis	
Repayable on Demand	-
Repayable within One Month	-
One Month to Six Months	-
Six Month to One Year	-
One Year to Five Years	-
Five Years to Ten Years	-
Unclaimed Deposits Ten Years and Over	-
	<u>-</u>
10 DEPOSITS AND OTHER ACCOUNTS	
A. Deposits Received from Banks (Note A-1)	5,855,000,000
B. Other than Bank	
Payable on Demand (Note B-1)	211,819,208
Other Deposits (Note B-2)	6,098,379,503
	6,310,198,711
	<u>12,165,198,711</u>
C. Maturity wise Grouping of Deposits and Other Accounts	
Repayable within One Month	598,186,028
One Month to Three Months	6,046,203,812
Three Months to One Year	5,346,122,671
One Year to Five Years	174,686,200
Repayable over Five Years	-
	12,165,198,711
	<u>12,165,198,711</u>
A-1 Deposits Received from Banks	
AB Bank Limited	400,000,000
Islami Bank Bangladesh Ltd.	2,000,000,000
Trust Bank Ltd.	500,000,000
Rupali Bank Ltd	1,800,000,000
Pubali Bank Ltd.	100,000,000
Social Islami Bank Ltd.	200,000,000
Exim Bank Ltd.	500,000,000
Bank Asia Ltd.	200,000,000
Standard Bank Ltd.	155,000,000
	5,855,000,000
	<u>5,855,000,000</u>

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Maturity wise Grouping of Deposits Received from Banks	
Repayable on Demand	-
Repayable within One Month	400,000,000
Repayable over One Month but within Six Months	5,455,000,000
Repayable over Six Months but within one Year	-
Repayable over One Year but within Five Years	-
Repayable over Five Years but within Ten Years	-
Unclaimed Deposits for Ten Years and above	-
	<u>5,855,000,000</u>
B-1 Payable on Demand	
Al-wadiah Current Deposits	183,788,332
Mudaraba Saving Deposits (9%) (Note-10.3)	3,344,322
Sundry Deposits (Note-10.1.1)	24,686,554
	<u>211,819,208</u>
B- 2 Other Deposits	
Mudaraba Saving Deposits (91%) (Note-10.3)	33,814,810
Mudaraba Term Deposits	5,681,460,529
Mudaraba Short Notice Deposits	203,025,122
Bills Payable (Note-10.2)	5,392,842
Mudaraba Deposit under Schemes (Note-10.5)	174,686,200
	<u>6,098,379,503</u>
10.1 Al-Wadiah Current Accounts & Other Deposit Accounts	
Al-wadiah Current Deposits	183,788,332
Mudaraba Short Notice Deposits	203,025,122
Sundry Deposits (Note-10.1.1)	24,686,554
	<u>411,500,008</u>
10.1.1 Sundry Deposits	
Security Deposit on Letter of Guarantee	455,000
Sundry Creditors	2,487,400
Income Tax Deduction at Source -Profit on Deposit	18,173,310
Excise Duty on Deposit & Investment	749,110
VAT on Online Charge	143
VAT on Commission TT/DD/PO/LG	21
VAT on Service Charge and Others	57,977
VAT Deduction Bills Paid	604,397
VAT Deduction from advertisement Bill	102,030
VAT on Consultancy fee	18,255
VAT on Rent and Others	822,321
VAT on Directors Fee	15,000
Income Tax Deduction at Source - Office rent	358,473
Income Tax Deduction at Source - Bills	217,088
Income Tax Deduction at Source - Prof. & Tech. Service	11,050
Income Tax Deduction at Source - Advertising Bill	20,406
Income Tax Deduction at Source-Employee's	594,573
	<u>24,686,554</u>

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10.2 Bills Payable	
Pay Order Issued	5,392,842
	<u>5,392,842</u>
10.3 Mudaraba Savings Bank Deposits	
As per BRPD Circular No. 06, dated 24 June 2007, total saving bank deposits amount is bifurcated into:	
9 % of total Mudaraba Savings Bank Deposits	3,344,322
91% of total Mudaraba Savings Bank Deposits	33,814,810
	<u>37,159,132</u>
10.4 Mudaraba Term Deposits including other Banks - Maturity wise Grouping	
Payable on Demand	598,186,028
Up to Three Months	6,046,203,811
From Three Months to Six Months	1,586,127,732
Above Six Months to One Year	3,305,942,958
Above One Year to Two Years	-
Above Two Years	-
	<u>11,536,460,529</u>
10.5 Mudaraba Deposit under Schemes	
Mudaraba Monthly Savings Scheme	4,481,500
Mudaraba Double Benefit Deposits Scheme	13,353,000
Mudaraba Profit Term Deposit	155,500,000
Mudaraba Millionaire Deposit Scheme	1,254,700
Mudaraba Marriage Scheme	10,000
Mudaraba Pension Scheme	3,000
Mudaraba Pension Prokolpo	84,000
	<u>174,686,200</u>
11 OTHER LIABILITIES	
Inter - branch Transaction Account	-
Provision for Taxation (Note-11.1)	80,000,000
Accumulated Provision against Investments(Note-11.3)	75,100,000
Accrued Profit and Expenses Payable (11.4)	214,472,829
Provision for Gratuity	3,000,000
Provisions for diminution in value of Investments in share	3,850,000
Provision for Zakat	3,000,000
Provident Fund	3,103,110
Benevolent Fund	113,704
Provision for Incentive Bonus	20,000,000
Provision for Audit fee	200,000
Others	10,310
Total	<u>402,849,953</u>
11.1 Provision for Taxation during the year	
Opening balance	-
Add : Provision made during the year	80,000,000
	<u>80,000,000</u>

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11.2 Provision for Investments during the year	
Specific Provision for Classified Investments	-
General Provision including off-B/S exposure	75,100,000
	<u>75,100,000</u>
11.3 Accumulated Provision for Investments	
Specific Provision for Classified Investments (Note -11.3.1)	-
General Provision including off-B/S exposure (Note -11.3.2)	75,100,000
	<u>75,100,000</u>
11.3.1 Movement in Specific Provision for Classified Investments	
Provision held at the beginning of the year	-
Fully Provided Debts written off	-
Recoveries of amounts previously written off	-
Specific Provision for the year	-
Recoveries and Provisions no longer required	-
Net Charge to Profit and Loss Account	-
Provision held at the end of the year	<u>-</u>
11.3.2 General Provision including off-balance sheet exposure	
Provision held at the beginning of the year	-
Addition/transfer during the year	75,100,000
	<u>75,100,000</u>
11.4 Accrued Profit and Expenses Payable	
Profit Payable on MTDR	212,446,858
Profit Payable on Monthly Benefit Savings Scheme	1,771,175
Profit Payable on Double Benefit Savings Scheme	170,674
Profit Payable on Mudaraba Savings Deposit	69,881
Profit Payable on MMDS	14,124
Mudaraba Pension deposit Scheme	117
	<u>214,472,829</u>
12 CAPITAL	
AUTHORISED CAPITAL	
1,000,000,000 ordinary shares of Taka 10 each.	<u>10,000,000,000</u>
12.1 Issued, Subscribed and Paid-Up Capital	
428,000,000 Ordinary Shares of Taka 10 each issued	4,280,000,000
	<u>4,280,000,000</u>
12.2 Category of shareholding as at 31 December 2013	
<u>Name of Category</u>	<u>Percentage(%)</u>
Sponsors/Directors	100.00
Financial Institutions	-
Non-Resident Bangladeshi	-
General Public	-
	<u>100.00</u>

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12.3	Classification of Shareholders by holding position as at 31 December 2013	
	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	4,000,000 0.93
	Over 1,000,001 Shares	424,000,000 99.07
		428,000,000 100.00
12.4	Capital Adequacy Ratio (Under Basel-II)	
	<u>Tier-I (Core Capital)</u>	
	Paid up Capital	4,280,000,000
	Statutory Reserve	33,468,582
	Other Reserve	145,749,665
	Retained Earnings	53,874,330
		4,513,092,577
	<u>Tier –II (Supplementary Capital)</u>	
	General Provision	75,100,000
	Assets Revaluation Reserves	-
	Subordinated Debt	-
		75,100,000
	<u>Tier –III (eligible for market risk only)</u>	
	Short-term subordinated Debt	-
		-
	A. Total Eligible Capital	4,588,192,577
	B. Total Risk Weighted Assets	13,313,600,000
	C. Minimum Capital Requirement based on Risk Weighted Assets (10% on B)	1,331,360,000
	D. Surplus/(Deficiency)....(A - C)	-
	Capital Adequacy Ratio (%)	34.46%
	Capital Requirement	Held
	Tier - I	33.90%
	Tier - II	0.56%
	Tier - III	-
	Total	34.46%
13	STATUTORY RESERVE	
	Opening Balance	-
	Transferred during the period from Profit & Loss A/C	33,468,582
	Closing Balance	33,468,582
	This has been done according to Sec. 24 of Bank Companies Act, 1991 and shall be maintained until it equals to Paid-up Capital.	
14	OTHER RESERVE	145,749,665
	This represents profit prior to incorporation i.e. 07 March 2013.	
15	RETAINED EARNINGS	
	Opening Balance	-
	Add: Post tax profit for the period	87,342,913
	Less: Transfer to Statutory Reserve	33,468,582
	Closing Balance	53,874,331

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16 LETTER OF GUARANTEES

Money for which the Bank is contingently liable in respect of guarantees are given favoring:

Letters of Guarantee - Local	7,625,000
Letter of Guarantee - Foreign	-
	7,625,000
Less: Margin Taken on Guarantees	455,000
	<u>7,170,000</u>

16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:

Directors	-
Government	-
Banks and Other Financial Institutions	-
Others	7,625,000
	<u>7,625,000</u>

17 IRREVOCABLE LETTERS OF CREDIT

Letters of Credit - Cash	-
Letter of Credit - Cash Inland	-
Back to Back letters of Credit - Local	-
Back to Back letters of Credit - Foreign	-
	<u>-</u>

18 BILLS FOR COLLECTION ISSUED BY THE BANK

Foreign Documentary Bills	-
Outward Bills	-
Inland Documentary Bills	-
	<u>-</u>

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19 INVESTMENT INCOME
Profit Received from:

Deposit with Other Banks	723,001,487
Bai Murabaha - General	110,203,763
Bai Murabaha Hypothecation	77,799,082
Bai Murabaha against MTD	42,517,578
Bai Muajjal General	18,889
Bai Murabaha Import Bill	21,067
HPSM Transport	185,205
HPSM Real Estate	471,816
HPSM Consumer Durables	159,673
HPSM SME	30,675
	954,409,235

20 PROFIT PAID ON DEPOSITS
Profit Paid on:

Mudaraba Term Deposit	546,708,459
Mudaraba Double Benefit Deposits Scheme	170,674
Mudaraba Monthly Savings Scheme	69,987
Mudaraba Monthly Benefit Savings Scheme	5,483,140
Mudaraba Savings Deposits	200,957
Mudaraba Short Notice Deposits	2,302,787
Mudaraba Marriage Scheme	85
Mudaraba Pension Deposit Scheme	32
Mudaraba Millionaire Deposit Scheme	14,124
	554,950,245

21 INCOME FROM INVESTMENT IN SHARES & SECURITIES

Bangladesh Govt. Islamic Investment Bond	300,000
Profit on sale of shares	493,582
	793,582

22 COMMISSION, EXCHANGE AND BROKERAGE
182,501
23 OTHER OPERATING INCOME

Account maintenance charge	143,759
Clearing cheque processing fee	2,512
Investment processing fee	792,500
Miscellaneous Earnings	192,339
	1,131,110

	<u>2013</u>
	<u>Taka</u>
24 SALARIES & ALLOWANCES	
Basic Salary	28,292,810
Bonus	25,194,526
Bank's Contribution to Staff Provident Fund	1,181,904
Gratuity	3,000,000
House Rent	10,376,097
Conveyance Allowance	1,086,806
Leave Fare Allowance	4,893,067
Entertainment Allowance	1,815,954
Medical Allowance	2,146,343
Utility Services	2,146,343
House Maintenance Allowance	2,725,355
Other Allowances	585,356
	83,444,561
25 RENT, TAXES, INSURANCE, LIGHTING ETC.	
Rent	21,833,125
Insurance	1,654,242
Rates and Taxes	289,100
Water Charges	1,550
Gas Charges	9,280
Electric Bills	1,550,100
	25,337,397
26 LEGAL EXPENSES	
Law Charges	5,500
Stamp	19,100
Other Professional Charges	25,700
	50,300
27 POSTAGE, STAMP AND TELECOMMUNICATION	
Telephone - Office	402,066
Telegram, Telex, Internet, Fax and Email charge	167,256
Stamp	19,085
Telephone - Residence	461
Postage	91,706
	680,574
28 STATIONERY, PRINTING AND ADVERTISEMENT	
Publicity and Advertisement	2,864,279
Printing and Stationery	789,289
	3,653,568
29 MANAGING DIRECTOR'S SALARY AND FEES	
Basic Pay	2,903,226
House Rent Allowances	967,742
Leave Fare Allowance.	967,742
Bonus	1,600,000
House Maintenance Allowance	967,742
	7,406,452

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30 DIRECTORS' FEES	
Fees	805,000
Travel	1,093,650
	1,898,650
31 SHARIAH COMMITTEE'S FEES	
Fees	50,000
Travel	-
	50,000
32 DEPRECIATION AND REPAIRS OF FIXED ASSETS	
Depreciation on Fixed Assets (Annexure - A)	5,417,588
Repairs:	
Office equipment	137,785
Renovation and Maintenance of Office Premises	3,666,229
Furniture and Fixtures	1,000
Repair & Maintenance of Vehicle	556,830
	9,779,432
33 OTHER EXPENSES	
Car Expense	2,236,706
Wages	3,759,964
Traveling	458,813
Donation and Subscription:	
Donation	30,000
Subscription	700,000
Newspaper and Periodicals	78,429
Entertainment	150,444
Conveyance	438,087
Bank charges	179,136
Refreshment	955,124
Holiday Banking allowances	76,200
Parties and Dinner	791,722
Medical Expense	436,430
Training, Seminar and Workshop	95,246
Photocopying	97,832
Generator Expenses	299,738
Honorium	64,500
Washing and Cleaning	6,758
Upkeep Branches Premises	201,731
Office Maintenance	700,687
Crockries Expense	29,835
Meeting Expenses	7,571,719
Miscellaneous Expenses	413,235
	19,772,336

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34 EARNINGS PER SHARE	
Net Profit after Tax	87,342,913
Number of Ordinary Shares (weighted average as per BAS-33)	428,000,000
Earnings Per Share (EPS)	<u><u>0.20</u></u>
35 RECEIVED FROM OTHER OPERATING ACTIVITIES	
Account maintenance charge	143,759
Clearing cheque processing fee	2,512
Income from Shares and Securities	793,582
Investment processing fee	792,500
Miscellaneous Earnings	192,339
	<u><u>1,924,692</u></u>
36 PAYMENT FOR OTHER OPERATING ACTIVITIES	
Rent, Taxes, Insurances, Electricity etc.	25,337,397
Legal Expenses	50,300
Postage, Stamps, Telecommunications etc.	680,574
Directors' fees	1,898,650
Shariah Committee's fees	50,000
Other Expenses	19,772,336
	<u><u>47,789,257</u></u>
37 INCREASE /DECREASE OF OTHER ASSETS	
Inter - branch Transaction Account	62,086,900
Accrued Income on MTDR	434,800,000
Advances, Deposits and Prepayment	200,823,582
Advance Income Tax	28,829,440
Stock of Stationery	683,610
Suspense Account	118,578,163
Stamps on Hand	34,758
	<u><u>845,836,453</u></u>
(Increase)/Decrease during the period	<u><u>(845,836,453)</u></u>
38 INCREASE /DECREASE OF OTHER LIABILITIES	
Inter - branch Transaction Account	-
Profit/Rent/Compensation Suspense Account	10,310
Accrued Profit and Expenses Payable	214,463,985
Provision for Gratuity	3,000,000
Provident Fund	3,103,110
Benevolent Fund	113,704
Provision for Incentive Bonus	20,000,000
	<u><u>240,691,109</u></u>
Increase /(Decrease) during the period	<u><u>240,691,109</u></u>
39 NUMBER OF EMPLOYEES	
Executives and Officers	263
Members of Staff (Contractual)	54
	<u><u>317</u></u>

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 Bangladesh Accounting Standard 24 (BAS: 24) Related Party disclosure and as defined in the BRPD Circular no. 14 issued by the Bangladesh Bank on June 25, 2003. The significant related party transactions during the year were as follows:

i) Significant Contracts where Bank is a Party and wherein Directors have Interest

<u>Name of the Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Total Value (in Tk.)</u>
a. Northern General Insurance Company Ltd.	Insurance Premium	Common Director	<u>306,221</u>
b. Reliance Finance Ltd.	MTDR	Common Director	<u>6,050,000,000</u>
ii) Related Party Transactions			Nil
iii) Shares issued to Directors and Executives without consideration or exercisable at discount			Nil
iv) Lending to Related Parties is effected as per requirements of Section 27 (1) of the Bank Companies Act, 1991.			Nil
v) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991			Nil
vi) Investment in the Securities of Directors and their related concern			Nil

41 DIRECTORS' INTEREST IN DIFFERENT BUSINESSES OR ENTITIES:

<u>Sl. No</u>	<u>Name of the Directors</u>	<u>Status with the Bank</u>	<u>Names of firms/companies in which interested as proprietor, partner,</u>
1	Shahidul Alam	Chairman	<u>Managing Director</u> Galco Steel (Bangladesh) Ltd. Prasad Paradise Resorts Ltd. S. Alam Vegetable Oil Ltd. <u>Proprietor</u> M/s. Tazin Enterprise Sonali Traders

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner,
2	Belal Ahmed	Vice Chairman	<u>Managing Director</u> Unitex Spinning Ltd. C & A Fabrics Ltd. C & A Textile Ltd. C & A Accessories Ltd. Knit Express Ltd. Western Designer Ltd. Formosa Elastics (BD) Ltd. <u>Proprietor</u> M/s Unitex
3	Hussain Muhammad Ershad	Director	<u>Chairman</u> Podagonj Cold Storage Ltd.
4	Muhammed Mosleh Uddin, FCA	Director	<u>Nominee Director</u> Reliance Finance Ltd.
5	Ashik Ahmed	Director	<u>Director</u> First Communications Ltd. <u>Proprietor</u> Ashik Trading
6	Ms. Marzina Sharmin	Director	<u>Managing Director</u> Unique Investment & Securities Limited Time Securities Limited <u>Director</u> Reliance Finance Limited <u>Proprietor</u> M/s. Marzina Trading
7	Mortuza Siddique Chowdhury	Director	<u>Chairman</u> Tower Aviation Ltd. Al- Sharaf Airways Ltd. MRM Trading Ltd. Marsa Fishing Ltd. <u>Managing Director</u> Mortuza Assets Ltd. <u>Director</u> Al- Sharaf Ltd.
8	Md. Arshed	Director	<u>Chairman</u> C & A Dietary & Hospitality Ltd. <u>Managing Director</u> C & A Real Estate Ltd. C & A Energy Ltd. C & A Dairy Ltd. Khalid Enterprise Ltd. C & A Agro Ltd. C & A Court Yard C & A Beverage Ltd. <u>Nominee Director</u> Time Securities Ltd.

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner,
9	Shahedul Huq	Director	<p><u>Managing Partner</u> Crystal Bridge (Pvt) Ltd.</p> <p><u>Director</u> Murnaj Enterprise Ltd. United Trade International Pvt. Ltd Xebac Trading Service Ltd.</p>
10	Ms. Shahana Ferdous	Director	<p><u>Managing Director</u> Galco Steel (BD) Ltd.</p> <p><u>Director</u> S. Alam Super Edible Oil Ltd. Reliance Finance Limited</p> <p><u>Proprietor</u> M/S Shahnaj Trading</p>
11	Morsalin Islam Shouradip	Director	<p><u>Managing Director</u> Meghamala International Ltd. Meghamala Estate Ltd. Meghamala Mega Shop Ltd.</p>
12	Showkat Hossain, FCA	Director	<p><u>Chairman</u> Chriayata Shanti Society</p> <p><u>President</u> The Institute of Chartered Accountants of Bangladesh</p> <p><u>Vice Chairman</u> Comprehensive Services for Disabled</p> <p><u>Resident Partner</u> Hoda Vasi Chowdhury & Co. Chartered Accountants</p> <p><u>Member</u> Board of Directors Chittagong WASA Chittagong Club Ltd. Maa Shishu O General Hospital, Chittagong Kidney Foundation SAHIC</p>
13	Md. Rashedul Alam	Director	<p><u>Director</u> S. Alam Steels Ltd. Bangladesh Petro Chemical Ltd. Riyadh International (Pvt) Ltd. S. Alam Hatchery Ltd. Ocean Resorts Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd. Global Trading Corporation Ltd. Maruf Pipe Mills Ltd.</p>
14	Arif Ahmed	Director	<p><u>Proprietor</u> M/s. Arif Traders A Proprietorship Firm</p>

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner,
15	Mohammad Mostan Billah Adil	Director	<u>Proprietor</u> M/s. Mostan Billah Adil
16	Ms. Sarwar Jahan Maleque	Director	<u>Vice- Chair Person</u> Jasco Capital Management Ltd. <u>Director</u> Jasco Bangladesh Ltd.
17	Chowdhury Mohammed Hanif Shoeb	Director	<u>Managing Director</u> Salma Trade International Ltd. BSB Spining Mills Ltd. Angan Properties Ltd.
18	S.M. Anowar Sadat	Director	<u>Managing Director</u> K.K Properties Ltd. <u>Proprietor</u> K.K Automobiles K.K Enterprise K.K Motors Mati Corporation Chiba Trading N.S Associates <u>Partner</u> Habibur Rahman & Brothers
19	Mohammad Abdul Salam	Director	<u>Managing Director</u> Multazim Spinning Mills Ltd. Matam Fibre Mills Ltd. Matam Spinning Mills Ltd. <u>Proprietor</u> Multazim International
20	Ms. Farzana Begum	Director	<u>Managing Director</u> Shah Amanat Praktitik Gas Co. Ltd. Lion Securities & Investment Ltd. <u>Director</u> Global Trading Corporation Ltd. <u>Proprietor</u> M/s. Farzana Trading Enterprise

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 Accountants
Mortuza Siddique Chowdhury	Director	Member	FAZIL
Shahedul Huq	Director	Member	Bachelor of Business Administration
Arif Ahmed	Director	Member	MS-CEM
Mohammad Mostan Billah Adil	Director	Member	Bachelor of Business Administration

b) During the period under review, the Audit Committee of the Board conducted 02 (two) meeting.

c) The following steps have been taken for implementation of an effective Internal Control Procedure of

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 EVENT AFTER REPORTING PERIOD

a) The Board of Directors of the Bank in its 9th Board meeting held 25 February 2014 approved the financial statements of the Bank for the period ended 31 December 2013 and the same for issue.

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



Managing Director



Director



Director



Chairman

Place: Dhaka

Date: 25 February 2014

Annexure A

UNION BANK LIMITED
STATEMENT OF FIXED ASSETS
AS ON 31 DECEMBER 2013

Figure in Taka

Particulars	C O S T				D E P R E C I A T I O N				Written down value as on 31 December '13
	Balance as on 07 March '13	Addition during the period	Sales/Transfer during the period	Balance as on 31 December '13	Balance as on 07 March '13	Charge during the period	Adjustment on sale/transfer during the period	Balance as on 31 December '13	
Furniture & Fixtures	-	16,079,459	-	16,079,459	-	945,682	-	945,682	15,133,777
Office Equipment	-	51,343,982	-	51,343,982	-	3,662,012	-	3,662,012	47,681,970
Vehicles	-	24,281,822	-	24,281,822	-	809,394	-	809,394	23,472,428
Books	-	3,020	-	3,020	-	500	-	500	2,520
Total Dec' 2013	-	91,708,283	-	91,708,283	-	5,417,588	-	5,417,588	86,290,695

Annexure B

Union Bank Limited
Financial Highlights
 For the period ended 31 December 2013

Particulars	2013
Paid-up Capital	4,280,000,000
Total Capital Fund	4,513,092,578
Capital Surplus/(deficit)	3,256,832,577
Total Assets	17,081,141,241
Total Deposits	12,165,198,711
Total Investments	7,308,820,728
Total Contingent Liabilities and Commitments	7,170,000
Investment Deposit Ratio (in %)	60.08%
Percentage of Classified Investments against total Investments (in %)	0.00%
Profit before tax & provision	246,292,913
Amount of Classified Investments during the year	-
Provision kept against Classified Investments	-
Provision Surplus/(deficit)	608,924
Cost of Fund	7.78%
Profit Earning Assets	14,085,153,938
Non-profit Earning Assets	2,995,987,303
Return on Investment in Shares & securities (ROI) (in %)	0.24%
Return on Assets (ROA) (in %)	1.44%
Income from Investment in Shares and Securities	793,582
Earnings Per Share (Tk.)	0.20
Net Income Per Share (Tk.)	0.20
Price Earnings Ratio (Times)	N/A

Table with 10 columns and 20 rows, all cells are empty.

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 1st Annual General Meeting of the Company to be held on Saturday, 6th September 2014 at Hotel The Westin Dhaka, Gulshan-2, Dhaka 1212.
Signed this _____ day of _____, 2014

(Signature of Shareholders)

No. of Share Held

Membership No.

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 1st Annual General Meeting of the Company being held on Saturday, 6th September 2014 at Hotel The Westin Dhaka, Gulshan-2, Dhaka 1212.

Name of the Member/Proxy _____

Membership No.

Signature of Member/Proxy and Date





Corporate Head Office:

Bahela Tower, 72, Gulshan
Avenue, Gulshan-1, Dhaka-1212
Phone: +88-02-9859313
Web: www.unionbank.com.bd