

Letter of Transmittal

To
All Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject : Annual Report for the year ended December 31, 2014.

Dear Sir (s),

We are pleased to enclose a copy of the Annual Report of United Commercial Bank Limited together with the Audited Financial Statements as at December 31, 2014 for kind information & record.

Yours sincerely

Sd/-
ATM Tahmiduzzaman ACS
Company Secretary

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General Information

This section contains:

- Forward Looking Statement
- Vision, Mission, Core Values
- Strategic Priority
- Awards & Recognition
- Corporate Profile
- UCB's Milestones
- Five Years' Financial Summary
- Graphical Review
- Group Corporate Structure
- Organogram of Corporate Office
- Code of Conduct & Ethics

Forward Looking Statement



This announcement constitutes forward-looking statements about the bank, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations or forecasts.

These statements include statements regarding our intent, belief or current expectations regarding our customer base, estimates regarding future growth in our different business lines and our overall business, market share, financial results and other aspects of our activity and situation relating to the bank. The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by the forward-looking nature of discussions of strategy, plans or intentions.

Such forward-looking statements, by their nature, are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

Neither this presentation nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to UCB. Moreover, be informed that this document may contain summarized information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information, including if it is necessary, any disclosure documents published by the bank.

Finally, we caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our future oriented statement, to make any decision with respect to the bank, investors and other should carefully consider the foregoing factors and other uncertainties and potential events. We do not undertake to update any future oriented statement, whether written or oral that may be made from time to time by us on our behalf.

VISION MISSION CORE VALUES

Vision

To be the bank of first choice through maximizing value for our clients, shareholders & employees and contributing to the national economy with social commitments

Mission

To offer financial solutions that create, manage and increase our clients' wealth while improving the quality of life in the communities we serve

Core Values

- We put our customers first
- We emphasize on professional ethics
- We maintain quality at all levels
- We believe in being a responsible corporate citizen
- We say what we believe in
- We foster participative management

Strategic Priority

To make all the stakeholders happy and to make the entire banking process an **enjoyable experience** for everyone

To be **compliant** with all the rules and regulations applicable in Bangladesh

To foster creativity, **innovation and diversity** with the view to sustainable business growth

Continuous development without compromising **needs of future generation**

To ensure satisfaction of all the UCB's customers through delivering services with the implementation of **world class IT infrastructure**

To establish **good governance**

Ensuring effective **risk management** system within entire phases of activities

Focusing on **Corporate Social Responsibilities** (CSR) in a responsible manner

To build & enhance brand **image**

Awards & Recognition



Awards & Recognition



Muhammed Ali, Managing Director receiving Best Emerging Market Bank Award by Global Finance.



Mirza Mahmud Rafiqur Rahman, Additional Managing Director receiving Best CEO of the Year award on behalf of the Managing Director of UCB by World Brand Congress.



ATM Tahmiduzzaman ACS, Company Secretary receiving Corporate Governance Excellence national Award by Institute of Chartered Secretaries of Bangladesh (ICSB).

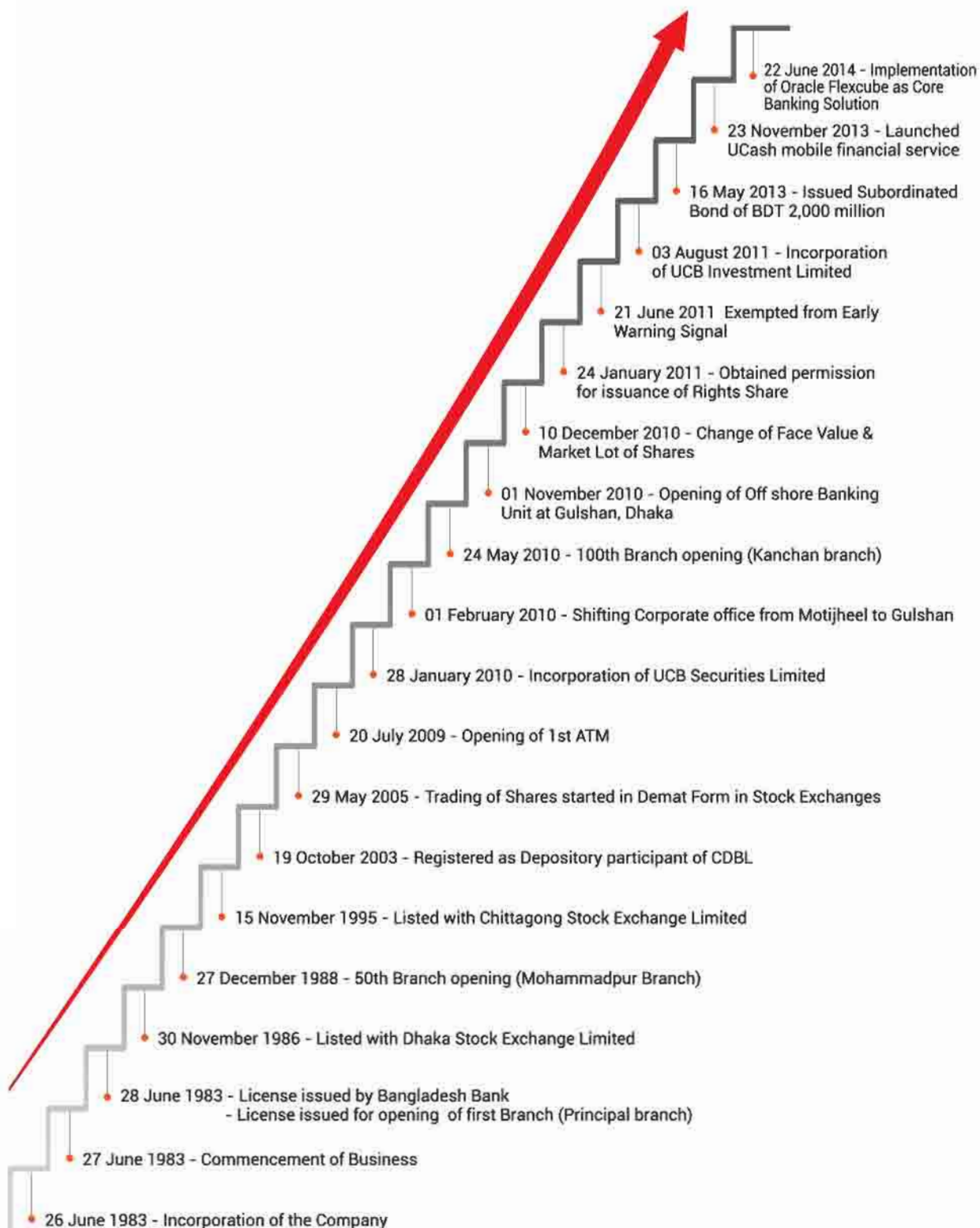


National Award for Best Presented Annual Reports 2013 (Certificate of Appreciation) by The Institute of Chartered Accountants of Bangladesh (ICAB).

Corporate Profile

Registered Name	United Commercial Bank Limited
Legal Status	Public Limited Company
Date of Incorporation	26 June 1983
Date of Commencement of Business	27 June 1983
Chairman	M. A. Hashem
Vice Chairman	Sharif Zahir
Managing Director	Muhammed Ali
Company Secretary	A T M Tahmiduzzaman ACS
Chief Financial Officer	Mohammad Habibur Rahman Chowdhury FCA
Date of Listing with DSE	30 November 1986
Date of Listing with CSE	15 November 1995
Authorized Capital	BDT 15,000 million
Paid up Capital	BDT 8,366 million
Total Manpower	3,679
Number of Branches	148
Number of AD Branches	27
Number of Agri. Branches	02
Number of ATM Booths	115
Auditors	Hoda Vasi Chowdhury & Co. BTMC Bhaban (8th Floor), 7-9 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh
Tax Consultants	Md. Mosharrof Hossain, Advocate 28A, Kakrail (3rd Floor), Room No-20, Dhaka.
Legal Consultant	T.I.N. Nurun Nabi Chowdhury
Rating Agency	Emerging Credit Rating Ltd. Shams Rangs, Level A1, A2 & A5 House 104, Park Road, Baridhara, Dhaka 1212
Registered office	CWS(A) -1 , Gulshan Avenue Dhaka-1212 , Bangladesh
Telephone	+880-2-55668070
E-mail	info@ucb.com.bd
Website	www.ucb.com.bd
SWIFT	UCBL BDDH
Trading Symbol	UCBL

UCB's Milestones



Five Years' Financial Summary

(Figures in million Taka except ratios and per share data)

	2014	2013	2012	2011	2010
Results of Operation					
Interest income	22,360.83	22,999.36	21,318.92	15,351.63	9,468.36
Interest expense	14,430.24	15,919.86	14,705.21	10,203.21	5,632.95
Net interest income	7,930.59	7,079.50	6,613.71	5,148.42	3,835.41
Non-interest income	7,278.80	5,319.08	3,563.95	4,145.95	4,018.47
Non-interest expenses	6,489.93	5,272.21	4,415.44	3,321.46	3,120.76
Operating revenue	15,209.39	12,398.58	10,177.66	9,294.37	7,853.88
Operating profit	8,719.46	7,126.37	5,762.22	5,972.91	4,733.12
Profit before tax	6,835.67	5,887.32	3,739.06	5,172.91	3,632.60
Net profit after tax	3,668.73	3,065.41	1,586.13	2,945.80	2,182.43
Balance Sheet					
Authorized capital	15,000.00	15,000.00	15,000.00	8,000.00	8,000.00
Paid up capital	8,366.12	8,366.12	8,366.12	7,274.88	2,909.95
Shareholders' equity	22,491.54	20,504.97	18,171.02	15,966.41	7,817.27
Deposits	211,072.06	184,896.85	170,530.54	139,484.75	113,070.78
Loans and advances	174,146.10	148,664.86	136,071.65	115,506.33	93,560.70
Investments	44,288.60	35,587.25	26,090.32	19,383.42	15,048.23
Fixed assets	8,510.00	7,957.31	5,222.78	3,288.09	1,966.35
Off-balance sheet exposure	144,554.47	67,094.06	52,153.26	40,255.37	40,797.74
Total assets	266,100.74	226,333.13	207,448.38	168,891.78	129,877.03
Total liabilities	243,609.20	205,828.17	189,277.37	152,925.36	122,059.76
Share Related Information					
Market price per share (of Tk. 10 each)	29.30	25.10	23.60	43.90	226.70
No. of shares outstanding (of Tk. 10 each)	836.61	836.61	836.61	727.49	291.00
Earnings per share (of Tk. 10 each) basic	4.39	3.66	1.90	4.05	7.50
Earnings per share (of Tk. 10 each) restated	4.39	3.66	1.90	3.52	2.61
Dividend	30%	20%	10%	27%	25%
Net asset value per share (of Tk. 10 each)	26.88	24.51	21.72	21.95	26.86
Price earning ratio (times)	6.68	6.85	12.42	10.84	30.23
Market capitalization (in million Taka)	24,512.73	20,998.96	19,744.04	31,936.72	65,968.57

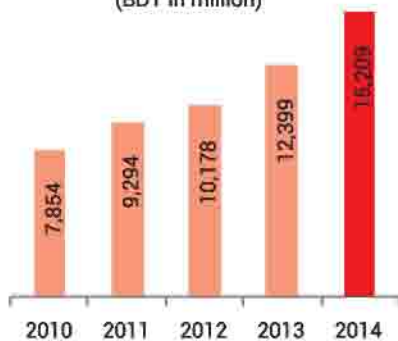
Five Years' Financial Summary

	2014	2013	2012	2011	2010
Financial Ratios (%)					
Cost-income ratio	42.67	42.52	43.38	35.74	39.74
Credit-deposit ratio	78.92	79.81	79.79	82.81	82.75
Debt equity ratio (times)	9.85	9.19	9.45	8.74	14.46
Non-performing loans	4.62	4.03	3.69	1.79	1.20
Return on assets	1.49	1.41	0.84	1.97	1.98
Return on equity	17.07	15.85	9.29	24.77	32.28
Burden coverage ratio	112.16	100.89	80.72	124.82	128.77
Cost of fund	10.16	11.66	12.46	11.09	9.81
Yield on advance	13.87	16.21	16.23	14.81	12.89
Other Informations					
No. of branches	148	139	130	115	107
No. of ATM	115	101	81	77	54
No. of employees	3,679	3,445	3,374	2,982	2,738
No. of foreign correspondents	532	363	357	333	296
Other Business (in million Taka):					
Import	155,282.40	117,542.90	94,843.80	90,919.70	86,666.50
Export	130,447.20	94,288.50	78,309.10	76,962.80	50,712.10
Remittance	16,667.90	10,788.07	14,848.30	16,802.80	5,452.10
Capital Measures (in million Taka):					
Total Risk Weighted Assets	243,250.40	197,380.55	177,900.41	155,231.89	144,080.55
Total Capital (core & supplemental capital)	25,691.18	22,758.76	18,455.74	16,877.06	9,085.83
Capital Adequacy Ratio (%)	10.56	11.53	10.37	10.87	6.31

Graphical Review

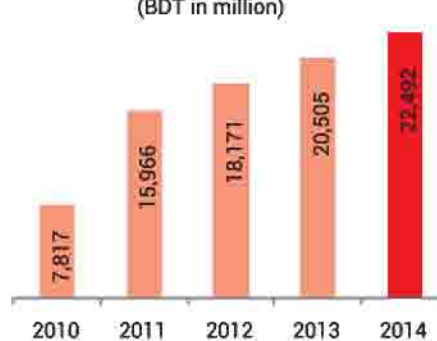
Operating Revenue

(BDT in million)



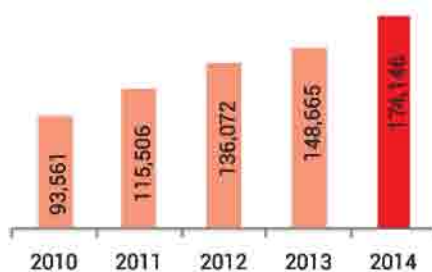
Shareholders' Equity

(BDT in million)



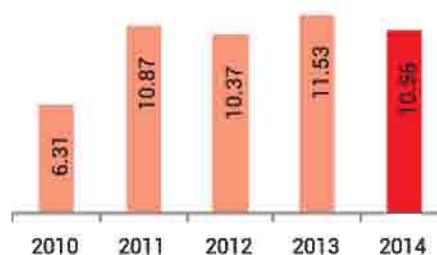
Loans and Advances

(BDT in million)



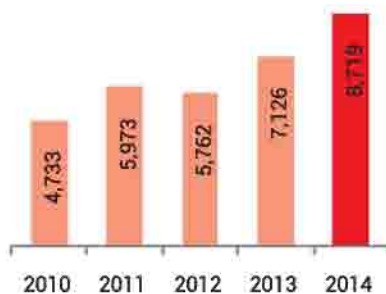
Capital Adequacy Ratio

(Percent)



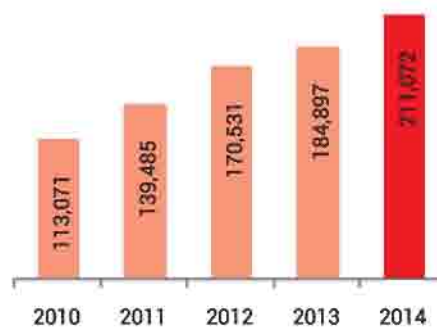
Operating Profit

(BDT in million)



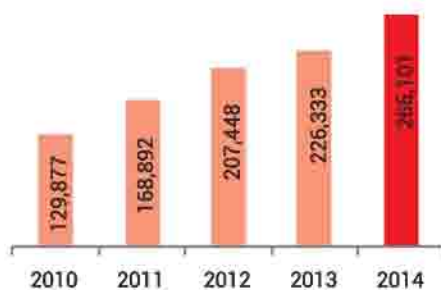
Deposits

(BDT in million)

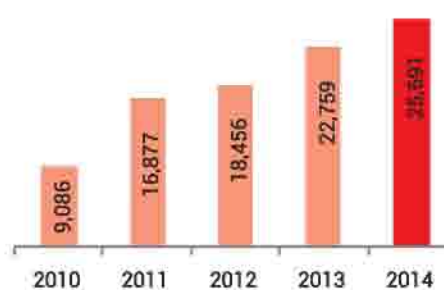


Graphical Review

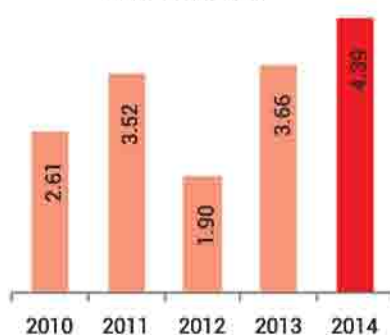
Total Assets
(BDT in million)



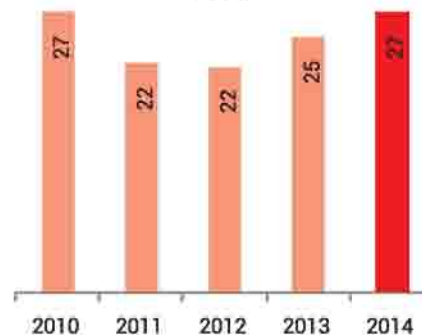
Capital
(BDT in million)



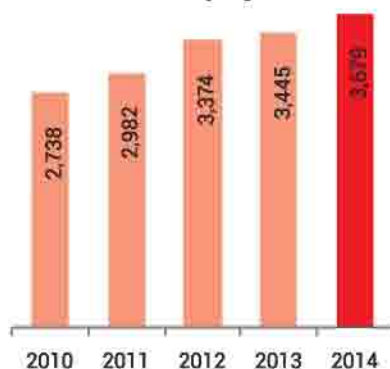
Earnings Per Share
(Restated) (BDT)



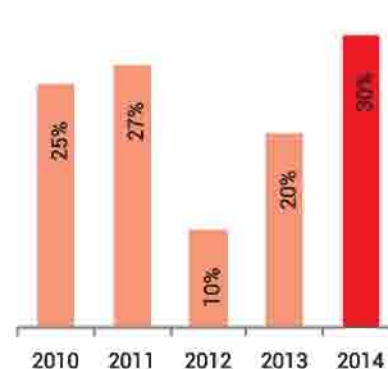
Net Asset Value per Share
(BDT)



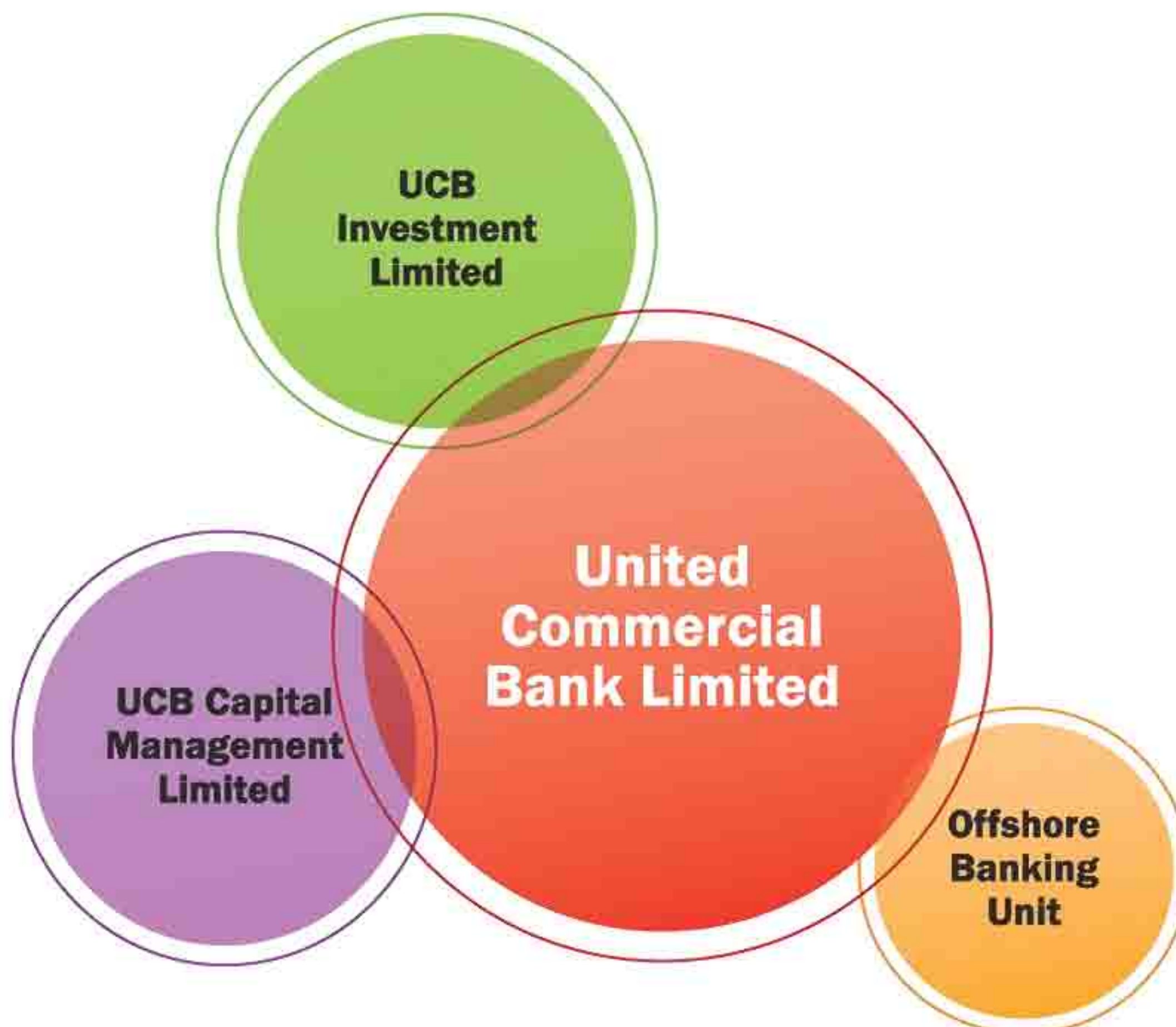
No. of Employees



Dividend



Group Corporate Structure



Offshore Banking Unit (OBU)

The Bank obtained permission for opening of Off-shore Banking Unit (OBU) vide letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. Presently the bank has one unit in Dhaka in full pledged functioning which formally commenced its operation on 10 November 2010.

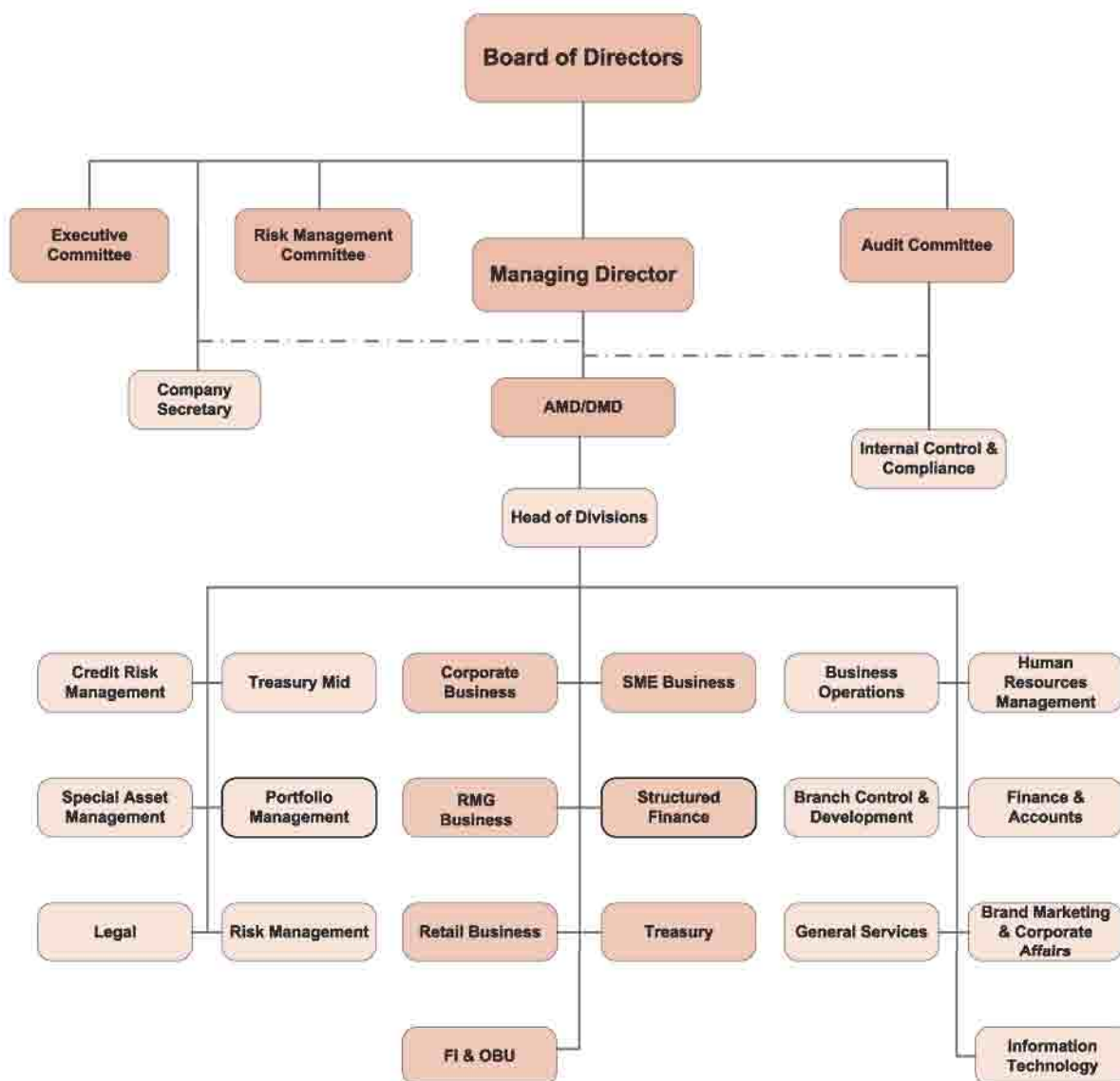
UCB Capital Management Limited

UCB Capital Management Limited (DSE TREC No. 181, CSE TREC No. 015) was incorporated in Bangladesh in the year 2007. The key objective of the company is to provide stock brokerage service in the capital market of the country. The company commenced its business under the umbrella of UCB from 19 June 2013.

UCB Investment Limited

The UCB Investment Limited, another subsidiary of the bank was incorporated in Bangladesh on 3 August 2011 under the Companies Act 1994. The vision of the company is to be one of the best merchant bank in Bangladesh.

Organogram of Corporate Office



Code of Conduct and Ethics

UCB emphasized the importance of an effective Code of Conduct and Ethics Policy to the promotion of fair and ethical practices by all individuals involved within the banking institution as the policy is a fundamental basis to support the bank's mission and its business operations.

Our employee Code of Conduct and Ethics Policy applies to everyone who works at UCB including employees (both permanent and on probation). As we grow our business and expand our network, it is essential that our employee understand and act upon our Code of Conduct and Ethics Policy. All employees of UCB are required to comply with our Code of Conduct and Ethics Policy and any breach of conduct could lead to termination of employment in serious cases and employees declaration is obtained at the time of joining in UCB. Furthermore, to help our employees in understanding and applying the principles of our Code of Conduct and Ethics Policy, a course is included in FTC.

The followings are the salient features of UCB Code of Conduct and Ethics Policy:

Confidentiality	Confidential information about United Commercial Bank Ltd's business or business plans, products and services, marketing methods, technology or systems must never be disclosed to a third party except pursuant to a statute or regulations, or a valid court order. The Bank owes a strict duty of confidentiality to their customers.
Conflicts of Interest	All employees of United Commercial Bank Ltd. should be scrupulous in avoiding any action or interest that conflicts or gives the appearance of a conflict with the Bank's interests.
Outside Pressure	Employee must refrain from bringing in outside pressure or influence to attain personal gains within the organization; any such attempt will be subject to disciplinary action.
Gifts and Entertainment	Employees are not permitted to accept gifts, entertainment, or other favors from existing or prospective customers of the bank. This is essential to keep the employees of the Bank from being prejudiced or influenced or showing lenient attitude keeping aside bank's interest.
Accuracy of Records and Reporting	Bank's books, records, accounts and reports must accurately reflect its transactions, and must be subject to an adequate system of internal controls and disclosure controls to promote the highest degree of integrity.
Fraud, Theft or Illegal Activities	Employees are to be alert and vigilant with respect to frauds, theft or significant illegal activity committed within the office. If any such activity comes into employee's attention, he/she must immediately report the same to his/her immediate superiors who will arrange for appropriate follow up action to be taken. Failure to report any such activity will be subject to disciplinary action.
Opportunities	Employees are prohibited from taking for themselves personally opportunities that arise through the use of corporate property information or position. They are further prohibited from using corporate property, information or position for personal gain and/or competing with the bank.

Code of Conduct and Ethics

Compliance with laws, rules and regulations

United Commercial Bank Ltd. policy is to maintain an open and co-operative relationship with our regulators and to comply with all applicable laws, rules and regulations. Bank also disseminates information regarding compliance with laws, rules and regulations that affect business.

Equal Employment Opportunity

United Commercial Bank Ltd. is an equal opportunity employer in hiring and promotion practices, benefits and wages. The Bank will not tolerate discrimination against any person on the basis of race, religion, color, gender, age, citizenship in recruiting, hiring, placement, promotion, or any other condition of employment.

Discrimination or Harassment

United Commercial Bank Ltd. is committed to prohibition of harassment and intimidation of employees in the workplace. Bank encourages a work environment where employees are valued and respected. Bank promotes equality of gender, race and religion and prohibits sexual or any other kind of discrimination, harassment or intimidation whether committed by or against a superior, coworker, customer, vendor or visitor.

Board and Management Profile

This section contains:

- Board of Directors and its Committee
- Directors' Profile
- Key Management Profile
- Head of the Divisions
- Executives

Board of Directors & Its Committee

Board of Directors

Name	Status in the Board
M.A. Hashem	Chairman
Sharif Zahir	Vice- Chairman
Anisuzzaman Chowdhury	Chairman-Executive Committee
Lt. Gen. ATM Zahirul Alam,rcds, psc (Retd.)	Chairman-Audit Committee (Independent Director)
M.A. Sabur	Chairman-Risk Management Committee
Showkat Aziz Russell	Director
Md. Jahangir Alam Khan	Director
Hajee Yunus Ahmed	Director
Hajee M.A. Kalam	Director
Abdul Gaffar Chowdhury	Director
Shabbir Ahmed	Director
Md. Tanvir Khan	Director
Asifuzzaman Chowdhury	Director
Sultana Rezia Begum	Director
Ahmed Arif Billah	Director
Rukhmila Zaman	Director
Nurul Islam Chowdhury	Director
Dr. Salim Mahmud	Independent Director
Syed Mohammed Nuruddin	Independent Director
Muhammed Ali	Managing Director
ATM Tahmiduzzaman ACS	Company Secretary

Executive Committee

	Status in the Committee
Anisuzzaman Chowdhury	Chairman
Showkat Aziz Russell	Member
M.A. Sabur	Member
Md. Jahangir Alam Khan	Member
Hajee Yunus Ahmed	Member
Hajee M.A. Kalam	Member
Shabbir Ahmed	Member

Audit Committee

	Status in the Committee
Lt. Gen ATM Zahirul Alam,rcds, psc (Retd)	Chairman
Ahmed Arif Billah	Member
Md. Tanvir Khan	Member
Dr. Salim Mahmud	Member
ATM Tahmiduzzaman ACS	Secretary

Risk Management Committee

	Status in the Committee
M.A. Sabur	Chairman
Showkat Aziz Russell	Member
Md. Jahangir Alam Khan	Member
Hajee Yunus Ahmed	Member
Asifuzzaman Chowdhury	Member
ATM Tahmiduzzaman ACS	Secretary

Directors' Profile



M. A. Hashem
Chairman

M. A. Hashem, prominent business tycoon of the country & former Member of Parliament, is the Chairman of UCB. He is also the founder & Chairman of Partex Group, one of the largest conglomerates in the private sector manufacturing and service based enterprises in Bangladesh.

M. A. Hashem, son of Late Al-Haj Abdul Aziz, was born in a respectable Muslim family of Wasaqpur, Begumganj in the district of Noakhali. In the development tale of Bangladesh, his prudential initiatives & entrepreneurship will be remembered for a long time.

A reputed Industrialist and humanitarian, Mr. Hashem is actively associated with many educational and socio-cultural organizations of the country. He is also the founder and member of Trusty Board of North South University, member of Board of Trustees of the IBAIS University, he is also the founder of M. A. Hashem Diabetic Hospital, Chowmuhani, M. A. Hashem University College, Kazirhat, Begumganj and Al-haj Abdul Aziz Lillah Boarding & Orphanage at Chowmuhani, Noakhali. He patronizes a number of social, cultural, charitable & sporting organizations of the country as well.



Sharif Zahir
Vice Chairman

Sharif Zahir, brilliant and successful entrepreneur in the fields of IT, fashion and apparels, properties, finance and energy sector of the country, is the Vice Chairman of UCB.

His background comprises about 16 years of extensive international professional exposure. In 1998, Sharif founded Creative Visions Ltd which has collaborated with Datapro Info World for providing software training and banking solution in the finance industry. In the year 2006, Sharif took the helm of Ananta Group of Companies as the Managing Director.

Sharif was also one of the founders of National Finance Limited (NFL) and Ananta Energy Resources Ltd. He is the Chairman of Van Guard Asset Management and actively involved in the real-estate industry of Ananta Properties Limited.

Sharif holds a Degree from University of Texas, Austin, USA. He holds the status of CIP from the Government of Bangladesh for his contribution to the national economy.

With his brilliance and originality, he is contributing in transforming UCB as a transparent & accountable organization.



Anisuzzaman Chowdhury
Director & Chairman, Executive Committee

Anisuzzaman Chowdhury, a young and dynamic industrialist of the country is one of the Directors and Chairman of Executive Committee of UCB.

He is also Director of Ronny Chemical Industries Ltd. He holds Graduation in Business Administration from Palm Beach Atlantic College of USA. Mr. Anisuzzaman Chowdhury, was born in a glorious & highly respectable Muslim family of Anwara under Chittagong District of the country.

With his brilliance and prudence, he has been contributing in UCB to reach its vision through providing best banking services in the Country.

Directors' Profile

**Lt. Gen. Abu Tayeb Muhammad Zahirul Alam, rcds, psc (Retd.)**

Independent Director & Chairman, Audit Committee

Lieutenant General Abu Tayeb Muhammad Zahirul Alam, rcds, psc (reted), one of the Independent Directors of UCB, is the Chairman of Audit Committee.

He served Bangladesh Military for long 35 years with great honor and dignity. He was adjudged as the best all round Gentleman Cadet and was awarded the "Sword of Honor" in Bangladesh Military Academy. In his career, he held the appointment of Director of Military Training, commanded two Infantry Divisions and had been the Commandant of National Defense Collage (NDC), Bangladesh. He is also a peace keeper and has two United Nations Peacekeeping Missions to his credit. In the final leg of his career, he held the appointment of Force Commander of the United Nation Multinational Peace Keeping Force in Liberia, West Africa.

He holds a Master's Degree in Arts from King's College London, United Kingdom and is a graduate of prestigious Royal College of Defense Studies (RCDS), United Kingdom. He also attended a short course at Harvard University, USA. Besides teaching in National Defense College, he has interest in playing golf.

**M. A. Sabur**

Director & Chairman, Risk Management Committee

M. A. Sabur, leading Industrial entrepreneur, is Sponsor Director of UCB. He is the current Chairman of Risk Management Committee of the Board of Directors of UCB. He is also the Chairman of Masco Group and Maxim Group, a leading export house in textile sector of the country.

An MBA, M. A. Sabur is the son of Late Alhaj Raham Ali. He belongs to a respectable Muslim family and hails from Kanchon of Narayanganj district. He is a member of IBA Alumni Association & also a golfer being lifetime member of Kurmitola Golf Club, Dhaka and Bhatary Golf Club, Chittagong. M. A. Sabur is actively associated with various educational & socio-cultural organizations of Dhaka & Chittagong.

This illustrious personality is guiding the Bank in exploring new opportunities of business procurement in this competitive market.

**Showkat Aziz Russell**

Director

Showkat Aziz Russell, one of the very brilliant, young & potential business personalities of contemporaneous generation is the Director & immediate past Vice-Chairman of UCB. Concurrently he is the Managing Director of Partex Holdings Ltd, Amber Cotton Mills Ltd, Partex Rotor Mills Ltd, Partex Energy Ltd, Partex Spinning Mills Ltd, Partex Board Mills Ltd.

He is the Chairman of Board of Trustees of IBAIS University, member of Board of Governing body of National Institute of Textile training research & design (NITTRAD) and Vice-Chairman of Bangladesh Textile Mills Association. He is presently is the director of Bangladesh Cricket Board(BCB).

This visionary personality is making his contribution towards economy by introducing modern technology, innovative ideas, upgraded management system & generating employment in various sectors. He also patronizes different socio cultural organizations to bring some meaningful changes in the society.

Directors' Profile



Md. Jahangir Alam Khan

Director

Md. Jahangir Alam Khan, eminent industrialist, is a Director of UCB. He is also the Founder & Managing Director of J.K. Group of Industries, a leading business house in Textile sector.

Md. Jahangir Alam Khan, son of Late Md. Salamat Khan, was born in a highly respectable Muslim family of Gohira, Raojan in the district of Chittagong. He is the founder of J.K. Memorial Hospital (Charitable) at Gohira established under J.K. Foundation. He is also the lifetime member of Bhatary Golf Club, Chittagong & Bangladesh Red Crescent Society, Chittagong. He was also the president of Chittagong Samity, Dhaka for consecutive two terms. For accelerating positive social changes, he maintains a strong rapport with many other educational & socio-cultural organizations. Government of Bangladesh has honored him as CIP (Commercially Important Person) for his contribution to the national economy.

Md. Jahangir Alam Khan is mentoring the Bank to ensure accountability & protect all the interest of the Bank to achieve desired standards.



Hajee Yunus Ahmed

Director

Hajee Yunus Ahmed, eminent industrialist of the country, is one of the Sponsor Directors of UCB. At the same time he is the Chairman & Managing Director of Yunusco Group, Managing Director of Shore to Shore BD Limited & Adapt ID Bangladesh Limited.

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



Hajee M. A. Kalam

Director

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

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

Directors' Profile



Abdul Gaffar Chowdhury
Director

Abdul Gaffar Chowdhury, eminent businessman of the country, is one of the Sponsor Directors of UCB. He is also the Director of Hotel Holiday Cox's Bazar Ltd., Sea Gull Aquaculture Ltd. and Janata Insurance Company Ltd.

Abdul Gaffar Chowdhury comes of a respectable muslim family of Chittagong having dignified status in the society. He is also allied with a number of social & educational organizations in Dhaka and Chittagong.



Shabbir Ahmed
Director

Shabbir Ahmed is one of the Directors of UCB. He is the son of Late Farid Ahmed, a Sponsor Director of UCB. He was born on December 25, 1969 in Chandgaon, Chittagong.

This Promising Business personality is also the Director of Farid Level & Accessories, Sharafat & Brothers, Kashfi Knitting Ltd, East End Automobiles Ltd. He also maintains strong relation with various educational & social organizations.



Md. Tanvir Khan
Director

Promising & young Director of UCB, Md. Tanvir Khan was born on September 14, 1983. He attained his BBA & MBA both from the University of Toronto, Canada.

He is at the same time director of J.K. Fabrics Ltd & J.K. Knit Composite Ltd. This budding industrialist is exploring new ideas to improve the business environment for the contemporaries.

Directors' Profile



Asifuzzaman Chowdhury
Director

Asifuzzaman Chowdhury is one of the young & promising Directors of UCB. He comes of a very prestigious family of Anowara, Chittagong.

Asifuzzaman Chowdhury is also the Director of Synthetic Rezin Products (Pvt.) Ltd. and Ronny Chemicals Ltd. He attained his BBA from Atlantic University, Florida, USA. With innovative ideas this young entrepreneur is contributing to the nation.



Sultana Rezia Begum
Director

One of the leading Woman Entrepreneurs of the country, Sultana Rezia Begum is the Director of UCB. She is the wife of former MP and State Minister Late Abul Khair Chowdhury who was one of the Sponsor Directors of UCB.

Sultana Rezia Begum is also the Director of Somudra Jatra Shipping Lines Ltd, a pioneer enterprise in Shipping of the country. This magnanimous donor unconditionally gives support to a number of charitable organizations.



Ahmed Arif Billah
Director

Leading young entrepreneur of Bangladesh Ahmed Arif Billah is one of our Directors. He is the son of M. A. Sabur, sponsor Director of UCB. He was born on July 29, 1982.

Ahmed Arif Billah is also the Managing Director of Masco Industries Ltd, Masco Industries Ltd (Composite Knit Garments), Masco Cottons Ltd, Mascotex Ltd, MPL Wear Ltd, Masco Printing & Embroidery Ltd, Tasniah Fabrics Ltd, Masco Poultry Ltd, Masco Linens Ltd, Masco Yarn Dyeing & Printing Ltd, Shanta Expressions Ltd, Masco Exports Ltd, Masco Overseas Ltd, Masco Services Ltd, Concept Knitting Ltd, Masco Ricasso Ltd., Masco Properties Ltd.

In generating massive employment, he has an incomparable contribution towards economy & the country.

Directors' Profile

**Rukhmila Zaman**

Director

Rukhmila Zaman, young woman entrepreneur of the country, is one of the Directors of UCB and also the Chairman & Managing Director of Aramit Group, a leading manufacturing Conglomerate of the Country.

She is the wife of Saifuzzaman Chowdhury, MP and Honorable State Minister for Land, GOB.

She is involved with different socio-economic organizations and contributing for upbringing the young women in the main stream of economy.

**Nurul Islam Chowdhury**

Director

Nurul Islam Chowdhury is one of the Directors of UCB. He is the son of Late Alhaj Sirajul Islam Chowdhury, a founder sponsor of the Bank.

This distinguished businessman is the chairman of Islam Steel Mills Ltd, Eastern Engineers (CTG.) Ltd, Shoppers World Express Ltd. and Director of Anowara Jute Mills Ltd & Shoppers World Ltd. He also maintains a strong rapport with many social & educational organizations in the country.

He belongs to an aristocratic family who are the pioneer in Jute & Steel Industries of the Country.

**Dr. Salim Mahmud**

Independent Director

Dr Salim Mahmud is one of the Independent Directors of UCB, a young & energetic personality with distinct wisdom. He is also the faculty member of Dhaka University, prior to that he was also faculty member in the University of Chittagong. Presently, he is a Member (commissioner) of Bangladesh Energy Regulatory Commission, Government of the People's Republic of Bangladesh.

Dr Salim Mahmud obtained his PhD in Energy Law & Policy from University of Dundee.

This visionary personality is immensely contributing in the energy sector through facilitating exploration of natural resources by our local expertise.

Directors' Profile



Syed Mohammed Nuruddin

Independent Director

Syed Mohammed Nuruddin, a multilateral business personality of the country, is one of the independent directors of UCB.

This visionary personality is also the Managing Director of Allport Cargo Services (Ocean) Ltd, Mariners Cargo Services Ltd, Mariners Trading Corporation Ltd, Sundararm Tiles Ltd and Director of Mariners (BD) Ltd, Chittagong Shipyard Ltd and many other prestigious business entities. He is also a former Director of Chittagong Chamber of Commerce & Industry.

He is the member of Chittagong Club, Bhatiary golf & country club and Chittagong boat club.



BOARD OF DIRECTORS

Board of Directors



Executive Committee



Audit Committee



Risk Management Committee



Key Management



Key Management Profile



Muhammed Ali
Managing Director

A prolific banker and a dynamic leader, Mr. Muhammed Ali is currently leading United Commercial Bank Limited (UCB), one of the most esteemed banking brands in Bangladesh. As CEO, Mr. Ali has always cherished the sustainable growth as a team person and believes in the amalgamation of economic and social escalation which comes as People, Planet and Profit. Mr. Ali has pivotal contribution as columnist, philanthropist, economic analyzer, monetary strategist, management icon, catalyst to entrepreneurship, pioneer to Islamic banking and last but not the least TRUE LEADER.

Mr. Muhammed Ali, a prominent and professional banker with 37 years of rewarding multi-dimensional experience in banking and other fields of management is the Managing Director of United Commercial Bank Limited (UCB) since 1 November 2012. Prior to joining UCB, he was the Managing Director of Social Islami Bank and before that the Managing Director of Shahjalal Islami Bank.

Mr. Muhammed Ali always prefers to take challenges and take the derailed in smooth platform. Under his dynamic leadership, UCB has now turned to the best private commercial bank in the country in terms of profit, asset quality, risk mitigation and brand value. And these achievements are even noticed in international area. United Commercial Bank has been adjudged as the **best emerging markets bank in Bangladesh** by the Global Finance Magazine. And the contribution of Mr. Muhammed Ali is acknowledged through Global Brand Excellence Award as '**CEO of the Year**' by World Brand Congress 2014.

Mr. Ali started his career with Sonali Bank as a probationary officer in 1977. In the process of career progression, he capitalized the opportunities to work with many other banks like, National Bank, National Credit Ltd (Subsequently emerged as NCC Bank), Standard Bank, Shahjalal Islami Bank and Social Islami Bank.

Throughout his career Mr. Ali has held different senior management positions in the arena of Credit, Foreign Exchange, Treasury, International Division, General Banking Operations, Human Resources Development including commendable exposure in branch banking and financial administration. It is worth mentioning that Mr. Ali demonstrated his capabilities to work as the Head of Credit, Head of Treasury, Head of International Division and Head of Human Resources Development in most of the Banks he worked for. Mr. Muhammed Ali has proven track record in leading various teams in different banks contributing in business policy formulation and strategy management.

His intellectual competence reflects in his writings and publications in the national dailies covering socio-economic and business development issues. He is a regular contributor to the National Dailies on Country's economy as well as international affairs. Mr. Ali is also a TV Talk show discussant on economic as well as financial matters.

Mr. Ali has attended a host of professional training programs including leadership and symposia both at home and abroad mentionable in Singapore, UK, Hong Kong, Italy and UAE. The most significant and praiseworthy is that he is a graduate of profound Alma mater **SAID Business School, Oxford; HAAS Business School, University of Columbia, Barkley and Columbia Business School of Columbia University** on Executive and Leadership program on Corporate Governance & Strategic Management.

Mr. Ali is a post graduate in Economics with honors from the University of Chittagong and has keen interest in CSR, loves building relationship with people and believes in professionalism in business management.

Key Management Profile



M. Shahidul Islam
Additional Managing Director

Mr. M. Shahidul Islam, a prolific Banker started his career in banking as a "Management Trainee" in National Bank Limited in 1984. He holds graduate and post graduate degrees in 'Management' from the University of Chittagong.

Mr. Islam has over 31 years of experience in the Banking Industry. Prior to joining United Commercial Bank Ltd. as Deputy Managing Director in 2008 he served National Bank Limited and Prime Bank Limited. He has got vast experience in almost every key area of banking like Corporate Credit, SME Credit, Foreign Trade, Consumer Banking, Credit Risk Management, Financial Administration, Treasury Operations etc. He also got wide experience in branch banking as Head of Branch during his long career in the industry. During his tenure in Prime Bank he led some high profile branches and successfully developed business relationship with the major Corporates in the country. He also served as Head of Credit Risk management and Corporate Banking Division during his long banking career.

His unremitting contribution to the growth of Corporate & SME business is widely acknowledged in the industry. He also worked assiduously for qualitative improvement in customer service. In recognition of his contribution to the bank, he was elevated to the rank of Additional Managing Director in March, 2011. His attitude to embrace the changes commensurate with vast knowledge & long experience leads him to contribute in different areas of business and social activities.



Mirza Mahmud Rafiqur Rahman
Additional Managing Director

Graduated from Dhaka University (Hon's & Masters in English Literature & Linguistics), Mr. Mirza Mahmud Rafiqur Rahman started his Banking Career in 1988. In his long 27 years of Banking Career, he has held many responsible management positions in Corporate Affairs, Business Development, Human Resources, Public Relations and Company Secretariat etc. in reputed Banks like UCB, The City Bank Ltd. and many other esteemed organizations. Prior to joining the Banking Industry, he served in Cadet Colleges of the Country as Lecturer in English and also served abroad with dignified status in teaching.

His insight, aesthetic sense and visionary leadership combined with profound knowledge led to continuous growth in every organization he worked for. He is an eloquent speaker and regularly attends financial institutions, press and electronic media and other business forums as resource person. His involvement with many social and cultural activities earned him recognitions from a number of socio-cultural organizations. His commitment to work and creativity commensurate with excellent knowledge has contributed substantially in various areas of businesses and social works. He is an avid writer and contributes on business and cultural topics in national dailies and periodicals frequently.

Key Management Profile



A. E. Abdul Muhaimen
Additional Managing Director

Mr. A.E.A. Muhaimen has joined UCB in 2013 as the Additional Managing Director. Prior to his joining UCB, he was the Managing Director of National Finance Limited.

Mr. Muhaimen started his career with ANZ Grindlays Bank as a Management Trainee in 1986. Mr. Muhaimen is a senior banking professional with over 27 years of multi-functional experience with six banks in Asia and the Middle East. He has earlier worked as Chief Executive Officer & Managing Director of Brac Bank and also held senior management positions in ANZ Grindlays Bank, Standard Chartered Bank, The City Bank Limited in Bangladesh.

Mr. Muhaimen has broad senior management experience being in the roles of CEO, CFO, HO-Consumer Bank, HO-Human Resources, Head of Cards and Chief Operating Officer.

Mr. Muhaimen has a post graduate degree in MBA from institute of Business Administration (IBA), Dhaka. He has trained at INSEAD in Singapore, Mount Eliza of Monash University, Australia and Harvard University, USA. He has served as a director on the board of four companies- BracEPL, Brac EPSL, bKash(mobile banking company) and IIDFC (Non Banking Financial Institution) in Bangladesh.



Md. Tariqul Azam
Deputy Managing Director

Mr. Md. Tariqul Azam, a versatile banker, has been regarded as one of the highest contributing members of the senior Management of the Bank. A prudent risk manager by virtue of possessing diverse knowledge- base, deep insight into both the financial and real sector, natural ability in prudent decision making, and the real pragmatism, Mr. Tariqul Azam has been holding the position of Deputy Managing Director since May 30, 2012. He has since been supervising several key Divisions of the Bank Including Credit Risk Management Division covering all business areas; namely Corporate, RMG, SME, Agri, Retail, Foreign Trade, Offshore Banking and Structured (Syndication) Finance. Side by side, he is the Chief Risk Officer (CRO) of the Bank. Mr. Azam started his banking career, after completing MBA (Major in Finance) from the IBA of University of Dhaka in 1979, by joining sonali Bank as Senior Officer on probation in 1980. He served there for a long 26 years. During these years, he worked at both Branch and Head Office levels spanning over all facets of banking business and administration; namely General Banking, Credit Management, Legal Affairs, Finance & Accounts, and Research & Development; in all possible capacities i.e. from Desk Officer to Branch Manager to Head of Divisions. Such an all-round banking expertise eventually led him to join UCB as a member of the senior Management in the year of 2006.

Throughout this long career, he has attended different local and foreign trainings/workshops/seminars on regular basis. He was/is also a regular trainer/facilitator at Sonali Bank Staff College, Uttara Bank Training Institute, BASIC Bank Training Institute, BIBM, and of course at UCB Learning & Development Center. He is also a Diplomæd Associate of IBB (DAIBB).

Key Management Profile

**Mohammad Shawkat Jamil**

Deputy Managing Director

Prominent Banker Mr. Mohammad Shawkat Jamil is serving as Deputy Managing Director of United Commercial Bank Limited from May 30, 2012. Since then he has been leading many core divisions of the Bank.

Born in a reputed Muslim family in Chittagong in 1958, Mr. Jamil has completed his MSS from University of Dhaka in 1982. He started his career as "Probationary Officer" in United Commercial Bank Limited in 1983. He has demonstrated experience in managerial and leadership positions including 21 years as Branch manager. He had been serving as Senior Executive Vice President and Head of Principal Branch of the bank, prior to taking over higher responsibility.

Mr. Jamil has attended different training programmes and seminars at home and abroad. Among them, the foremost to be mentioned is the month long training programme on "Finance & Banking Management for South Asia Federation of AOTS Alumni Societies" held in Osaka, Japan in 1997. He has also visited many countries including Thailand, Malaysia, Hong Kong, Singapore and Australia.

Head of the Divisions



Md. Sohrab Mustafa
Senior Executive Vice President
FI & OBU Division



Md. Zahrul Alam
Senior Executive Vice President
Credit Risk Management Division



Milan Quamrul Hasan Chowdhury
Senior Executive Vice President
Human Resources Management Division



Mohammad Habibur Rahman Chowdhury, FCA
Senior Executive Vice President &
Chief Financial Officer



Sarder Akhter Hamed
Executive Vice President
Retail Banking & Card Division



N. Mustafa Tarek
Executive Vice President
General Services Division



Md. Shams-Uddin Ahmed
Executive Vice President
MD's Secretariat



Mir Jahir Uddin Ahmed
Executive Vice President
Mobile Financial Services Division



Abu Sadeque Miah
Executive Vice President
Branches Control & Development Division



Mahmudul Bashar Khan
Executive Vice President
Special Asset Management Division



Md. Ekram Ullah
Executive Vice President
Legal Division



Md Ziaullah Khan
Executive Vice President
Internal Control & Compliance Division

Head of the Divisions



Muhammad Shariful Anam
Executive Vice President
Information Technology Division



Mohammad Iqbal
Senior Vice President
Board Audit Cell



Md. Shahidul Ameen
Senior Vice President
RMG Business Division



Mohammad Monabbir Ahmed Khan
Senior Vice President
SME Business Division



Javed Iqbal
Senior Vice President
Brand Marketing & Corporate Affairs



Md. Abdullah Al Mamoon
Senior Vice President
Business Operations Division



Mohammad Al-Amin
First Vice President
Corporate Business Division



A T M Tahmiduzzaman ACS
First Vice President
Company Secretariat Division



Md. Ibne Khaled
Vice President
Risk Management Division



Javed Moyn
Vice President
Treasury Back Office



Mohammad Hossain
First Assistant Vice President
Treasury Front Office

Executives

Managing Director

Muhammed Ali

Additional Managing Director

M. Shahidul Islam

Mirza Mahmud Rafiqur Rahman

A. E. Abdul Muhaimen

Deputy Managing Director

Md. Tariqul Azam

Mohammad Shawkat Jamil

Senior Executive Vice President

Md. Sohrab Mustafa

Md. Zahirul Alam

Golam Awlia

Mian Quamrul Hasan Chowdhury

Badiul Alam

M Habibur Rahman Chowdhury FCA

Executive Vice President

Abul Alam Ferdous

Md. Ahaduzzaman

Md. Habibur Morsalin

Md. Ehsanul Kabir

Md. Habibur Rahman

Sarder Akhter Hamed

N. Mustafa Tarek

Mohammed Faruque

Md. Shams-Uddin Ahmed

Mir Jahir Uddin Ahmed

Abu Sadeque Miah

Mahmudul Bashar Khan

Md. Ekram Ullah

Md. Delowar Hossain Mazumder

Md. Ziaullah Khan

Niamat Uddin Ahmed

Khondkar Rafiq Uz Zaman

Muhammad Shariful Anam

Senior Vice President

Mohammad Iqbal

Md. Shahidul Ameen

Iqbal Hasan

Ahmed Saiful Huda

Syeda Arjuman Banu

Mohammed Khorshed Alam

Md. Forhad Hossain

S. M. Wali Ul Morshed

Md. Habib Uddin Bhuiyan

Kazi Muzibul Islam

Md. Didarul Islam

Md. Golam Sarwar

Md. Ahsan Mozlish

Md. Khalequzzaman Chowdhury

Mohammad Monabbir Ahmed Khan

Md. Amiruzzaman

Mohammad Abdul Based

Javed Iqbal

Amalendu Roy

Md. Abdullah Al Mamoon

Champak Barua

Dulal Hossain

First Vice President

Md. Fazle Karim Khan

S.M. Jahangir Kabir

Saiful Alam

Nasimul Islam

Munir Uddin Chowdhury

Md. Abdul Mannan Chowdhury

Kazi Md. Lokman Hakem

A. Wadud Miah

Lisa Islam

Md. Aminul Islam

Mohammad Nesar Alam

Md. Wahaduzzaman

Md. Abdul Maied

Manjur Murshed Chowdhury

Chowdhury Bodiuzzaman

Md. Zakaria

Md. Showkat Karim

Md. Sowkat Abdullah

Kh. Zibanur Rahman (Nadim)

Tunku Humayun Md. Morshed

Md. Tofazzal Hossain

Md. Aman Ullah

Mohammad Nurul Islam

Md. Salim Reza Khan

Md. Mosleh Uddin Mansur

Shamsul Alam

Sultan Ahmed Shah Chowdhury

Md. Jahangir Hossain

Md. Shafinur Rahman

Md. Enamul Hoque

Md. Shamsul Hoque Khandaker

Mohammad Al-Amin

Abu Taiyab Md. Tajmilur Rahman

Abul Hasan Muhammad Azim

Ikram Farid Chowdhury

Md. Khairul Alam Chowdhury

Md. Anis Ur Rahman

Muhammad Hafizur Rahman FCA, FCMA

A. K. M. Zillur Rahman

Ahsanul Hoque

Major Kamal Mustafa (Retd.)

A T M Tahmiduzzaman ACS

Executives

Saiful A. Chowdhury
 Alamgir Kabir
 Masudur Rahman Sannamot
 Mohammad Anisur Rahman

Vice President
 Akter Banu Anju
 Md. Monjurul Islam
 Abdul Monaf
 Md. Wais Ahmed Khan
 Md. Shafiqul Islam
 Mohammad Shohel Haider
 Kamrun Naher
 Md. Abul Hashem
 Mohammad Iklas Uddin
 Md. Abdul Basith
 Md. Mofazzal Hossain Patwary
 Shaheed Hossain Chowdhury
 Md. Abdul Hakim
 Md. Mazibur Rahman
 Emtiaz Haque
 Shahadat Hussain Chowdhury
 Mohammad Jashim Uddin
 Jennyfar Yousuf
 Aminul Haque Chowdhury
 Tofael Haidar
 Mohammad Monwar Hossain
 Ikhtear Uddin Ahmed
 Mohammad Abu Hanif
 Md. Jahangir Alam
 Md. Nizam Uddin
 Md. Nurur Rahman Khan
 Minu Ara Begum
 Md. Abul Hossain Howlader
 Md. Shamim Ferdous
 Syeedur Rahman
 Partho Kumar Bagchi
 Md. Saiful Islam
 Md. Manirul Islam
 Ahmed Baker Imam
 Md. Salahuddin
 Momtaz Sobhan
 Md. Zafrul Hoque
 Md. Belayet Hossain
 Dewan Abdul Bakki
 Muhammad Fazle Rabbi
 Md. Mofizul Alam
 Mohammad Abdur Rahim
 Md. Muzibur Rahman Chowdhury
 Chitra Chowdhury
 Md. Badshah Gazi
 Ajit Kumar Baidya
 Md. Shafiqur Rahman
 Mosihuddin Husain
 Kamrul Majid Mahmud

Md. Nazim Uddin
 Md. Nurul Absar
 Jinnatun Bakia
 Mohammed Abdul Gofran
 Zahirul Islam Chowdhury
 Md. Munjur Kadher Chowdhury
 Sazzad Yussouf
 Md. Taiyub Hossain
 Md. Hasan Murad Chowdhury
 Shamsun Lora Karim
 Abu Jamil Md. Abdul Alim
 Golam Sarwar Bhuiyan
 Mohammad Abdul Ahad
 Md. Moazzam Hossain Chowdhury
 Arfanul Islam
 A. B. Moinul Karim
 Iqbal Ahmed
 Kh. A.R.M. Kamrul Hasan
 Syed Kamruzzaman
 Yousuf Habib
 Md. Ibne Khaled
 Kamrul Ahsan Moin
 Mumtaz Ahmed
 Md. Faruk Hossain
 Debashish Roy
 Javed Moin
 Abu Sayed Md. Ashrafuzzaman
 Achinta Kumar Saha
 Kashef Rahman
 Najmus Sakeb Jamil
 Sheikh Nahid Reza
 Md. Shakhawat Hossain
 Mohammad Nur Nobil FCA
 Mohammad Sarwar Alam
 Ikramul Haque Bhuiyan
 Mohammad Mosleuddin
 Md. Marufur Rahman Khan
 Naunehal Ashraful Huda
 Mohammad Mahbubul Alam
 Md. Anwar Hossain
 Mohammad Jahir Uddin
 Mohammad Taher Hasan Al Mamun
 Muhammad Arifur Rahman
 Mohammad Aktar Hossain
 A.Y.M. Mostafa

First Assistant Vice President

Farid Uddin Ahmed
 Mohammed Hasan
 A. N. M. Saiful Islam
 Md. Mustofa Kamal
 S.F. Shah Farhad Hossain
 Md. Masud Hasan Chowdhury
 Afroze Ahmed
 Shyma Akthar

Executives

Md. Mohsin
 Md. Abdul Hai
 Ashfaq Mohammad
 Sujoy Kumar Das
 Mostaque Ahmed
 Maksud Ahmed
 Saifur Rahman Chowdhury
 Md. Amin Faroque Sharif
 Mohd Kamal Uddin Faruque
 Md. Ibrahim Meah
 Md. Hashan Miah
 Syed Ghulam Mustaque
 Aklima Akter
 Md. Salah Uddin
 Md. Jashim Uddin Chowdhury
 Salina Akhter
 Golam Mostafa
 Burhan Uddin Mohammed Jahangir
 Asma Begum
 Md. Habibur Rahman
 Md. Kabir Uddin Ahmed
 Fakir Aktarul Alam
 Jamil Faruque
 Md. Mokhlesur Rahman
 Md. Suruzzaman
 Mohd. Nurul Afsar
 Reshadul Hannan
 Shireen Akhter
 Md. Momtaz Hasan
 Md. Mosharraf Hossain
 Md. Murad Morshed
 Md. Mahabub Faruque
 Israt Fatema
 Md. Mehedi Hasan
 Md. Moshfiqur Rahman
 Md. Kawsar Jamil
 Md. Mahmudul Haq
 Kazi Kamal Uddin Ahmed
 Md. Aref Ullah
 Monsurul Ahsan
 Gaziul Haider Mazumder
 Tawhidul Haque Chowdhury
 Md. Belayet Hossain Bhuiyan
 Altaf Ali Khan
 Md. Hasan
 Md. Akhter Hossain
 Mujibur Rahman
 Mohammed Ibrahim
 Abdul Motalib Miah
 Mahmudur Rahman
 Md. Ashfaq Ahmed
 Gowtom Kumar Ghosh
 Sankar Kumar Mitra
 Md. Shah Newaz Chowdhury
 Mohd. Salahuddin
 Md. Harun-Ur-Rashid

Chowdhury Jafarullah Sarafat
 Mohammad Imtiaz Kabir
 Habib Mohammed Enayet
 Md. Billal Ali Shaikh
 Md. Abul Bashir Chowdhury
 Md. Rahim Uddin
 Md. Helal Uddin
 Golam Mohammed
 Azam Chowdhury
 Halimur Rashid
 Syed Alam
 Md. Al-Hachan Khan
 Syed Hasan Afzal
 Md. Shamsul Alam
 Md. Hasibul Asad
 A. S. M. Naushad Alam
 Md. Dabir Uddin
 Mohammed Monjur Alam
 S. M. Masum
 Md. Anwarul Islam
 Md. Tareq Uddin
 Mohammad Asif Qureshi
 Somen Saha
 Ashfaq Ali Choudhury
 Bishanath Sharder
 Anwar Hossain Pathan
 Md. Masudul Alam
 Mohammad Mahbub Ur Rashid
 Mohammad Fazle Mahmood
 Md. Sabbir Hossain
 Shireen Sultana
 Md. Gias Uddin
 Mohammad Liakat Hussain
 Mohammad Reaz Ahmad
 Md. Nazrul Islam
 Mohammad Zamal Uddin
 Mohammad Monir Hossain
 Mohammad Arif Uddin
 Mohammed Ramjan Ali
 Anup Kumar Roy
 Md. Mohsinur Rahman
 Md. Zafar Iqbal
 Mahbubul Hoque
 Md. Tazammul Hossain Khan
 Mohammed Rezaul Rahman
 Mohammad Siful Islam
 Md. Saifullah
 Md. Lutfur Rahman
 Mohammad Monowar Hossain
 Md. Ashiquzzaman
 Mohammad Kamrul Islam
 Md. Parvej Ahmed ACA
 Mohammed Moinuddin Ripon
 Sanaul Haque
 Md. Rezaul Islam



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

This section contains:

- Chairman's Message
- Managing Director & CEO's Round up



Chairman's Message

Dear Shareholders,

It's a pleasure and privilege on my part to present the annual financial performance of United Commercial Bank Limited for the year 2014 and would like to share some of my thoughts on the outlook of the business and the Bank. Our endeavours and team work has enabled us to turn our business ambitions into achievements this year as well. Achieving success in the current economic and financial environment is challenging. The industry is highly competitive and uncertainty is inherent. In the face of economic pressures and challenges, United Commercial Bank Limited maintained its position and now is one of the highest profit generating bank of the country. The team at UCB is determined to excel, despite the challenging business conditions, and is well placed to do so. UCB is highly focused on the basics of banking-balancing and the pursuit of growth with disciplined management of costs and risks, keeping a firm grip on liquidity & capital.

The year 2014 has proved to be a tremendous successful year for us with operating profit of Taka 871.95 Crore, deposit of Taka 21,107.20 crore and loans & advances of Taka 17,414.61 crore. Compared to the previous year, we achieved 22.35% Growth in operating profit, 14.16% growth in deposit & 17.14% growth in loans & advances. I am proud to add that we have increased our branch network to 148 branches across Bangladesh. In doing so, we will be closer to our customers and better able to ensure that they receive the best possible banking services and that these are delivered both swiftly and efficiently.

United Commercial Bank Limited is always very enthusiastic for innovative ways to make a customer's banking experience more convenient, efficient, and effective. We have already implemented state of art new technology tools and techniques to identify customer needs and are offering tailor-made products to match them. One of our major achievements in technological excellence is the implementation of globally reputed Core Banking Systems (CBS) namely Flex Cube Universal Banking System (FCUBS) from Oracle Financial Service Software (OFSS). This is playing as a catalyst in strengthening our service to providing best financial needs of our valued customers from a robust, reliable and highly flexible technological platform.

United Commercial Bank Limited is highly devoted to provide best financial services and products to society. In turn, the well-being of society has extremely been integrated to our promise as Corporate Social Responsibility. We have got ourselves firmly engaged in various social causes and emergencies to move forward in creating a green and sustainable society. We are actively participating in various issues for the betterment of education, health, sports, response to natural disaster & climate change, socio-economic development, promotion of arts & culture etc.

I am very delighted to inform that the year 2014 is a radiant landmark for UCB where our effort and dedication has been acknowledged. We have been adjudged with three prestigious international awards namely Best Emerging Markets Bank in Asia-Pacific by Global Finance magazine; Effective use of Marketing Communication for Ucash, mobile financial service of UCB & CEO of the Year by World Brand Congress. These acknowledgements are the outcome of our commitment to provide utmost satisfaction to the customers.

I hope that I have been able to effectively communicate the significant accomplishments of the year 2014. I firmly believe that UCB's culture of service, all employees' dedication & commitment to customers were the driving force in our performance. I would like to thank the members of the Board of Directors for their continuing support. I also like to acknowledge the relentless efforts of the Senior Management of the Bank and like to thank Bangladesh Bank for their guidance. All together they have set clear strategic priority for the Bank and delivered against them – the best private commercial Bank of the country and substantial returns for shareholders.

Thanking You.



M A Hashem
Chairman



Managing Director & CEO's Round up

Honorable Shareholders, Respected Members of the Board of Directors and my beloved Team Members of UCB.

Assalamu Alaikum

The year 2014 marked the end of the first stage of implementation of our strategy for UCB. Throughout this year we have worked constantly to reshape UCB and improve returns. UCB today is much healthier with strong potential for more growth.

In 2014, I outlined a strategy to realize our purpose to establish UCB as the industry's leading bank and to reach our vision - 'To be the bank of first choice'. Over the year we have put this into action, pursuing more effective business, greater organizational efficiency and improved growth. We have simplified UCB considerably which represents a potential reduction in risk weighted assets and substantial increase in burden coverage.

We have transformed the way that we run the business, exerting pressure on costs and making it easier to manage and control. We have installed consistent business models, improved decision making and removed bureaucracy.

We have positioned UCB to capture more international trade and to capitalize on the advantages that our unique network provides. We have also focused on our product capabilities to broaden client coverage. Our presence in markets across the country and beyond has enabled us to support clients with tailor-made services.

Our performance in 2014 was influenced by these strategic measures that we have emphasized on since the beginning of the year resulting in the success story of UCB.

The year 2014 was a very successful year for UCB characterized by a healthy growth and achievement of all business targets (Profit, Deposits and Loans & Advances) through adoption of a pro-active 'Business Strategy' with the slogan "the year of Tracking, Monitoring & Supervising". The success was in fact, a pride & sense of our satisfaction. We strived to remain firm on our commitment with the consistent business growth that led us to achieve highest profit of Tk. 871.95

Cröre amongst peer group in the "Industry". We could show significant advancement in all the parameters driven by strategic business plan.

Our strategy & diverse experiences have efficiently supported us to achieve business targets securing a robust growth in Import-Export business as well as improving SME lending. The business growth was a direct result of the major strategic initiative taken in early 2014 which were: Paradigm Shift from Corporate lending to SME Lending/ Increased focus on Export-Import Centric Business/Boosting up RMG Business/ Activated OBU's Business/ Increased Foreign Remittance/Increased Commercial lending (International & Domestic trade finance, Contractor/Supply finance etc.)/ Focus on Green Banking and Eco-friendly and Agriculture Sector financing/MFS & CBS/Classified Loans & Written Off loans targeted recovery/ Focus on Low/No Cost Deposits with CASA drive with broader base financial inclusion.

UCB – 2014

The business experiences of 2014 were extremely challenging for the management due to increase volatility in interest rates in deposits & advances and above all, global down turn in credit quality. We achieved desired results and ultimately presented a satisfactory 'Balance Sheet'. Some of the milestones we achieved during the year-2014 were remarkable and more importantly, stimulated the team with the level of competence to accelerate the growth in the coming years.

- Our "Deposit" in 2014 crossed the budget amount registered at Tk. 21,107.21 Cröre having growth of 14% than that of previous year. We continued to strengthen our funding profile, mobilising Tk. 4,407.74 Cröre in CASA deposits as against base position of Tk. 3085.73 Cröre in 2013. The growth in CASA deposits was 42.84% and the 'No cost/Low cost' ratio was 38.92% in 2014 as against 33.24% in 2013.

- Our "Loans and Advances" also crossed the budget amount with Tk. 17,414.61 Cröre having growth of 17% than that of previous year. Our business was mainly on SME/Corporate/RMG/Retail/OBU/Green Banking and Eco-friendly financing with Agriculture Finance.

Managing Director & CEO's Round up

We achieved our objective in Export, Import and Remittances including RMG & OBU. Our Imports registered at Tk. 15,528 Crore with 32.11% growth in 2014 while Exports recorded at Tk. 13,044 Crore with 38.35% growth and Remittances amounted to Tk. 1,666.79 Crore with 54.50% growth over the preceding year. Our RMG business registered at Tk. 10,346.83 with growth rate of 49.94% while OBU fetched an amount of Tk. 1,321.28 Crore with a growth rate of 101% in 2014.

Given the emphasis on the effective action plan, asset quality of the bank improved reducing NPL to a reasonable level recorded at Tk. 805 Core with 4.62% in 2014. Our intensive drives resulted in a recovery of sizeable amount of Tk.283.23 Crore in 2014 from Classified loans and written-off loans.

UCB has strong Capital base of TK. 2569.12 Crore in 2014 with 12.88% growth over last year. Bank's Core Capital was Tk. 1926.55 Crore and Supplementary Capital was Tk. 642.57 Crore in 2014 with Capital Adequacy Ratio of 10.56%.

UCB has 148 branches with 115 ATMs in operation. We are expecting to open 10 more branches in 2015 considering potential for business with the objectives of providing banking facilities particularly to unbanked people under strategic planning of inclusive banking.

In fact, the above accomplishments are all material achievement. We received many "Image Building" awards in 2014. The following are some of the awards:

- UCB was awarded by US based Global Finance as The World's Best Emerging Markets Banks in Asia Pacific-2014.
- World Brand Congress Singapore awarded Global excellence to UCB Managing Director as CEO of the year.
- UCB was awarded by ICSB National Award -2013 for Corporate Governance Excellence.
- UCB Managing Director was given Nawab Bahadur Syed Nawab Ali Chowdhury National Award-2014 for Banking Sector by Syed Nawab Ali Chowdhury & Syed Hussan Ali Chowdhury Foundation at Dhaka University Nawab Ali Chowdhury Senate Bhaban.
- Excellence in Human Resource Development-2014

award was given to UCB Managing Director by RAPPORT Bangladesh.

The Economy in 2014

Bangladesh economy ended with good stride in 2014. The GDP growth of the country is continued to keep it at around 7 percent, and Bangladesh Bank projected it at 6.5% for FY 2015. Inflation level in December 2014 was reduced to 6.1 percent. Excess liquidity is dwindling - as reflected in the call money rate which rose from 6 percent in August to 7.93 percent in December 2014.

Export – Import & Foreign Remittance

Bangladesh Bank in a recently published global report on our economy pointed out that Imports in FY2014 fetched an amount of USD 37 billion while Exports registered at USD 27 billion which are likely to grow at around 12 percent in FY 2015. Remittances amounted to USD 14.2 billion in FY2014 which are likely to grow at 10 percent in FY2015.

The report added that the last period of 2014 marked a new momentum in consumer and business confidence. Imports and exports reflected an upward trend including remittances, and importantly, foreign currency reserves registered a new record of USD 22.32 billion – enough to cover seven months imports.

The recent composition of imports, where capital goods, machinery, and other production inputs dominate, signal the future empowerment of the economy. Since imports surpassed exports, the resulting current account deficits assures well for future growth as long as the deficit is at a tolerable level. Per capita income rose from 1044 dollars in FY2013 to 1190 dollars in FY2014, Education growth increased to 57%, poverty level decreased to 26%, Average life expectancy reached to 69 years and Population growth was 1.3%.

UCB is also playing a pivotal role in socio-economic development of the country through 'inclusive banking' which resulted in a big change towards economic emancipation such as employment generation, poverty alleviation and human resources development.

UCB Business Policy - 2015

We will explore potential source to prioritize our business policy of 2015 and the top priority of our business policy will be:-

- Export-Import,
- SME and Agriculture.

Managing Director & CEO's Round up

However, to ensure continuity in our business growth, the following possible challenges of 2015 shall have to be overcome:

- Basel-III Compliance during 2015-2019 vis-à-vis raise and manage Capital Adequacy from 10% to 12.5%.
- Burden of Classification legacy & reduce of Classified Loans.
- Manage Liquidity efficiently.
- Maintain balance between F.C loan & Local Currency loan.
- Possible Impact of regulatory policy changes.
- Effect of current political situation.

As we go forward with our business to take some competitive challenges, we also remain deeply committed to our Corporate Social Responsibility. UCB believes that any kind of social & philanthropic activities would improve the quality of the lives of the poor masses of the country.

As a part of the commitment to keep the environment green and also to safeguard the planet from warming, UCB focuses on Green Banking and eco-friendly financing. UCB has given importance to extend credit to agro based products since the performance of the Agricultural sector has an overwhelming impact on major macroeconomic factors.

UCB has adopted a very realistic people strategy to create a responsible Human Resource culture in the Bank. The bank in support of its strategy for human resources development focuses on attracting and motivating the very best individuals and encouraging talent human resources of the bank.

We recruited young talents as probationary officer in 2014 as we believe that competent human resources are vital to the continued growth and success of the bank.

The operations of the bank are now highly IT intensive. UCB already adopted Core Banking System (CBS) in 48 branches in 2014 and expected to complete CBS in all the branches as early as possible in 2015.

UCB is now moving towards Alternative Delivery Channel (ADC) in line with the Central Bank steps to incorporate the country's unbanked people into the mainstreams banking sector. Our bank through Mobile Financial Services – 'Ucash' is catering to the unbanked people with its large network throughout the country.

Keeping parity with the Risk Management Guidelines of Bangladesh Bank, UCB has formulated its own Credit Risk Management policies and procedures; and using various process of Credit risk management to ensure sound risk management in the bank. The bank is now capable of proactively managing Credit portfolios to minimize losses and earn an acceptable return on assets and equity for shareholders.

The "Winning team" of UCB will be able to present a good "Balance Sheet" in 2015 alike 2014. We expect that UCB will achieve further excellence accomplishing its own place in the "triumph journey" in continuity. UCB Management is firm to transform them as "Trend Setter" not the "follower" in the banking industry.

Lastly, I on behalf of the management team most humbly submit to the greatness of Almighty Allah (SWT) soliciting His mercy to pave the journey towards glorious success of the Bank and side by side seek the continued guidance and support of the Board Members to achieve our common goal. I would also take the privilege to seek cooperation & support of the Shareholders, Valued clients, Well wishers, and Patrons as well as the regulatory bodies i.e. Bangladesh Bank, Bangladesh Securities and Exchange Commissions, Stock Exchange, National Board of Revenue etc. to reach the corporate goals.



Muhammed Ali
Managing Director & CEO



Corporate Governance

This section contains:

- Director's Report
- Report on Corporate Governance
- Compliance Report on BSEC Notification on Corporate Governance
- Certificate on Compliance of Corporate Governance
- CEO's and CFO's Declaration to the Board of Directors
- Compliance of Bangladesh Bank's Guidelines on Corporate Governance
- Credit Rating
- Report of the Audit Committee
- Report of the Risk Management Committee
- Evaluation of Quarterly Financial Statements by the Audit Committee and by the Board

Directors' Report

The Board of Directors is pleased to present the Annual Report and the audited financial statements of the bank for the year ended 31 December 2014 together with the Auditors' Report thereon. A snapshot of the world market trend with the performance of Bangladesh Economy has also been provided in this report. A review of this report would reveal continuous growth of the bank in a very stiff competitive environment. This is a humble presentation for consideration and approval of our valued shareholders.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, BSEC Notification, the Listing Regulations of Dhaka and Chittagong Stock Exchanges, guidelines of Bangladesh Bank and other applicable rules and regulations. Moreover, the Directors are pleased to explain and disclose some issues, which they consider relevant to ensure more transparency in this regard. The Directors believe the Report will give captivating insights of the bank's performance during the year under review.

World Economy

The global economy is still struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis and emerging economies are less dynamic than in the past. The growth

forecast for the world economy has been revised downward to 3.3 percent for this year, 0.4 percentage point lower than in the April 2014 as per World Economic Outlook (WEO) by IMF. The global growth projection for 2015 was lowered to 3.5 percent. Although, global growth projection for 2015 revisited downward, in a comparative scenario, the global outlook portrays a slightly encouraging picture for the world since its output growth is expected to rise from 3.3 percent in 2014 to 3.5 percent in 2015.

The main contributor to this growth performance is Asia and the Pacific region. While Europe has escaped from negative growth that prevailed until 2013, the region is still expected to flounder in slow growth as low as 1.2 percent in 2015. The average growth of the emerging and developing economies is likely to be more than 4 percent while both China and India, the two emerging giants of the globe, will outperform the 6 percent + mark.

In 2015, the growth rate of 7.4 percent that China is likely to experience is one of the lowest in its history of 29 years. In line with India, now Bangladesh is expected to do as good as India in that performance to earn a growth rate of 6.4 percent – predicts the IMF.

World GDP growth

(year-on-year, in percent)

	Actual		Projections	
	Year 2013	Year 2014	Year 2015	Year 2016
World Output	3.3	3.3	3.5	3.7
Advanced Economies	1.3	1.8	2.4	2.4
United States	2.2	2.4	3.6	3.3
Euro Area	-0.5	0.8	1.2	1.4
Japan	1.6	0.1	0.6	0.8
United Kingdom	1.7	2.6	2.7	2.4
Canada	2	2.4	2.3	2.1
Emerging Market and Developing Economies	4.7	4.4	4.3	4.7
Russia	1.3	0.6	-3	-1
China	7.8	7.4	6.8	6.3
India	5	5.8	6.3	6.5
ASEAN-5	5.2	4.5	5.2	5.3
Emerging and Developing Europe	2.8	2.7	2.9	3.1
Latin America and the Caribbean	2.8	1.2	1.3	2.3

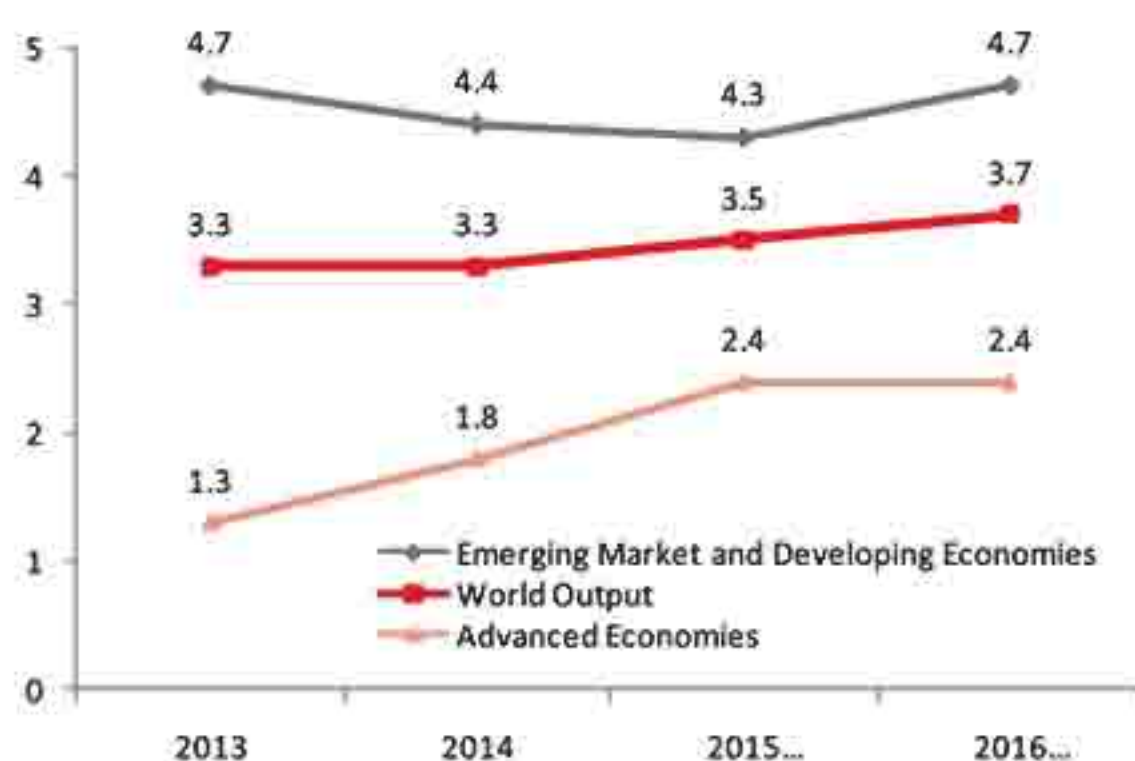
Source: IMF World Economic Outlook (January 2015)

Directors' Report

The US is likely to earn a growth rate of 3.6 percent in 2015 – remarkably higher than its growth of 2.4 percent in 2014. These results of Europe and the US emit mixed signals to the prospects of Bangladesh's exports.

In China, poor activity along with low inflation prompted rate cuts by the People's Bank of China. In other major emerging market economies, downside risks to growth from elevated inflation, low commodity prices, deteriorating labor market condition, and sluggish

short term and help boost potential output in the medium term. In emerging markets, the scope for macroeconomic policies to support growth if needed varies across countries and regions, but space is limited in countries with external vulnerabilities. And in advanced economies as well as emerging market and developing economies, there is a general, urgent need for structural reforms to strengthen growth potential or make growth more sustainable.



domestic demand have become accentuated. Broadly, in advanced economies, the legacies of the pre-crisis boom and the subsequent crisis still cast a shadow on the recovery. Emerging markets are adjusting to rates of economic growth lower than those reached in the pre-crisis boom and the post crisis recovery. Overall, the pace of recovery is becoming more country specific.

Downside risks have increased; short-term risks include a worsening of geopolitical tensions and a reversal of recent risk spread and volatility compression in financial markets. Medium-term risks include stagnation and low potential growth in advanced economies and a decline in potential growth in emerging markets.

Given these increased risks, raising actual and potential growth must remain a priority. In advanced economies, this will require continued support from monetary policy and fiscal adjustment attuned in pace and composition to supporting both the recovery and long-term growth. In a number of economies, an increase in public infrastructure investment can also provide support to demand in the

"Worryingly, the stalled recovery in some high-income economies and even some middle-income countries may be a symptom of deeper structural malaise," said Kaushik Basu, World Bank Chief Economist and Senior Vice President. "But there are some silver linings behind the clouds. The lower oil price creates a window of opportunity for oil-importing countries, such as China and India. What is critical is for nations to use this window to usher in fiscal and structural reforms, which can boost long-run growth and inclusive development."

Kaushik Basu
Senior Vice President and
Chief Economist at the World Bank

Bangladesh Economy

Despite widespread political demonstrations in Bangladesh ahead of national elections in January 2014, the economy of Bangladesh shown strong growth momentum during the year 2014. Political unrest, uncertainties in investment and output activities loomed large in worries about prospects for 2014. However, due to steps taken by the Government and Bangladesh Bank investment and output activities back to its normal motion at the end of 2014.

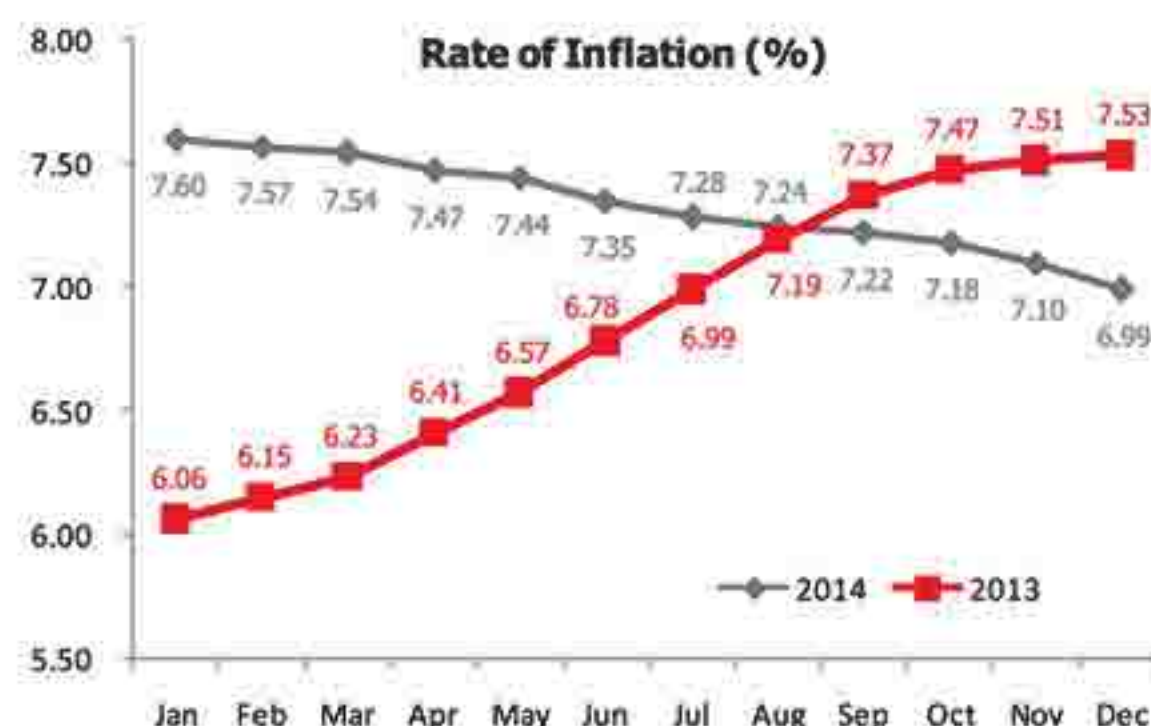
Macroeconomic Trends

GDP growth - Annual real GDP growth rate has reached 6.12 percent in FY2014 from 5.57 percent of FY2010, averaging 6.14 percent over last five years. This growth rate for FY2015 can be expected to exceed the 6.12 percent level of FY2014 by substantial margin, subject to continuation of stable environment.

Directors' Report

Year	GDP growth rate (in percent)
2009-10	5.57
2010-11	6.46
2011-12	6.52
2012-13	6.01
2013-14	6.12
2014-2015 (P)	6.40

Inflation- 12 month average CPI inflation has come down to 7.4 percent by end June 2014 and to 6.99 by end of 2014, in trend of steady decline. The CPI inflation decline is however mainly from the food component of the consumption basket; core (non-food, non-fuel) CPI inflation has been on somewhat upward edging trend in November and December 2014.



Imports- Imports have risen to \$37 billion in FY2014 from \$23 billion of FY2009, with around 10 percent annual average growth over the last five years. For FY2015, import growth is projected to be over 10 percent. Strengthening growth trends in import of capital machinery and production inputs in the latter half of 2014 have created the platform for stronger growth in output activities over the coming months.

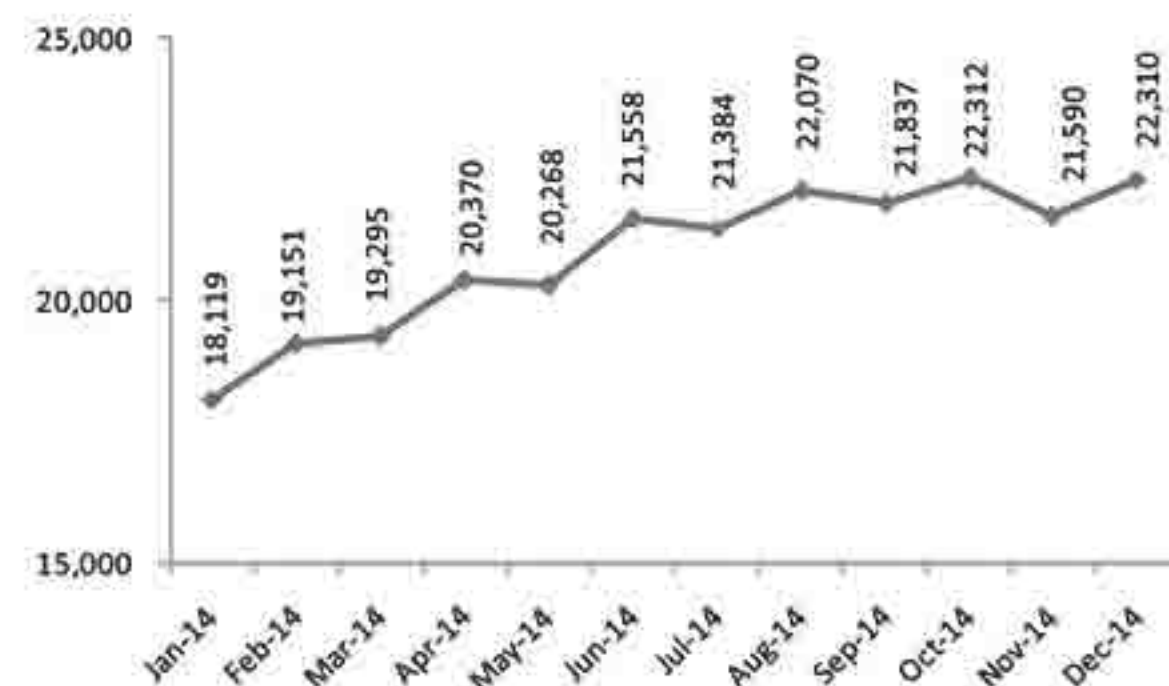
Export- Export earnings amounted to \$30 billion in FY2014, against around \$16 billion in FY2009. Export growth is likely to remain modest (in single digit level) in FY2015, due to sluggish demand in European and North American markets. Workers' remittance inflows reached \$14 billion in FY2014, against \$10 billion of FY2009.

Foreign Exchange Reserve- Based on current trends, growth in remittance inflows in FY2015 is expected to exceed ten percent. Sustained growth in exports and remittance inflows have driven phenomenal rise in foreign exchange reserves, the current balance exceeding \$22 billion is enough to cover about seven months' import requirements. The reserve build up has kept Taka strong and stable in exchange rate, at levels somewhat below Taka 78 per US dollar in the interbank market.

Per Capita Income- Increase in real income of the population has raised per capita GNI to \$1190 by end June 2014, doubling over the last six years.

Overall outlook

Bangladesh is now at a crossroads of development. The growth momentum that the country has achieved over the last decade must be continued and should be further energized to help the economy to the middle income bracket by 2021. The outlook is subject to several macro vulnerabilities: further growth slowdown due to internal strife, the prospect of resurgent inflation due to disruptions in supply chain and wage push factors (new pay scale), decline in exports and remittance growth, fiscal expansion due to increased recurrent expenditures in response to political pressures, and failure of financial intermediation. Overall, the Bangladesh economy is moving into a more volatile phase. "The risks stemming from the impending political transition have grown significantly while new risks and challenges have gained prominence, including notably the risks associated with the damaged image of Bangladesh's major manufacturing success story - the garments industry."



Directors' Report

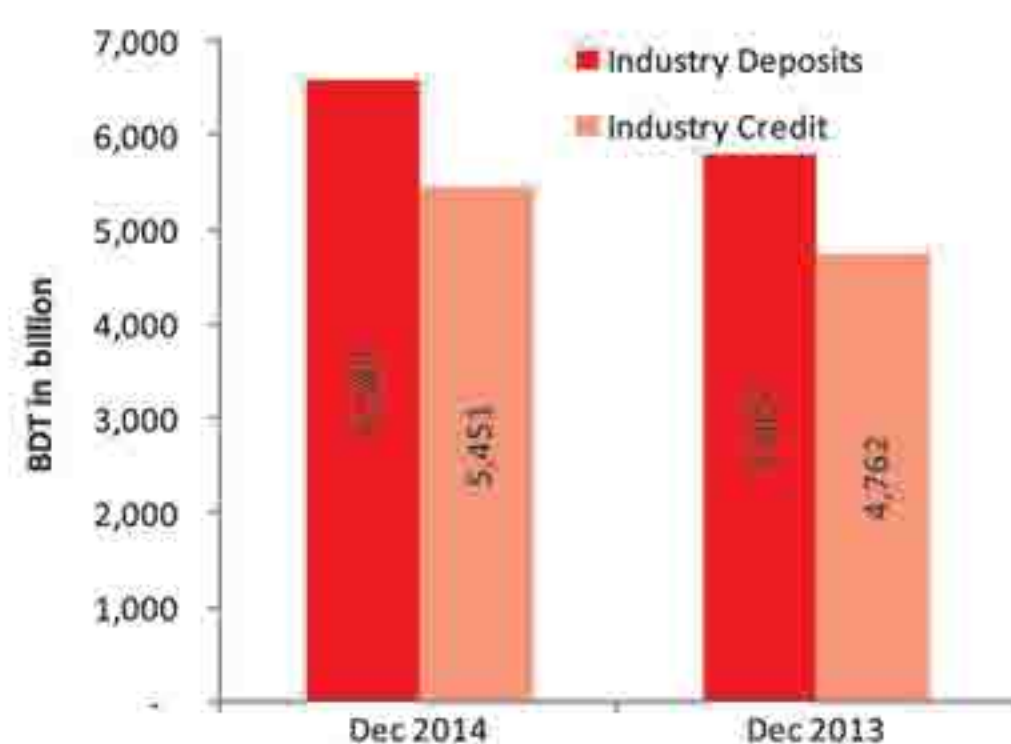
"The dynamic ready-made garments sector has been a key contributor to Bangladesh's strong economic performance and to women's empowerment. But this industry is now at a critical crossroads, as recent high-fatality factory fires and a building collapse have exposed the hazards workers face and also severely tarnished the industry's image. Bangladesh must act now to articulate and enforce improved standards for building safety and worker health and security, so that the garments industry can continue to grow and other industries can follow its example."

Johannes Zutt
Country Director, World Bank Bangladesh

However, in the face of recession in Europe, America and Japan and domestic political maelstrom, Bangladesh has continued its economic success. Recently, the IMF has termed Bangladesh's economy as 'Stable' and has labeled the financial sector as 'Strong'. If internal demand, which has begun to stimulate in the later part of 2014, is continued in the same pace through 2015, it will not be hard to achieve a growth rate over the last year. From another point of view, the overall outlook for the Bangladesh economy is favorable over the medium term in light of a growing working age population and likely continued global demand for Bangladeshi products. Faster growth of beyond 7 percent and sustained investments in infrastructure especially in the energy sector will require turning the country to a mid-income one.

Banking Industry Outlook

After the independence, banking industry in Bangladesh started its journey with only 6 nationalized commercial banks, 2 State owned specialized banks and 3 Foreign



Banks. But now, there are 56 scheduled banks in Bangladesh which are fully under the control & supervision of Bangladesh Bank of which 5 State Owned Commercial Banks (SOCBs), 3 Specialized Banks, 31 Conventional Private Commercial Banks, 8 Islami Shariah based Private Commercial Banks and 9 Foreign Commercial Banks. On the other hand there are now 4 non-scheduled banks in Bangladesh established for some special and definite objective.

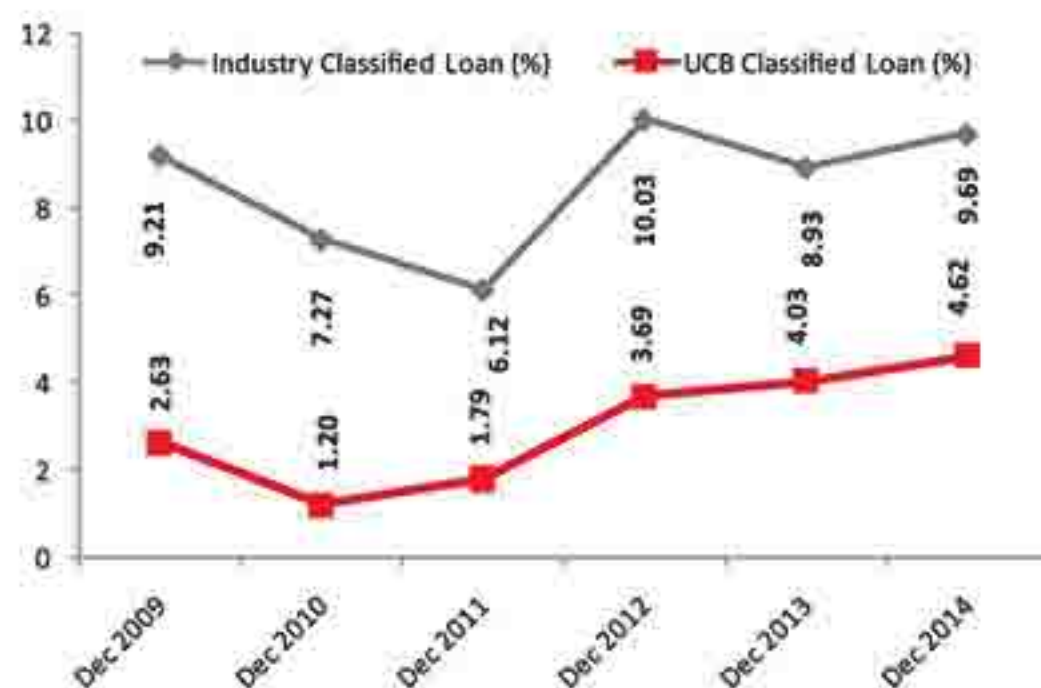
With the growth of country economy, banking industry achieved a significant growth in 2014. During the year 2014, banking industry was in liquidity position when inter-bank call money rate was steady throughout the year ranging from lowest 6.25 percent in June 2014 to highest 8.41 percent in October 2014 which was more than 10 percent in January 2013. Moreover, now the government is taking less amount of loan from the banking sector than before -a sign of improved fiscal responsibility. At the end of October 2014, the government loan from the banking system has increased by only 2.5 percent which was 17 percent in corresponding period one year ago.



Banking industry has achieved a significant growth in deposit mobilization and also in rational approach for loan disbursement. In 2014, banks achieved 13.46 percent deposit growth and 14.49 percent loan growth. Some recent financial scams have been identified which marked a question to internal control and compliance culture of banks, especially for state owned banks.

Directors' Report

The capital base of the banking sector has been strengthened because of transferring a big portion of banking profits into capital. The banks were able to preserve 11 percent of risk weighted assets as capital. the amount of reserve capital climbed up to Taka 650 billion in September 2014. Classified loans slightly up to 9.69 percent in the year of 2014 from 8.93 percent in 2013. However, Gross NPL ratio for the state owned commercial banks (SCBs) is substantially higher than the private commercial bank.



Central Bank facilitated investment in both local and foreign currencies lending rates are on the slide though slowly. The average lending rate has fallen by 1 percentage point in one year and has come down to almost 12.5 percent in December 2014. The deposit rate has not fallen that much and hence the spread remains around 5 percentage point -whose further reduction is on the agenda.

Private sector credit has grown at 12 percent in 2014 as opposed to 11 percent in 2013. From 2009 to 2014 the country received \$6.2 billion as overseas borrowing with lower single digit rate of interest which saw exponential growth in 2014 when almost \$2 billion was approved to inflow.

Brief History of UCB

UCB started its journey in the year 1983 with an initial paid up capital of Tk 35.50 million with the objective of excellence in customer service with pleasure and happiness. Its vision is to be the best in all terms; sustainable inclusive business growth by ensuring efficiency, regulatory compliance, good asset quality, combination of experience and professional talents, consistent profitability and of course good governance. The bank formally started its commercial operation on 27 June in the same year. **During the year 2014 the bank set record indeed in terms of advance, deposit and expansion**

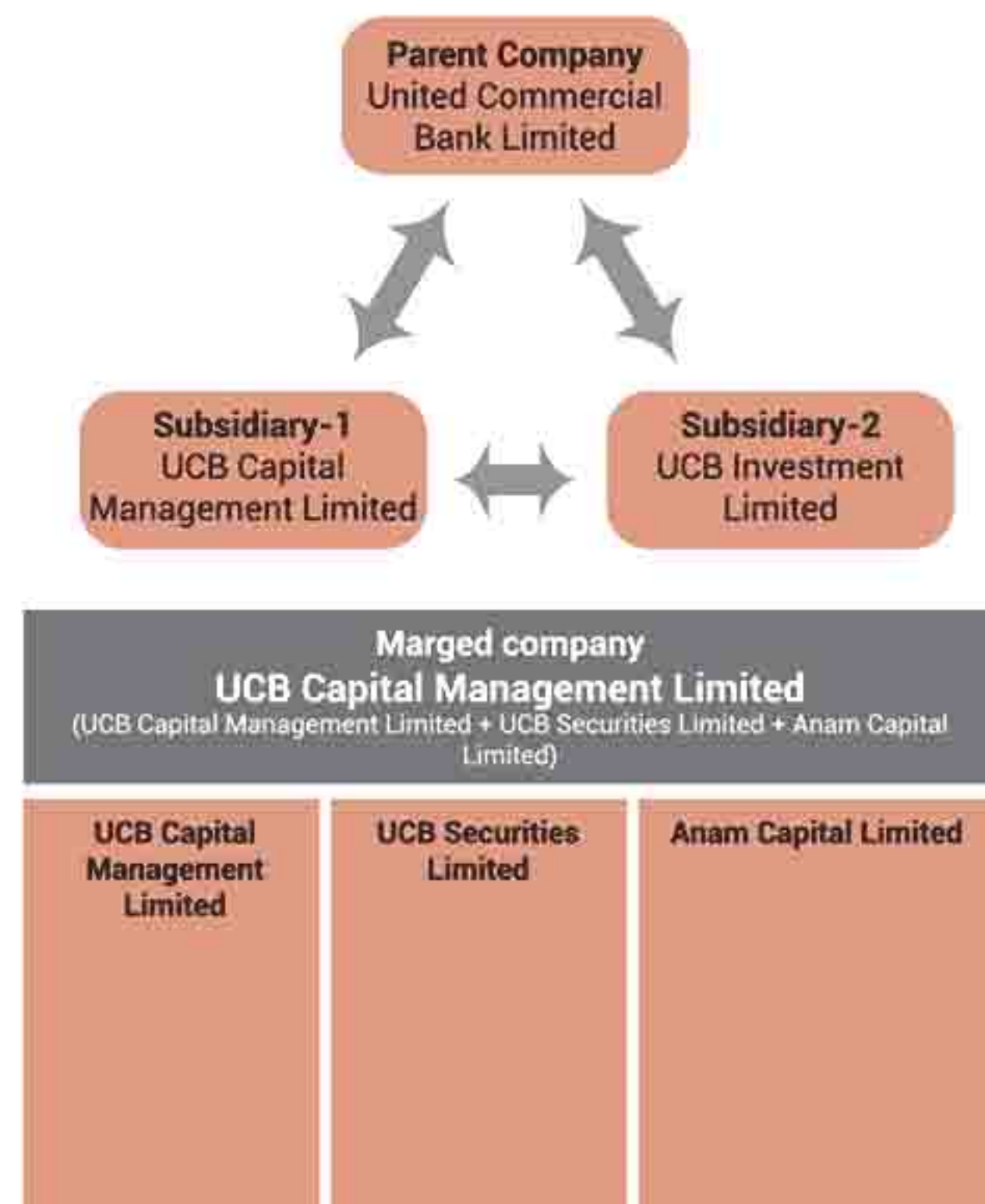
of business through its continuous diversification. Now, UCB is one of the top banks in Bangladesh among the private commercial banks in terms of operating performance.

United Commercial Bank Ltd. was listed with Dhaka Stock Exchange (DSE) in the year 1986 and with the Chittagong Stock Exchange (CSE) in the year 1995. The bank obtained license to open offshore banking unit on 9 June 2010. As on 31 December 2014, the bank feels proud of having 148 branches and 115 ATM throughout the country.

Corporate structure

The bank consists of two subsidiaries; UCB Capital Management Limited which provides stock brokerage and margin loan service to the investors and 'UCB Investment Limited' established in August 2011 with a vision to be a leading merchant bank in the country for providing issue management service, underwriting, portfolio management service and related advisory services.

In order to simplify the corporate structure recently a merger scheme has been implemented. UCBCML has taken up another two companies; 'UCB Securities Limited' and 'Anam Capital Limited'.



Directors' Report

Principal Activities

Sustainable development is not possible without continuous diversification of business. UCB's core competencies may be classified into two segments interest earning activities in the form of providing loans and advances and investment activities.

✓ Interest earning activities:

United Commercial Bank has an attractive basket of loan product which covers SME Financing, Project Finance, Export-Import Financing, , overdraft facility & cash credit, home loan, car loan, lease finance Consumer Financing RMG financing, Agro loan and many more

✓ Local and foreign trade activities:

United Commercial Bank facilitates its valued clients in their local and foreign trade activities i.e. import and export business. These import and export business are the most revenue-generating segments of UCB.

✓ Remittance activities:

UCB also facilitates inward and outward remittance facilities to expatriates, different organizations and individuals through branches, agents and correspondences.

✓ Guarantee activities:

UCB provides financial guarantee to different individuals and organizations which also important source of commission earning of the bank.

✓ Investment activities:

• *Money market*- the Bank invests in the treasury bills & bond which is considered as secured investment and ensures a certain amount of return of the Bank. Considering the liquidity position, the Bank also participates in the call money market;

• *Capital market*- the Bank has significant presence in capital market through direct equity participation. The Bank has also two subsidiaries with an aim to active participation in capital market through brokerage, portfolio management, investment banking etc.

Mobile Financial Services; UCash

With the view to bring the unbanked people to the banking facilities UCB started full-fledged operation of Mobile Banking Services under the brand name "UCash" in the year 2013. Presently, the Bank has substantial market

share in Mobile Banking Services of Bangladesh. Country wide the Bank has agents for providing the Mobile Banking Services.

Subsidiary & Associates

UCB has two subsidiaries as on the date of reporting; UCB Capital Management Limited and UCB Investment Limited as described below:

UCB Capital Management Limited

During the year 2014 UCB Securities Limited, a subsidiary company of the Bank and Anam Capital Limited, a subsidiary company of UCB Securities Limited has been merged with UCB Capital Management Limited as per approval from the court and as such UCB Capital Management Limited has become the subsidiary company of United Commercial Bank Limited. The activities of the company include brokerage service, margin loan facility to its customer etc. As of now the company is carrying out its activities under the license of Dhaka Stock Exchange Ltd. only, the company has also a license of Chittagong Stock Exchange Limited which will commence operation shortly. UCBL holds 51,34,999 nos. of shares of UCB Capital Management Limited with face value of Tk.100 each which is equivalent to 99.999% of total shares of the company.

UCB Investment Limited

UCB Investment Limited, another subsidiary of United Commercial Bank Limited was incorporated in Bangladesh on 3 August of 2011 under Companies Act 1994. The principal objective of the company is to carry out full-fledged merchant banking activities in Bangladesh i.e. portfolio management, share transfer agent, fund management to issue in the capital and security market, underwrite, manage and distribute the issue of stock shares, bonds and other securities. UCBL holds 24,975,000 nos. of shares of UCB Investment Limited with face value of Tk. 10 each which equivalent to 99.90% of total shares of the company.

Preparation of Financial Statements

The financial statements of the Bank prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity under the historical cost convention and in accordance with the First Schedule (section-38) of the Bank Companies (amendment) Act 2013, related Bangladesh Bank

Directors' Report

circulars, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS), the Companies Act 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

The financial statements of 2014 have been reviewed by the Audit Committee of the Board of Directors of the Bank and then referred to the Board of Directors for its consideration. The external auditor, Hoda Vasi Chowdhury & Co., Chartered Accountants appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2014.

Maintaining Proper Books of Account

UCB maintained proper books of account for its financial transactions occurred during 2014. For recording the transactions the bank has followed the Bangladesh Accounting Standard (BAS). The books of account have also been reviewed by the external auditor, Hoda Vasi Chowdhury & Co., Chartered Accountants with an opinion that proper books of accounts as required by the law have been properly maintained.

Appropriate Accounting Policies

Appropriate accounting policies have been consistently applied, except for the changes disclosed in the financial statements in preparation of financial statements and that the accounting estimates are based on reasonable and prudent judgment. Bank records financial transaction on accrual basis with required disclosures and also prepares the financial statements accordingly.

Follow up of IAS & IFRS in Preparation of Financial Statements

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of financial statements and any departure there from has been adequately disclosed in notes to the financial statements. In addition to IAS and IFRS, First Schedule (section-38) of the Bank Companies (amendment) Act 2013, related Bangladesh Bank circulars, the Companies Act 1994, the listing regulations of the Stock Exchanges, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh were also followed for preparation of financial statements.

Internal Control & Compliance

The Board has delegated to review of the effectiveness of the system of internal controls to the Audit Committee. Such a system is designed to manage the risk of failure to achieve business objectives and can only provide reasonable assurance against material misstatement or loss and of the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate rules and regulations and best practices and the identification and management of business risk. The internal audit function reporting to the Audit Committee operates independently of the other aspects of the company's management structure. It continually reviews the company's system of internal controls. These controls include financial controls that assist the Board in meeting its responsibilities for the integrity and accuracy of the company's accounting records. The Company's financial statements, prepared from these records, comply with the required laws and standards. The system of internal control is sound in design and has been effectively implemented and monitored.

Going Concern

After reviewing the company's present and potential business growth, annual budget, performance, liquidity position, plans and financing arrangement, the Directors are satisfied that the Company has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening to the going concern of the Bank. For this reason Directors continue to adopt the going concern basis in preparing these financial statements. There are no significant doubts upon the Bank's ability to continue as a going concern. A separate report highlighting key financial track record, good practices in business and operations indicating to continuity as a going concern has been separately attached with the Annual Report.

Top Management

The Bank is lead by Mr. Muhammed Ali, Managing Director. He is a prominent and professional banker with 36+ years of rewarding multi-dimensional experience in banking and other fields of management. Mr. Ali has proven track record in leading various teams in different banks contributing in business policy formulation and strategic management. There are some other veteran and prominent bankers serving the Bank and contributing their expertise to the continuous growth of the Bank.

Directors' Report

Name	Designation	Joining with UCB
1. Muhammed Ali	Managing Director	01 November 2012
2. M. Shahidul Islam	Additional Managing Director	15 September 2008
3. Mirza Mahmud Rafiqur Rahman	Additional Managing Director	20 June 1993
4. A.E. Abdul Muhaimen	Additional Managing Director	9 July 2013
5. Md. Tariqul Azam	Deputy Managing Director	03 April 2006
6. Mohammad Shawkat Jamil	Deputy Managing Director	20 June 1983

Analysis of key operating and financial data for last 5 (five) years

UCB recorded a remarkable growth in last five years in term of business volume and profitability. At the end of 2010 total assets of the Bank was BDT 129,877.03 million

whereas at the end of 2014 it stood BDT 266,100.74 million recording a growth of almost 105 percent. During last five year both deposits and loans & advances of the Bank grew by more than 86 percent.

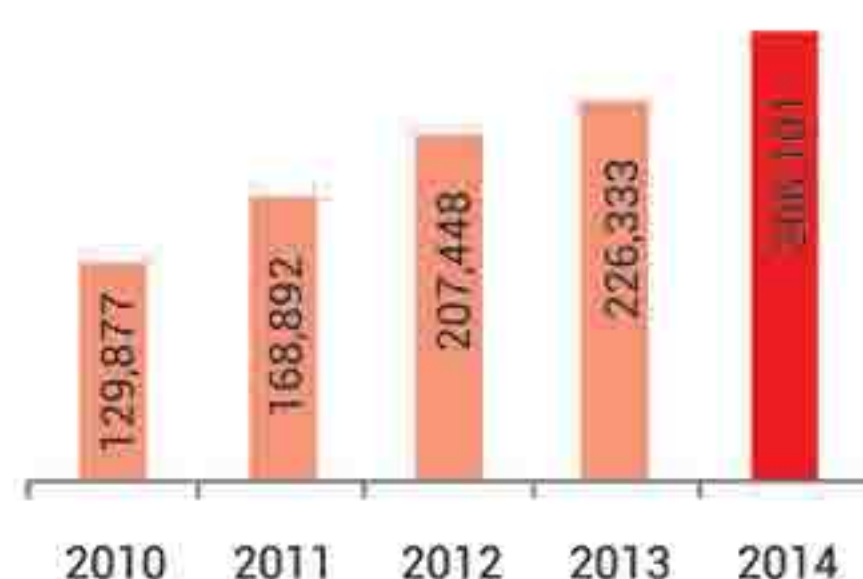
(figures in million Taka)

Particulars	Change (%)	Change (Taka)	2014	2013	2012	2011	2010
Paid up capital	-	-	8,366.12	8,366.12	8,366.12	7,274.88	2,909.95
Shareholders' equity	9.69	1,986.57	22,491.54	20,504.97	18,171.02	15,966.41	7,817.27
Deposits and other accounts	14.16	26,175.21	211,072.06	184,896.85	170,530.54	139,484.75	113,070.78
Loans and advances	17.14	25,481.24	174,146.10	148,664.86	136,071.65	115,506.33	93,560.70
Off-balance sheet exposure	115.45	77,460.41	144,554.47	67,094.06	52,153.26	40,255.37	40,797.74
Total assets	17.57	39,767.61	266,100.74	226,333.13	207,448.38	168,891.78	129,877.03
Total liabilities	18.35	37,781.03	243,609.20	205,828.17	189,277.36	152,925.36	122,059.76

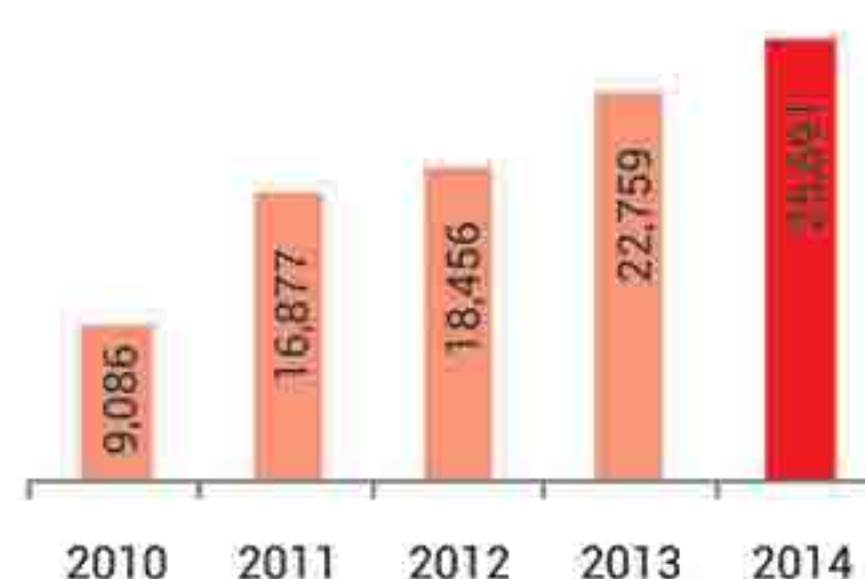
In line with the increased volume of the business, the profitability of the Bank has also increased significantly. In 2010, operating profit of the bank was BDT 4,733.12 million whereas it was BDT 8,719.46 million at the end of

2014 recording a growth of more than 87 percent where as Bank's net profit after tax increased by 70.56 percent during last five years of time.

Total Assets
(BDT in million)



Capital
(BDT in million)



Directors' Report

During last five years, interest income increased by 136.16 percent and interest expense increased by 156.18 percent.

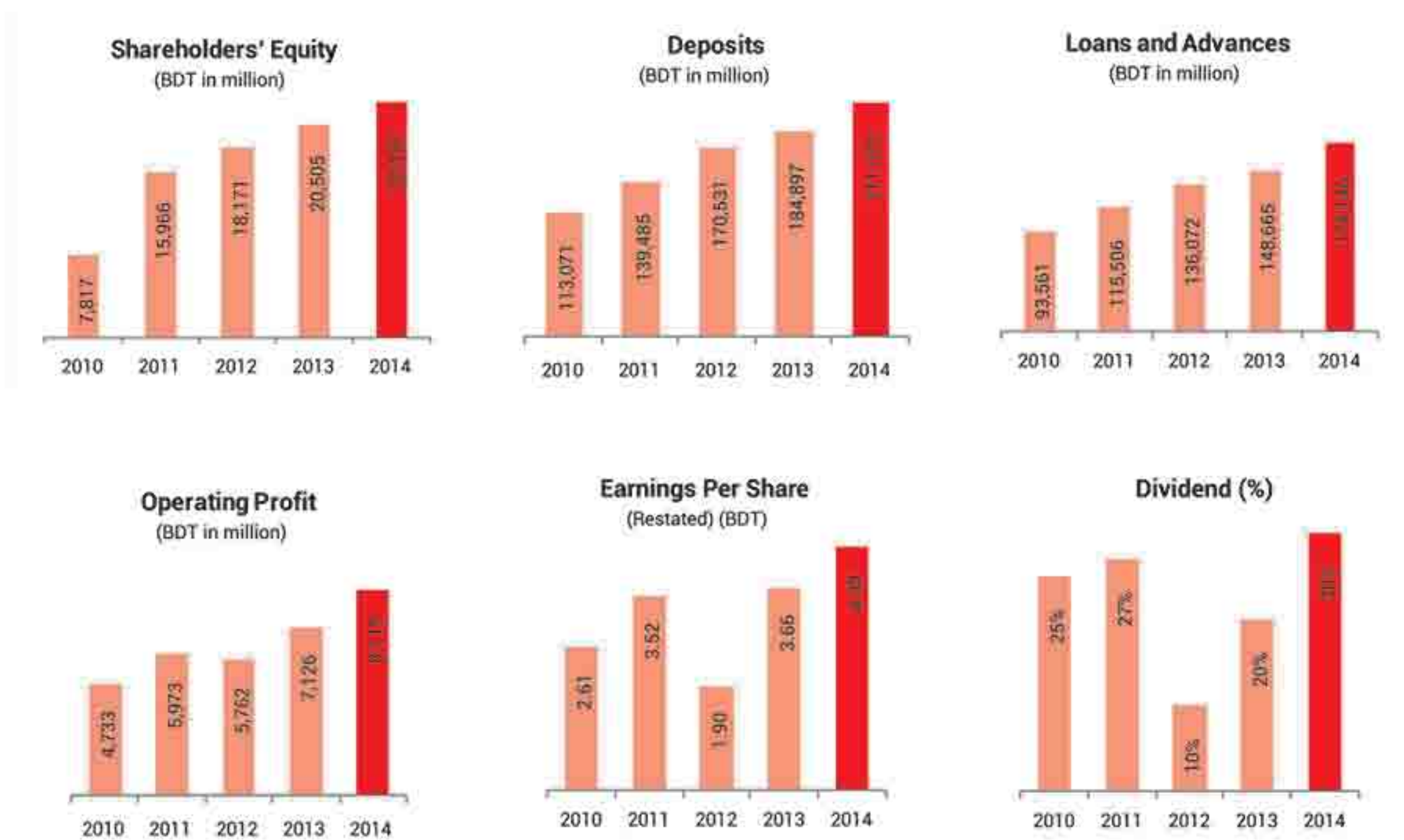
(figures in million Taka)

Particulars	Change (%)	Change (Taka)	2014	2013	2012	2011	2010
Operating revenue	22.67	2,810.81	15,209.39	12,398.58	10,177.65	9,294.37	7,853.88
Interest income	(2.78)	(638.52)	22,360.83	22,999.36	21,318.92	15,351.63	9,468.36
Interest expense	(9.36)	(1,489.62)	14,430.74	15,919.86	14,705.21	10,203.21	5,632.95
Net interest income	12.02	851.09	7,930.59	7,079.50	6,613.71	5,148.42	3,835.41
Non-interest income	36.84	1,959.72	7,278.80	5,319.08	3,563.94	4,145.95	4,018.47
Non-interest expenses	23.10	1,217.72	6,489.93	5,272.21	4,415.44	3,321.46	3,120.76
Operating profit	22.35	1,593.09	8,719.46	7,126.37	5,762.22	5,972.91	4,733.12
Profit before tax	16.11	948.35	6,835.67	5,887.32	3,739.06	5,172.91	3,632.60
Net profit	19.68	603.32	3,668.73	3,065.41	1,586.13	2,945.80	2,182.43

However, details of operating and financial data of UCB in last five years are shown separately with this annual report with charts and graphical presentation.

Key Performance Ratio

Particulars	2014	2013	2012	2011	2010
Operating profit margin (%)	57.33	57.48	56.62	64.26	60.26
Net profit margin (%)	24.12	24.72	15.58	31.69	27.79
Earnings per share	4.39	3.66	1.90	4.20	7.50
Earnings per share (restated)	4.39	3.66	1.90	3.52	2.61
Dividend (%)	20 B, 10 C	20 C	10 C	15 B, 12 C	25 B



Directors' Report

Significant Deviations from Operating Results of 2013

Bank's operating performance has increased significantly during the year 2014 in almost all key areas of business. Significant deviations in operating line are described as follows:

Operating revenue: Bank's operating revenue increased from Tk. 12.39 billion to more than Tk. 15 billion at the end of 2014 recording a growth of around 23 percent.

Operation profit: In line with the operating revenue Bank's operating profit also increased by 22.35 percent from Tk. 7.13 billion to Tk. 8.72 billion.

Net profit after tax: Due to uncompromising focus on quality of loans and advances as well as efficient management of the tax line UCB recorded an outstanding growth in its net performance line. Net profit after tax of the bank increased by 603.32 million representing 19.68 percent growth over the previous year.

Besides from normal business growth, the main reasons behind the deviations are:

- Significant increase of bank's investment income from government securities by Tk. 1,202.22 million reflects a growth of 45 percent over last year; and
- Increase of fees & commission mainly due to increase of off balance sheet exposure; which (off balance sheet exposure) has become more than double as against last year.

Extraordinary Gains or Loss

Extraordinary gains or losses refer to infrequent and unusual gains or loss and which is not part of the bank's ordinary, day-to-day operations. There is no such a gain or losses during the year under reporting.

Risk and Concerns for the Banking Industry

The year 2015 will be more challenging for banking industry in Bangladesh. Though banking industry is not much affected by the recent world economic depression there are some other external and internal factors which may affect this industry. Major challenges in 2015 for the banking industry are mentioned as under;

- Although the year 2014 shown almost stable if we ignore widespread political demonstrations ahead of national election in January 2014 which again become very unstable at the beginning of 2015 and banking industry may suffer a lot if it continues.
- Shortfall in targets of growth in private sector credit may further worsen the sluggish rate of private investment triggered by current political uncertainty;
- Bank Company Acts 1991 has been amended wherein capital market exposure has been restricted to 25 percent of capital (Paid up Capital, Statutory Reserve, Share Premium and Retained Earning) by June 22, 2016. Thus, banks need to prepare from now to reduce the capital market exposure.
- Government Revenue collection is not at targeted level. Thus, to meet up the expenditure, Government may borrow fund from banking sector in 2015 which may impact the growth of loans and advances of banks.
- In line with global practice of risk management, Bangladesh Bank will also implement Basel III for the banks which will affect the capital adequacy of the banks.

Risk Based Capital Framework

Risk based capital adequacy namely Basel II framework has fully come into force from January 01, 2010 as stipulated by Bangladesh Bank. Bank was in Basel II regime in 2014 maintaining its capital level above the minimum requirement, estimating the additional capital requirement to find out level of Adequate Capital against all types of risks under Pillar II and providing adequate disclosure as per pillar III (market discipline) of Basel II guideline.

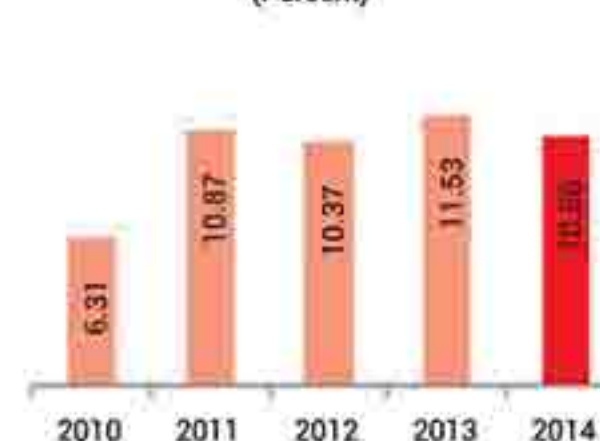
Minimum Capital Requirement

From very beginning of implementation of Basel II in Bangladesh, UCB has been continuing to calculate minimum capital requirement (MCR) considering credit risk, market risk and operational risk. The summary of pillar I (Minimum Capital Requirement) on solo basis of UCB as under:

Directors' Report

Figure in Million Taka

Particulars	2014	2013
Tier I Capital (Core Capital)	19,265.48	17,269.97
Tier II Capital (Supplementary Capital)	6,425.70	5,488.79
Total Eligible Capital	25,691.18	22,758.76
Risk Weighted Assets	243,250.40	197,380.55
Capital Adequacy Ratio (%)	10.56	11.53
Capital Surplus/(Deficit)	1,366.14	3,020.71

Capital Adequacy Ratio
(Percent)

UCB has strong core capital base of BDT 19,265.48 million which was 7.92 percent of risk weighted assets as on December 31, 2014. Bank's supplementary capital was BDT 6,425.70 million at the end of 2014, which was 2.64 percent of risk weighted assets against 2.78 percent in 2013. Against the minimum requirement of 10 percent, UCB is consistently maintaining above the requirement since 2011.

Supervisory Review Process

Under supervisory review process, the Bank identifies and measures the additional capital requirement against other different risks, which are not considered in Pillar I (MCR). The bank has already prepared the documents required for internal capital adequacy assessment process (ICAAP) and submitted the same to Bangladesh Bank. These ICAAP documents cover all the existing and potential risks inherent in the banking business. Presently, the bank identifies and measures the following risks in terms of capital requirement.

- | | |
|------------------------------|-------------------------|
| a) Liquidity risk | b) Residual risk |
| c) Credit Concentration risk | d) Interest Risk in the |
| e) Settlement Risk | Banking Book, |
| f) Evaluation of Core Risks | g) Strategic risk |
| Management | h) Reputational risk |
| i) Environmental risk | j) Other material risks |

Market Discipline

Under market discipline, the Bank discloses its risk exposures in different areas of activities on yearly basis. Generally, the bank discloses risks and related facts & figures so that stakeholders can easily understand risk status of the Bank. The aim of market discipline is to establish more transparent and disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and identify the risks relating to the assets and capital adequacy to meet

probable loss of assets. For the said purpose, Bank has developed a set of disclosures containing the key pieces of information on the assets, risk exposures, risk assessment processes, and hence the capital adequacy to meet the risks.

UCB provides all the required qualitative and quantitative disclosures as per Bangladesh Bank format in its annual report and official web site. Banks also submit a copy of these disclosures to Bangladesh Bank. Qualitative disclosures provide a general summary of a bank's risk management objectives and policies, reporting system and definitions whereas quantitative disclosures deal with figures of related risks.

Focusing on the Future Requirement

Risk Based Capital Adequacy Framework (Revised Regulatory Capital Framework for banks in line with Basel III) has been implemented in Bangladesh from beginning of 2015 through BRPD Circular No- 18 dated December 21, 2014. Bangladesh Bank has already issued the "Guidelines on Risk Based Capital Adequacy", a Revised Regulatory Capital Framework for banks in line with Basel III, on December 2014. Aiming to maintain capital above the required level as per this new guideline, UCB is going to issue second subordinated bond of BDT 5,000.00 million. Though raising fund from external sources is a short term and more costly solution, the bank is emphasizing more on risk assets management and capital generation from internal sources like increasing reserve by generating profit. For risk assets management, the bank is emphasizing on risk of corporate, medium and small customers by external rating agencies and also emphasizing on restructuring of asset portfolio to low risk base assets.

Moreover, the Bank has also built up a platform to transfer from the standardized approach of risk measurement to more advanced version of Internal Risk Based Approach in evaluation of risk exposure of the Bank. In addition, the

Directors' Report

Bank is making preparation for transitional phase from Basel II to Basel III framework. As a part of this preparation, the Bank has calculated Liquidity Coverage Ratio and Net Stable Funding Ratio concerning about its liquidity risks and submitting the same to Bangladesh Bank from 2015.

Credit Rating

With a view to safeguard the interest of the prospective investors, depositors and creditors and to improve the functioning of the capital market of the country, Bangladesh Bank vide BRPD Circular No.06 dated July 05, 2006 has made it mandatory for the Bank's to have themselves credit rated. Accordingly Credit Rating of United Commercial Bank Limited was done by Emerging Credit Rating Limited (ECRL) based on audited Financial Statements as on December 31, 2013. The rating report is summarized as under;

Particulars	Long Term	Short Term
Entity Rating	AA	ECRL-2
Date of Rating		May 07, 2014
Based on Financial Statement		December 31, 2013
Validity Date		May 06, 2015

ECRL has assigned AA (pronounced as Double A) the long term credit rating and ECRL-2 short term credit rating to the United Commercial Bank Limited based on audited financials of FY2010-2013 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with ECRL's methodology for this type of company. ECRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating.

An institution rated AA has a very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.

An institution rated ECRL-2 has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.

Events Occurring after the Reporting Date

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the year 2014 upto the date of approval of financial statements by the Board of Directors of the Bank that has significantly affected or may significantly affect the operations of the Bank, the results of its operations or its state of affairs, which is not already reflected in this report other than **"on 22 February, the Board of Directors of the Bank recommended 20 percent stock dividend and 10 percent cash dividend"** which is subject to approval of the shareholders in the next Annual General Meeting to be held on 31 March 2015.

Corporate Responsibility

As one of the leading Bank, we acknowledge our responsibilities towards the society as a whole in which we live. We care for all stakeholders, ethical functioning, respect for employee's rights and welfare, respect for human beings, respect for environment and disseminate information on CSR policy. We are focused on offering a strong, safe and responsible service that contributes to the economic progress of society as a whole. We want to be seen as a company that is making a positive contribution to the society. We are committed to managing and reporting our operational impacts on the society and physical environments in which we operate and we are continually striving to improve and develop our corporate responsibility policies and performance. We realize that sustainable development is an ongoing journey. We are confident that we are well positioned and prepared to deliver against our responsibilities in the short, medium and long term. A separate report on Corporate Social Responsibility has been attached with the annual report.

Corporate Governance

The Bank focuses on ethics, innovation and transparency. The establishment of well founded corporate governance within the company will continue to be important in order to ensure a continuous profitable return to shareholders and a solid reputation amongst clients and partners. We strive to maintain full compliance with the laws, rules and regulations that govern our business. The main objective of UCB's corporate governance is to develop a strong, sustainable and competitive company in the best interest of its shareholders, employees, business associates and society at large. Successful value added business is profoundly dependent upon transparency, internal and external confidence and trust. UCB believes that this is

Directors' Report

achieved by developing a conspicuous reputation based on our financial performance, our business practices and our communication with the market with due care on transparency and ethical standards. A separate report on corporate governance has been attached with this Annual Report.

Report on the compliance of the conditions of BSEC's notification

In exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Bangladesh Securities and Exchange Commission (BSEC) issued notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 to comply certain conditions for corporate governance. The notification was issued for establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. A statement on the compliance with the SEC's conditions has been attached with the Annual Report with compliance certificate.

Business Ethics

United Commercial Bank has a reputation for delivering innovation, performance and solutions. The key element to our long-term success is something less tangible and less easily illustrated with figures. These are integrity and honesty in our business dealings, a factor that contributes to our long-term relationships with clients. All of our employees are expected to behave ethically in their work, and our expectations to them are set out in ethical principles. The objective of the policy is to make UCB a good Company to work for; to maintain our reputation for exceptional client service and ethical business dealings, to compete ethically and to ensure that the business is managed to a high standard consistently.

Contribution to the National exchequer and the economy

United Commercial Bank Limited always upholds its responsibilities to the development of the society and the country as a whole. We aspire to be known as a bank that builds enduring relationship with and delivers value for our clients, shareholders, employees and the

community where we work. During the year 2014, the bank has provided (provision for tax expense) an amount of Tk. 3,166.95 million as tax expense as against Tk. 2,821.91 million of previous year. Besides direct contribution to national economy in the form of payment of taxes UCB contributes to the economy in the following manner:

■ Based on the financials as on 31 December 2014 the size of total credit exposure of UCB with 30,880 no. of clients is Tk. 174,146 million (2013: 28,835 no. of clients, Tk. 148,665 million). Providing such facility does not only mean to the financial support but also creates huge opportunity of employment in the society.

■ Direct economic impact by creating employment and a well-trained workforce. UCB and its subsidiary employed as many as 3679 employees as on 31 December 2014 (2013: 3,445).

■ We firmly believe that sustainable economic growth and a healthy environment are inter-linked. We take supportive role in terms of providing financial services by restricting and discouraging projects detrimental to the environment and health.

■ UCB deployed its all out effort to make the slogan 'Green Banking' a success. Various initiatives have already been taken both in policy and practically at large.

■ We dream to crafting a way of social business rather than commercial business objective only. During the year 2014 the Bank expended Tk. 39.98 million for donation and sponsorship (2013: Tk. 40.11 million).

A detailed report on the contribution to national economy and a report on distribution of value addition by the Bank have been attached with the annual report.

Meeting of the Board of Directors and attendance

During the year 2014 total 17 no. of Board of Director's meeting, 12 no. of Executive Committee meeting, 9 no. of Audit Committee meeting and 4 no. Risk Management Committee meeting were held. The status of the member along with the attendance is mentioned below:

Directors' Report

Attendance of Board of Directors in Board Meeting 2014

Sl No	Composition of the Board	Status	Total Meeting Held	Attended	Remarks
1	M.A. Hashem	Chairman	17	16	
2	Sharif Zahir	Vice- Chairman	17	15	
3	Anisuzzaman Chowdhury	Chairman-Executive Committee	17	14	
4	Lt. Gen ATM Zahirul Alam,rcds, psc (Retd)	Chairman-Audit Committee (Independent Director)	17	17	
5	M.A. Sabur	Chairman-Risk Management Committee	17	15	
6	Showkat Aziz Russell	Director	17	15	
7	Md. Jahangir Alam Khan	Director	17	15	
8	Hajee Yunus Ahmed	Director	17	17	
9	Hajee M.A. Kalam	Director	17	16	
10	Abdul Gaffar Chowdhury	Director	17	3	Appointed on 18 Nov 2014
11	Shabbir Ahmed	Director	17	17	
12	Md. Tanvir Khan	Director	17	12	
13	Asifuzzaman Chowdhury	Director	17	14	
14	Sultana Rezia Begum	Director	17	16	
15	Ahmed Arif Billah	Director	17	15	
16	Rukhmila Zaman	Director	17	12	Appointed on 13 April 2014
17	Nurul Islam Chowdhury	Director	17	6	Appointed on 25 Sept 2014
18	Dr Salim Mahmud	Independent Director	17	14	
19	Syed Mohammed Nuruddin	Independent Director	17	7	
20	Muhammed Ali	Managing Director	17	17	

Attendance in Executive Committee (E.C) Meeting during the year 2014

Sl No	Name of the Directors	Status	Total Meeting Held	Attended	Remarks
1	Anisuzzaman Chowdhury	Chairman	12	12	
2	Showkat Aziz Russell	Member	12	8	
3	M.A. Sabur	Member	12	9	
4	Md. Jahangir Alam Khan	Member	12	11	
5	Hajee Yunus Ahmed	Member	12	12	
6	Hajee M.A. Kalam	Member	12	11	
7	Shabbir Ahmed	Member	12	12	

Attendance in Audit Committee Meeting during the year 2014

Sl No	Name of the Directors	Status	Total Meeting Held	Attended	Remarks
1	Lt. Gen ATM Zahirul Alam rcds, psc (Retd)	Chairman	9	9	
2	Ahmed Arif Billah	Member	9	9	
3	Md. Tanvir Khan	Member	9	4	Appointed on 5 May 2014
4	Dr. Salim Mahmud	Member	9	7	

Directors' Report

Attendance in Risk Management Committee Meeting during the year 2014

Sl No	Name of the Directors	Status	Total Meeting Held	Attended	Remarks
1	M. A. Sabur	Chairman	4	04	-
2	Mr. Showkat Aziz Russell	Member	4	04	-
3	Mr. Md. Jahangir Alam Khan	Member	4	04	-
4	Hajee Yunus Ahmed	Member	4	04	-
5	Mr. Asifuzzaman Chowdhury	Member	4	03	Appointed on 5 May 2014

Pattern of Shareholding

Fully paid up shares issued to	No of Shares	Amount in Taka	% of Shares
Sponsors/Promoters	351530587	3,515,305,870	42.02
Institution (Financial & Others)	162160607	1,621,606,070	19.38
General Public	316134854	3,161,348,540	37.79
Govt. of Peoples Republic of Bangladesh	6785583	67,855,830	0.81
Total	836611631	8,366,116,310	100.00

(A) Share held by parent/subsidiary/associated companies:

Name of the parent/subsidiary/associate	Status	Shareholding
UCB Capital Management Limited	Subsidiary	Nil
UCB Investment Limited	Subsidiary	Nil

(B) Shareholding of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and their spouses and minor children:

Sl. No.	Name of Directors	Shares Held as on 31 Dec 2014
i)	Directors	
	M.A. Hashem (Chairman) and spouse	20183457
	Sharif Zahir (Vice- Chairman) and spouse	16763503
	Anisuzzaman Chowdhury (Chairman-Executive Committee) and spouse	23413910
	Lt. Gen ATM Zahirul Alam, rcds, psc (Retd) (Independent Director and Chairman –Audit Committee) and spouse	-
	M.A. Sabur (Chairman-Risk Management Committee) and spouse	17173351
	Showkat Aziz Russell (Director) and spouse	16803463
	Md. Jahangir Alam Khan (Director) and spouse	16733342
	Hajee Yunus Ahmed (Director) and spouse	21025976
	Hajee M.A. Kalam (Director) and spouse	16733981
	Abdul Gaffar Chowdhury (Director) and spouse	16995041
	Shabbir Ahmed (Director) and spouse	16765807
	Md. Tanvir Khan (Director) and spouse	16733948
	Asifuzzaman Chowdhury (Director) and spouse	23599396
	Sultana Rezia Begum (Director) and spouse	16781721
	Ahmed Arif Billah (Director) and spouse	17134696
	Rukhmila Zaman (Director) and spouse	18434381
	Nurul Islam Chowdhury (Director) and spouse	16735616
	Dr Salim Mahmud (Independent Director) and spouse	-
	Syed Mohammed Nuruddin (Independent Director) and spouse	-
ii)	Muhammed Ali (Managing Director) and spouse	-
iii)	Mohammad Habibur Rahman Chowdhury FCA (Chief Financial Officer) and spouse	-
iv)	Md Ziaullah Khan (Head of Internal Audit) and spouse	-
v)	A T M Tahmiduzzaman ACS (Company Secretary) and spouse	-

Directors' Report

(C) Executives (Top five salaried employees of the company, other than the Directors, Chief Executive Office, Company Secretary, Chief Financial Officer and Head of internal audit)

Sl. No.	Name of Executives	Shares Held
1	M. Shahidul Islam (Additional Managing Director) and spouse	-
2	Mirza Mahmud Rafiqur Rahman (Additional Managing Director) and spouse	-
3	A. E. Abdul Muhaimen (Additional Managing Director) and spouse	-
4	Md. Tariqul Azam (Deputy Managing Director) and spouse	-
5	Mohammad Shawkat Jamil (Deputy Managing Director) and spouse	-

(D) Shareholders holding 10% or more voting interest in the company :-

Shareholders holding 10% or more voting interest in the company	Nil
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Related party transaction

UCB had no credit directly to its director at the end of 2014. However, there were some related party contacts and transactions wherein the Directors had interest. The Bank got Bangladesh Bank's approval to make related party contact. Details are as follows:

Significant related party Contracts/transactions where Bank is a party and wherein Directors have interest:

Sl. No	Name of the Contract	Branch Name and related by	Name of the Directors
1	Lease Agreement with Sultana Rezia Begum	Agrabad Branch, Chittagong	Sultana Rezia Begum (Owner of the premises)

Related Party Transactions:

Sl. No	Name of the Party	Relationship	Nature of Transaction
1	Dhakacom Limited	Common Director	Data Connectivity Service for Online Banking & ATM

Bank follows normal process of business for related party transaction ie. related party does not enjoy any preferred facility or concession or favor from the view point of approval process, rate or cost charged, action taken for any non-compliance etc.

Remuneration of Directors

At the end of 2014, UCB had 20 (twenty) members in its Board of Directors including the Managing Director and 3 (three) independent director. As per Bangladesh Bank's BRPD circular no. 3 dated 18 January 2010, the members of Board of Directors (excluding Managing Director) received maximum BDT 5,000.00 (five

thousand) as honorarium for attending in a meeting. In the year 2014, total honorarium was BDT 2.29 million which was BDT 2.06 million in 2013.

Appropriation of Profit

Taking into account the profit available for distribution after complying with regulatory requirement, the Board in its 376th meeting held on 22 February 2015 recommended 20 percent stock dividend and 10 percent cash dividend for the year ended on December 31, 2014 which is subject to approval of shareholders in the next Annual General Meeting.

Directors' Report

Proposed appropriations are as follows:

Particulars (in million BDT)	2014	2013
Net profit after tax for the year	3,668.73	3,065.41
Retained earnings at the beginning	229.53	14.80
Transfer from General Reserve	-	-
Profit available for appropriation	3,898.26	3,080.21

Proposed appropriations:

Transferred to statutory reserve	1,367.14	1,177.46
Proposed stock dividend	1,673.22	-
Proposed cash dividend	836.61	1,673.22
Retained earnings	21.29	229.53

Rotation of Directors-

Honorable Directors of the Bank Mr. M A Hashem, Mr. M. A. Sabur, Mr. Jahangir Alam Khan, Hajee yunus Ahmed and Mrs. Rukhmila Zaman will retire in the 32nd Annual

General Meeting according to the Article 108 & 109 of Article of Association of the Bank and according to article 110 they are eligible for reappointment. Resume of them are given below:

Name of the Directors & Address	Mr. M. A. Hashem Partex Group, 'SHAA' -74, Bir Uttam A K Khandaker Sharak, Mohakhali, Dhaka		
Status in the Board	Chairman		
Date of Birth	30.08.1943		
Date of First Appointment	05.03.2002		
Date of Last Appointment	30.04.2012		
Years of Experience	40+ years in business		
Entities where they have interest	1. Amber Pulp & Paper Mills Ltd. 12. Partex Plastics Furniture Ltd. 23. Swiftline Automation Ltd. 2. Amber Cotton Mills Ltd. 13. Partex Properties Ltd. 24. Partex Apparels Ltd. 3. Partex Rotor Mills Ltd. 14. Plastic Accessories Ltd. 25. Partex Shipyards Ltd. 4. Partex Rotor Spinning Mills Ltd. 15. Partex Real Estate Ltd. 26. Star Foods Ltd. 5. Partex Denim Ltd. 16. Partex Fisheries Ltd. 27. Partex Foods Ltd. 6. Partex Sugar Mills Ltd. 17. Partex Foundry Ltd. 28. Partex Feed Mills Ltd. 7. Partex Energy Ltd. 18. Partex Paper Mills Ltd. 29. Partex Batteries Ltd. 8. Partex Spinning Mills Ltd. 19. Partex Board Mills Limited. 30. Partex Coal Ltd. 9. Dhakacom Ltd. 20. Partex Denim Mills Ltd. 31. Partex Building Materials Ltd. 10. Partex Beverage Ltd. 21. Partex Jute Mills Ltd. 32. North South University. 11. Partex Plastic Ltd. 22. Partex Petro Ltd.		

Name of the Directors & Address	Mr. M. A. Sabur Syed Grand Centre, Level # 13 & 15, Plot # 89, Road # 28, Sector # 7, Uttara-1230		
Status in the Board	Chairman, Risk Management Committee		
Date of Birth	02.01.1948		
Date of First Appointment	29.06.1983		
Date of Last Appointment	30.04.2012		
Years of Experience	37+ years in business		
Entities where they have interest	1. Arbee Textiles Ltd. 6. Masco Properties Limited. 2. Maxim Limited. 7. Masco Poultry Limited. 3. Maxim International Limited. 8. Masco Cottons Ltd. 4. Concept Knitting Limited 9. Masco Services Ltd 5. Masco Shares & Securities Limited. 10. Shanta Expressions Limited		

Directors' Report

Name of the Directors & Address	Md. Jahangir Alam Khan J.K. Group, 42/4, Progati Sarani, Green Orlando (3rd & 4th Floor) Baridhara, Block-J, Dhaka-1229													
Status in the Board	Director													
Date of Birth	29.04.1952													
Date of First Appointment	29.09.1986													
Date of Last Appointment	30.04.2012													
Years of Experience	33+ years in business													
Entities where they have interest	<table><tr><td>1. J. K. Fabrics Ltd.</td><td>7. J.K. Synthetic Mills Ltd.</td></tr><tr><td>2. J. K. Knit Composite Ltd.</td><td>8. J. K. Maritime Ltd.</td></tr><tr><td>3. J.K. Real Estate Ltd.</td><td>9. J.K. Memorial Hospital.</td></tr><tr><td>4. J. K. Spinning Mills Ltd.</td><td>10. MM Fishing Ltd.</td></tr><tr><td>5. J. K. Cotton Mills Ltd.</td><td>11. MR Fishing Ltd.</td></tr><tr><td>6. Tanima Knit Composite Ltd.</td><td>12. Ocean Tiger Bangladesh Ltd.</td></tr></table>		1. J. K. Fabrics Ltd.	7. J.K. Synthetic Mills Ltd.	2. J. K. Knit Composite Ltd.	8. J. K. Maritime Ltd.	3. J.K. Real Estate Ltd.	9. J.K. Memorial Hospital.	4. J. K. Spinning Mills Ltd.	10. MM Fishing Ltd.	5. J. K. Cotton Mills Ltd.	11. MR Fishing Ltd.	6. Tanima Knit Composite Ltd.	12. Ocean Tiger Bangladesh Ltd.
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5. J. K. Cotton Mills Ltd.	11. MR Fishing Ltd.													
6. Tanima Knit Composite Ltd.	12. Ocean Tiger Bangladesh Ltd.													

Name of the Directors & Address	Hajee Yunus Ahmed Shanta Western Tower, Suite 901, 9th Floor, 186 Tejgaon I/A, Dhaka-1208, Bangladesh	
Status in the Board	Director	
Date of Birth	02.07.1945	
Date of First Appointment	29.06.1983	
Date of Last Appointment	30.04.2012	
Years of Experience	38+ years in business	
Entities where they have interest	1. Shore to Shore (Bangladesh) Ltd. 9. Yunusco Global Sourcing Ltd. 2. Yunusco K. Textiles Ltd. 10. YK Limited. 3. LM Masinara Asia Ltd. 11. Best Eat (Pvt) Ltd. 4. Adapt ID Bangladesh Ltd. 12. Nine 2 Nine Manufacturing Ltd. 5. Yunsco Stone & Engineering Ltd. 13. Four M Knit & Footwear Ltd. 6. Yunusco Properties Ltd. 14. Wonder Corporation Ltd. 7. Yunusco Ltd. 15. Yunusco Avant Grade Ltd. 8. Shore to Shore Textiles Ltd. 16. Wonder Gas Ltd.	

Name of the Directors & Address	Mrs. Rukhmila Zaman Aramit Ltd., 53, Kalurghat Heavy Industrial Estate Mohara, Chittagong
Status in the Board	Director
Date of Birth	06.05.1979
Date of First Appointment	13.04.2014
Date of Last Appointment	N/A
Years of Experience	10+ years in business
Entities where they have interest	1. Aramit Limited. 2. Aramit Cement Limited. 3. Aramit Thai Aluminum Limited. 4. Aramit Power Limited. 5. Aramit Footwear Limited. 6. Aramit Alu Composite Panels Limited. 7. Aramit Steel Pipes Limited.

Auditors Report

The Board of Directors reviewed the Auditors Report submitted by the bank's auditor Hoda Vasi Chowdhury & Co., Chartered Accountants based on their audit of financial statements for the year ended 31 December 2014. The auditor didn't mention about any material misstatement or significant disagreement regarding review of the bank's financial statements. The Board also reviews the auditors' suggestion which auditor provides through a separate management report and gives the strategic guidelines to the management for improvement.

Appointment of Auditors

An auditor cannot be appointed for more than three consecutive years. Hoda Vasi Chowdhury & Co.,

Chartered Accountants was the auditor of the Bank since the year 2013. As 2014 is the second year of audit and the firm is eligible for reappointment and they have also expressed their willingness to be reappointed for the year 2015.

Section 210 of the Companies Act, 1994 gives authority to the shareholders to fix the appointment of the auditor and its remuneration. Hence, the board recommends to appoint Hoda Vasi Chowdhury & Co., Chartered Accountants of BTMC Bhaban (Level-8), 7-9 Kawran Bazar Commercial Area, Dhaka 1215 as the auditor of the bank for the year 2015 at a remuneration of Tk. 7 lac. However, such appointment will be subject to approval of the shareholders in the next Annual General Meeting.

Directors' Report

Future outlook

United Commercial Bank Limited is making progress on embedding sustainability into business. We still believe that, we have a lot scope to do, a long way to go and will continue to build our programme as a team in the year ahead. We are confident that we can make our slogan a success "United we achieve". However, Market conditions for our industry are as challenging and volatile as we have seen in recent times. We have a strong capital position and we have accumulated a good size of quality portfolio and diversity in our revenue and earning streams. Our presence in the market is growing steadily and we have improved our presence in all areas of operations. We have professionals with profound managerial talents and perhaps most importantly, we have a hard earned reputation as one of the top service providers in our industry. We are convinced of our ability to continue to thrive in all areas of our business backed by around three decade of experience and driven by the ambition to continue reaching new heights in performance. Building on our strength, we are confident that the company will be able to present better results before our shareholders in the years ahead.

Acknowledgement

The Bank closed the year 2014 recording excellent performance in all core areas of operation with relentless and dedicated efforts of the employees of the Bank and due to sincere cooperation of all concerned it was possible to achieve the excellent results during the year. Above all, strong liquidity base, prudent fund & credit

management, continued guidance and inspiration to the Management by the members of the Board played a vital role in the overall development.

I take this opportunity to thank my Board colleagues for their continued support and contributions in moving the Company to the right direction. I, of course, thank all the employees of the Company on whom we depend for our success. On behalf of the Board I also like to thank Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, Central Depository Bangladesh Limited, borrowers, depositors and other stakeholders who were the partners in the growth of your bank. We also look forward to continued support from them.

Last but not the least, I wish to thank our shareholders for their continued support and trust placed on us and UCB aspires to do better in future and with this expectation we are pleased to place the annual report, the audited financial statements for the year ended 31 December 2014 together with the auditor's report thereon for approval.

On behalf of the Board of Directors



M. A. Hashem
Chairman

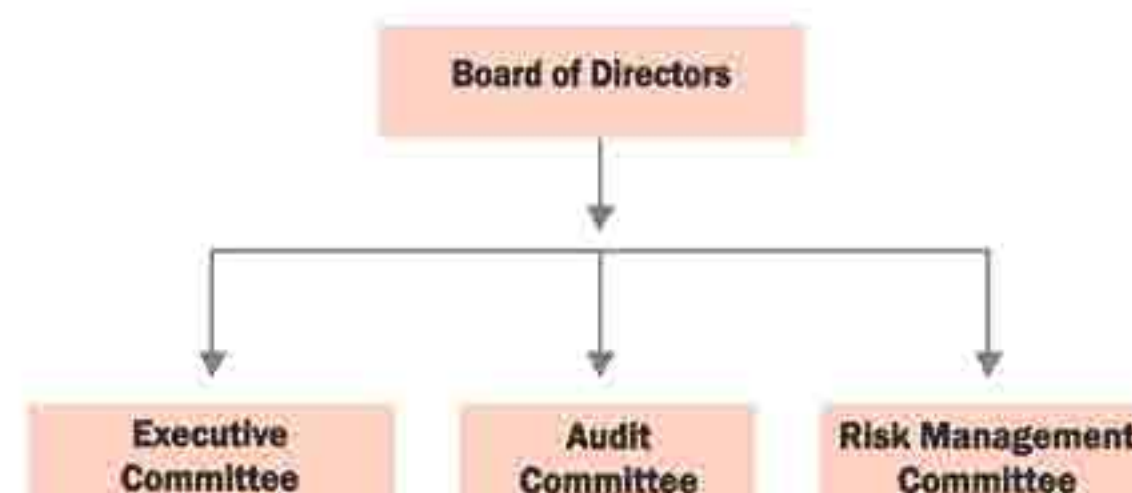
Report on Corporate Governance

Corporate Governance is the system by which companies are directed and controlled to the best interest of the stakeholders, which describes the nature and extent of accountability of the people and institution engaged in the business. Fairness, Transparency, accountability and Responsibility are the minimum standard of acceptable corporate behaviour today. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders. In fact, corporate governance leads to the good governance and good governance is an integral part of the economic development of a country.

Board of Directors

As at December 31, 2014, the Board consists of 20 (twenty) directors including ex-officio Managing Director and Managing Director is playing the role of ex-officio director as per Articles of Association of the Bank. The Board members include persons of high caliber, with academic and professional qualification in the field of business and profession. This gives strength for effective discharge of duties and responsibilities by the Board. The Board approves the bank's budget and business plan and reviews those time to time so as to give directions as per changing economic and market environment. The Board reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. The Board and the Executive Committee

reviews the policies and guidelines issued by Bangladesh Bank regarding credit and other operations of the banking industry. The management operates within the policies, manuals and limits approved by the Board. Regular meeting of the Board is held to review the overall activities of the bank.



Board of Director's Meeting

The Board of Directors holds meeting on a regular basis. During the year 2014 total 17 Board meetings were held. At each meeting, management provides information, references, and detailed working papers for each agenda to all the directors for consideration well ahead of the meeting. The chairman of the Board of Directors allocates sufficient time for the directors to consider each agenda in a prudent way and allows them to freely discuss, inquire, and express opinions on the topics of interest at the meeting in order to fulfill the director's duties to the best of their abilities at the meeting. The directors who cannot attend the meeting are granted leave of absence by the Board since they have applied for leave of absence. Information regarding attendance of the directors in the meeting is attached as a separate report with the annual report. The list of the Board members and their attendance in the meeting is stated below:

Attendance in Board Meeting - 2014

Sl No	Composition of the Board	Status	Total Meeting Held	Attended	Remarks
1	M.A. Hashem	Chairman	17	16	
2	Sharif Zahir	Vice- Chairman	17	15	
3	Anisuzzaman Chowdhury	Chairman-Executive Committee	17	14	
4	Lt. Gen ATM Zahirul Alam,rcds, psc (Retd)	Chairman-Audit Committee (Independent Director)	17	17	
5	M.A. Sabur	Chairman-Risk Management Committee	17	15	
6	Showkat Aziz Russell	Director	17	15	
7	Md. Jahangir Alam Khan	Director	17	15	
8	Hajee Yunus Ahmed	Director	17	17	
9	Hajee M.A. Kalam	Director	17	16	

Report on Corporate Governance

Sl No	Composition of the Board	Status	Total Meeting Held	Attended	Remarks
10	Abdul Gaffar Chowdhury	Director	17	3	Appointed on 18 Nov 2014
11	Shabbir Ahmed	Director	17	17	
12	Md. Tanvir Khan	Director	17	12	
13	Asifuzzaman Chowdhury	Director	17	14	
14	Sultana Rezia Begum	Director	17	16	
15	Ahmed Arif Billah	Director	17	15	
16	Rukhmila Zaman	Director	17	12	Appointed on 13 April 2014
17	Nurul Islam Chowdhury	Director	17	6	Appointed on 25 Sept 2014
18	Dr. Salim Mahmud	Independent Director	17	14	
19	Syed Mohammed Nuruddin	Independent Director	17	7	
20	Muhammed Ali	Managing Director	17	17	

Independent Directors

Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with the financial, regulatory and corporate laws and can make meaningful contribution to the business. In this reference the board of directors of the Bank has appointed 3 (three) number of Independent Director in its Board and one of whom is the chairman of the Board Audit Committee.

Board's Executive Committee

The Board has an Executive Committee which conducts their responsibility as per Terms of reference (TOR) determined by the Board of Directors of the

bank. The Executive Committee reviews the policies and guidelines issued by Bangladesh Bank regarding credit and other operations of the banking industry. The committee ensures the implementation of the policies and guidelines through the management. The Executive Committee of the Board approves the credit proposals as per approved policy of the Board. The management ensures due diligence of the credit policy and risk management at the time of submitting the credit proposals.

During the year 2014 total 12 (twelve) no. of meeting were held. The list of the members and their attendance in the meeting is stated below:

Sl No	Name of the Directors	Status	Total Meeting Held	Attended	Remarks
1	Anisuzzaman Chowdhury	Chairman	12	12	
2	Showkat Aziz Russell	Member	12	8	
3	M.A. Sabur	Member	12	9	
4	Md. Jahangir Alam Khan	Member	12	11	
5	Hajee Yunus Ahmed	Member	12	12	
6	Hajee M.A. Kalam	Member	12	11	
7	Shabbir Ahmed	Member	12	12	

Board's Audit Committee

The Board has a Board Audit Committee which plays very vital role in assisting the Board to perform its responsibilities. The committee is guided by the TOR of the committee as set by the Board of Directors of the bank in line with the direction of Bangladesh Bank & Bangladesh Securities & Exchange Commission. Audit

Committee meets with the external auditors to discuss audit plan and risk management process of the Bank. They reviews the financial statement of the bank at least on quarterly basis. Audit committee conducts various special review by the Board Audit Cell, a very empowered cell working under the committee.

Report on Corporate Governance

During the year 2014 total 9 (nine) no. of meeting were held. The list of the members and their attendance in the meeting is stated below:

Sl No	Name of the Directors	Status	Total Meeting Held	Attended	Remarks
1	Lt. Gen ATM Zahirul Alam rcds, psc (Retd)	Chairman	9	9	
2	Ahmed Arif Billah	Member	9	9	
3	Md. Tanvir Khan	Member	9	4	Appointed on 5 May 2014
4	Dr. Salim Mahmud	Member	9	7	

Report of the Board Audit Committee: A separate report of the board audit committee is attached with this Annual Report separately.

Board's Risk Management Committee

Apart from the Executive Committee and Audit Committee of the Board a Risk Management Committee has been formed which is responsible planning and guiding on overall risk management of the bank. Key area of responsibilities of the committee is as under:

- Defining the risk appetite
- Designing the organizational structure to manage risk within the bank

- Understanding the inherent risks of the bank
- Reviewing and approving risk management policies
- Enforcing and using adequate recordkeeping and reporting systems
- Reviewing and approving limits and reviewing at least annually
- Monitoring compliance with overall risk management policies and limits.

Present member of the committee is as under:

Sl No	Name of the Directors	Status	Total Meeting Held	Attended	Remarks
1	M. A. Sabur	Chairman	4	04	-
2	Mr. Showkat Aziz Russell	Member	4	04	-
3	Mr. Md. Jahangir Alam Khan	Member	4	04	-
4	Hajee Yunus Ahmed	Member	4	04	-
5	Mr. Asifuzzaman Chowdhury	Member	4	03	Appointed on 5 May 2014

Regulatory Compliance/Disclosure

The primary regulator of the bank is Bangladesh Bank and other major regulator includes, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), RJSC, CDBL, National Board of Revenue (NBR) etc. Bank has been following related guidelines on submission of financial statements and other statutory reports (daily, weekly, monthly, quarterly, half-yearly and yearly or any other report on requisition). Any significant development in the business is forth-with disclosed through the adherence of proper rules/guidelines/directive in the form of price sensitive declarations. Bank also ensures submission of returns to regulatory bodies in full compliance of the

requirements and appropriate disclosures ensuring transparency and accountability. Board of Directors ensures adequate disclosures for the shareholders through Annual report or other specific disclosures if required.

Delegation of Power

The Board has delegated appropriate finance and business power to the Management. In order to have proper functioning and quick disposal of credit proposal, Board has delegated required authority to the Executive Committee of the Board to approve proposal within certain limit and take various necessary decision. The delegation supports the operation of the bank in a positive manner.

Report on Corporate Governance

Role of the Chairman

The chairman of the Bank is elected by the Board. He is responsible for organizing business of the Board, ensuring its effectiveness and setting its agenda to the best interest of the stakeholders. The chairman is not involved in the day-to-day business of the Bank. The chairman ensures that the Board members undertake appropriate induction, covering terms of appointment, duties and responsibilities.

Role of the Managing Director

The Managing Director is responsible for overall activities of the business and for formulating and implementing Board strategy and policy. He has control of the Bank on a day-to-day basis and is accountable to the Board for its financial and operational performance.

Management and its Committee

Management team of UCBL is headed by the Managing Director, Mr. Muhammed Ali. A list of the executives of the bank as on the date of the reporting is attached with the annual report separately. Several management committees have been formed to handle the banking operation and identify and manage the risk associated with the business. The committees are CDMC, MANCOM, ALCO, Credit committee, Anti Money Laundering Committee, RMU, Investment Committee, Basel-II Implementation Committee etc.

Directors Remuneration

The director does not receive any type of remuneration and incentive. They are only paid board meeting attendance fees, travelling and living expenses incurred for attending in the Board meeting and other Board's committee meeting as per Articles of Association of the Bank and within the guidelines of Bangladesh Bank instruction. Information regarding expenses relating directors is disclosed in the annual financial statement as a separate note to the notes to the financial statements.

Managing Director Remuneration

The remuneration package of the Managing Director is determined by the Board and is approved by Bangladesh Bank. The Managing Director has been appointed for three years term and his remuneration is also disclosed separately in the financial statements.

Report on going concern

The report is attached with this Annual Report separately.

Audit by the Central Bank

Bangladesh Bank also conducts comprehensive inspection of the Bank every year. The reports are reviewed by the Board and its audit committee. The Bank gives utmost importance to the inspection report and actions are taken regarding the inadequacies or lapses mentioned in the report.

Audit by the External Auditors

External auditors covered sufficient no. branches and Head Office as part of the annual audit program. Auditors covered 80% of risk weighted assets of the Bank. They have also discussed with the Management and Audit Committee of the Board on various issues including Internal Control and Compliance issues. Suggestions of the auditors (if any) are given due consideration and are implemented by the Management. The reports of the auditors are also reviewed by the Audit Committee and by the Board.

Internal Control & Compliance

Bank has a separate Division for Internal Control and Compliance. This division operates independently and has given responsibilities by the Board in line with the Bangladesh Bank guidelines. The Bank has an audit and inspection department under Internal Control & Compliance Division. The major responsibilities of audit and inspection department are as under;

- To ensure that the bank operates within the principles, policies, framework and procedures formulated by the Board;
- To ensure the regulatory compliance in its day-to-day activities;
- Suggest to adopt of effective policies and procedures for smooth operation of day-to-day activities;
- To provide the Board and Management with detail information regarding business activities of the bank to determine future course of action by the Management; etc.

Decision making process for approving related-party transactions

The Bank disclosed the related party transaction in its financial statement. For making decision of related party transaction, the process is same as applicable to the other stakeholders. Same process of selection is applied to related party. The related party doesn't enjoy any preferred facility or concession from the view point of approval process, rate or cost charged, action taken for any non-compliance etc.

Report on Corporate Governance

Rules and procedures governing extraordinary transactions

For making decision for extraordinary transaction, the Management takes the approval from the Board of Directors, if not covered within the Board approval financial delegation. In financial result, the Bank also discloses the impact of extraordinary transaction (if any).

Process for holding annual general meetings

Process for holding annual general meeting is guided by the statute and regulatory guidelines of the country. All applicable guidelines are duly followed for holding Annual General Meeting of the Bank. In an AGM, generally some key decisions are being approved by the shareholders; like approval of financial statements, dividend, appointment of directors, appointment of statutory auditors etc.

Board confidence in the independence and integrity of external auditors

The external auditors are appointed by the shareholder with the recommendation of the Board of Directors. Reviewing the financial statements, the external auditors present an audit report to the shareholders. Before presenting to the shareholders, the report is reviewed by the Audit Committee and the Board. While approving the financial statements the Board considers the level of independence and integrity of the external auditors.

A Code of Ethics for company's employees

For eminence corporate culture, all the employees should in believe of same Code of Ethics. UCB has a standard Code of Ethics for its employees which is also maintained by all the employee. By any means, no employee will play a role detrimental to the interest of

the business, society and the country as a whole as set in the Code of Ethics. For more on Code of Ethics, a separate report has been enclosed with this Annual Report.

Rules and procedures governing the acquisition of corporate control in capital markets

Investment in Capital Market by the Bank is regulated by the Bank Company Act. For acquisition of corporate control in Capital Market, Bank follows internal investment policy within the regulatory framework. Bank also discloses the invested amount in Capital Market in its financial statements.

Statement of Compliance

Securities and Exchange Commission notification on corporate governance

Securities and Exchange Commission (SEC) issued a Corporate Governance Guidelines (Notification no. EC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012) for the companies listed with the Stock Exchanges in Bangladesh. Compliance status of the guidelines of Securities and Exchange Commission is attached separately with the annual report.

Bangladesh Bank's guidelines on corporate governance

Bangladesh Bank also issued guidelines on February 4, 2010 as BRPD Circular no.06 (replacing BRPD circular no.16 dated July 24, 2003) on corporate governance. Compliance of the guideline is also attached separately with the annual report.

Compliance Report on BSEC Notification on Corporate Governance

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commissions Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012:

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	Board of Directors			
1.1	Board's size shall not be less than 5 and more than 20	✓		
1.2	Independent Director			
1.2 (i)	Independent director: At least 1/5th of the total number of directors	Complied as per Bank Company Act, 1991 (amended in 2013)		
1.2 (ii)	For the purpose of this clause "independent director" means a director.	✓		
1.2 (ii) a)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital.	✓		
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's Sponsor Or Director Or Shareholder who holds 1% or more shares of the company (certain family members are also required to comply with this requirement).	✓		
1.2 (ii) c)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2 (ii) d)	Independent directors are not the members, directors or officers of any stock exchange.	✓		
1.2 (ii) e)	Independent director is not the shareholder, director or officers of any member of Stock Exchange or an Intermediary of the capital market.	✓		
1.2 (ii) f)	Independent director is/was not the partners or executives during preceding 3 (three) years of concerned company's statutory audit firm.	✓		
1.2 (ii) g)	Independent directors is not the independent director in more than 3 (three) listed companies.	✓		
1.2 (ii) h)	Independent director is not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI).	✓		
1.2 (ii) i)	Independent director has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	The independent director shall be appointed by the Board of Directors and approved by the Shareholders in the AGM.	✓		
1.2 (iv)	The post of independent directors cannot remain vacant for more than 90 days.	No vacancy occurred		
1.2 (v)	The Board shall lay down a Code of Conduct of all Board Members and Annual Compliance of the Code to be recorded.	✓		
1.2 (vi)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent director shall be knowledgeable individual with integrity who is able to ensure required compliance.	✓		
1.3 (ii)	The independent director must have at least 12 (twelve) years of corporate management/ professional experiences along with other requisites.	✓		
1.3 (iii)	In special cases above qualification may be relaxed by the Commission	N/A		

Compliance Report on BSEC Notification on Corporate Governance

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.4	Separate Chairman and CEO and their clearly defined roles and responsibilities.	✓		
1.5	Directors Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.	N/A		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	N/A		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	N/A		
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS) /Bangladesh Financial Reporting Standards (BFRS), as –applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the company's ability to continue as a going concern.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained.	N/A		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		

Compliance Report on BSEC Notification on
Corporate Governance

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	Executives (top five salaried employees of the company other than stated in 1.5(xxi)b);	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
1.5 (xxii) a)	a brief resume of the Director;	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.0	Chief Financial Officer, Head of Internal Audit & Company Secretary			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and their clearly defined roles, responsibilities and duties.	✓		
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting	✓		
3.0	Audit Committee			
3 (i)	Audit Committee shall be the sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 members.	Constituted as per BB Circular		
3.1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director.			
3.1 (iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Filling of Casual Vacancy in Committee	✓		
3.1 (v)	The Company Secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.			
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman of the Audit Committee shall be an Independent Director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process.	✓		

Compliance Report on BSEC Notification on Corporate Governance

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results.	N/A		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors	✓		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
3.4.1 (ii) a)	Report on conflicts of Interests.	N/A		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	N/A		
3.4.1 (ii) c)	c) Suspected infringement of laws, including securities related laws, rules and regulations;	N/A		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	N/A		
3.4.2	Reporting of anything having material financial impact to the Commission.	N/A		
3.5	Reporting to the Shareholders and General Investors.	✓		
4.0	External/Statutory Auditors			
4 (i)	External/Statutory Auditors should not be engaged in appraisal or valuation services or fairness opinions.	✓		
4 (ii)	External/Statutory Auditors should not be engaged in financial information systems design and implementation.	✓		
4 (iii)	External/Statutory Auditors should not be engaged in book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	External/Statutory Auditors should not be engaged in broker-dealer services.	✓		
4 (v)	External/Statutory Auditors should not be engaged in actuarial services.	✓		

Compliance Report on BSEC Notification on Corporate Governance

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
4 (vi)	External/Statutory Auditors should not be engaged in internal audit services.	✓		
4 (vii)	External/Statutory Auditors should not be engaged in any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company.	✓		
4 (ix)	Audit certification service on compliance of corporate governance as required under clause (i) of condition no. 7.	✓		
5.0	Subsidiary Company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	✓		
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	✓		
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
6 (i)	They have reviewed financial Statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) a)	These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
6 (i) b)	These financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.0	Reporting and Compliance of Corporate Governance:			
7 (i)	The company shall obtain a Certificate from a Professional Accountant/Secretary (CA/CMA/CS) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

Certificate on Compliance of Corporate Governance



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants
 *An Independent Member Firm of
McMillan Woods International, UK*

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87, New Eskaton Road, Dhaka-1000
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E-mail : kmh_co@yahoo.com
Website : www.kmhasan.com

Compliance Certificate
on
Corporate Governance Guidelines
To the Shareholders of
United Commercial Bank Limited

We have reviewed the compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by United Commercial Bank Limited as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August, 2012.

The compliance of conditions of the Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of the bank. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof adopted by the bank for ensuring the compliance of conditions of Corporate Governance Guidelines and proper reporting of compliance status on the attached statement on the basis of evidences obtained and representation received thereon from the management of the bank. It is neither an audit nor expression of opinion on the financial statements of the company.

To the best of our information and according to the explanations given to us, we certify that the bank has complied with the conditions of the Corporate Governance Guidelines as stipulated in the above mentioned notification dated 7 August, 2012 of Bangladesh Securities and Exchange Commission.


K. M. Hasan FCA
Managing Partner

Dhaka
Date: 01-03-2015

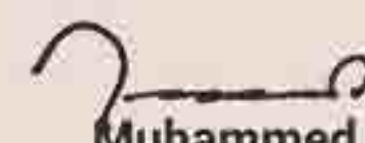
CEO's and CFO's Declaration to the Board of Directors

In accordance with the condition no. 06 of BSEC notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 we hereby certify that,

1. We have reviewed financial statements for the year 2014 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Mohammad Habibur Rahman Chowdhury FCA
Senior Executive Vice President & CFO



Muhammed Ali
Managing Director

Date: 24 February 2015

Compliance of Bangladesh Bank's Guidelines on Corporate Governance

(BRPD circular no 16 dated 24.07.2003)

Particulars	Compliance Status
Responsibilities and authorities of the Board of Directors	
(a) Work-planning and strategic management (i) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/ monitor at quarterly rest the development of implementation of work plans.	Complied
(ii) The Board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall appraise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other Senior Executives and have it evaluated at times.	Complied
(b) Lending and risk management: (i) The policies, strategies, procedures etc in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedulement and write-off thereof shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specially distribute the power of sanction of loan/investment and such distribution should desirably be made among CEO and his subordinate executives as much as possible. No director, however, shall interfere, directly or indirectly, in the process of loan approval.	Complied
(ii) The Board shall frame policies for risk management and get them complied with and shall monitor at quarterly rests the compliance thereof.	Complied
(c) Internal control management: The Board shall be vigilant on the internal control system of the Bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. It shall review at quarterly rests the reports submitted by its audit committee regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied
(d) Human resources management and development: (i) Policies relating to recruitment, promotion, transfer, disciplinary action and punitive measures, human resources development, etc and service rules shall be framed and approved by the Board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to the immediate two tiers below the CEO shall, however, rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e .policies for recruitment and promotion	Complied
(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.	Complied
(e) Financial management: (i) The annual budget and the statutory financial statements shall finally be prepared with the approval of the Board. It shall at quarterly rests review/monitor the positions in respect of Bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied
(ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.	Complied

Compliance of Bangladesh Bank's Guidelines on Corporate Governance

Particulars	Compliance Status
(f) Formation of supporting committees: For decision on urgent matters an executive committee, whatever name called, may be formed with the directors. There shall be no committee or sub-committee of the board other than the executive committee and the audit committee. No alternate director shall be included in these committees.	Complied
(g) Appointment of CEO: The board shall appoint a competent CEO for the bank with the approval of the Bangladesh Bank	Complied
2 Responsibilities of the chairman of the board of directors: (a) As the chairman of the board of directors (or chairman of any committee formed by the board or any director) does not personally possess the jurisdiction to apply policymaking or executive authority, he shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
(b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.	Complied
(c) The chairman may be offered an office-room, a personal secretary/assistant, a telephone at the office and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied
03 . Responsibilities of the adviser: The adviser, whatever name called, shall advise the board of directors or the CEO on such issues only for which he is engaged in terms of the conditions of his appointment. He shall neither have access to the process of decision-making nor shall have the scope of effecting executive authority in any matters of the bank including financial, administrative or operational affairs.	No adviser is appointed.
04 . Responsibilities and authorities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and effect the authorities as follows:	
(a) In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
(b) The CEO shall ensure compliance of the Bank Companies Act, 1991 and/or other relevant laws and regulations in discharge of routine functions of the bank.	Complied
(c) The CEO shall report to Bangladesh Bank of issues violative of the Bank Companies Act, 1991 or of other laws/regulations and, if required, may apprise the board post facto.	Complied
(d) The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board. The board or the chairman of any committee of the board or any director shall not get involved or interfere into such affairs. The authority relating to transfer of and disciplinary measures against the staff, except those at one tier below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc.	Complied

Credit Rating

Credit Rating



United Commercial Bank Limited has been rated as **AA** (Pronounced as Double A) long term credit rating and **ECRL-2** short term credit rating by Emerging Credit Rating Limited (ECRL) based on audited financials of 2010-2013 and other available information up to the date of rating declaration. The outlook on the rating is **Stable**.

Long Term Rating	Short Term Rating	Outlook	Date of Validity
AA	ECRL-2	Stable	May 06, 2015

ECRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. The assigned rating reflects the strengths of the company which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position. Moreover, the company has been awarded as one of the best banks in the Asia-Pacific region during the year 2014 by Global Finance.

Report of the Audit Committee

Audit Committee of the Board

In compliance with the BRPD circular no. 11 dated: 27 October 2013 and Bangladesh Securities and Commission notification on Corporate Governance dated: 07 August 2012, the Audit Committee was constituted by the Board of Directors to assist the Board ensuring a standard audit system for transparent financial reports & non financial corporate disclosures, effective internal control system and compliance of all rules and laws of the land as well as establishing a unique, strong and dependable banking system for all stakeholders specially for depositors and shareholders.

Composition

In Compliance with the section 3.2 of the new Corporate Governance Notification issued by BSEC on 07 August 2012, the Audit Committee of UCB was reconstructed on 16.06.2013. The present members of the committee:

Name	Status in the Committee	Status in the Board
Lt. Gen. ATM Zahirul Alam, rcds, psc (Retd.)	Chairman	Independent Director
Mr. Ahmed Arif Billah	Member	Director
Mr. Tanvir Khan	Member	Director
Dr. Salim Mahmud	Member	Independent Director

As per regulatory guidelines, the Company Secretary of the Bank A T M Tahmiduzzaman ACS is the secretary of the Audit Committee.

Members Information

Lt. Gen. ATM Zahirul Alam, rcds, psc (Retd.)

Date of Birth : 06.10.1952
 Educational Qualification : Master's Degree in Arts from King's College London, United Kingdom and is a graduate of prestigious Royal College of Defense Studies (RCDS), United Kingdom. He also attended a short course at Harvard University, USA.
 Years of Experience : 36+ years
 Field of Expertise : Served Bangladesh Military for long 35 years with great honor and dignity. Now involved in teaching in National Defense College and shipping business.

Mr. Ahmed Arif Billah

Date of Birth : 29.07.1982
 Educational Qualification : BBA from North South University
 Years of Experience : 13+ years
 Field of Expertise : Mr. Ahmed Arif Billah is the Managing Director of Masco Industries Ltd, Masco Cottons Ltd, Mascotex Ltd, MPL Wear Ltd, Masco Printing & Embroidery Ltd, Tasniah Fabrics Ltd, Masco Poultry Ltd, Masco Linens Ltd, Masco Yarn Dyeing & Printing Ltd, Shanta Expressions Ltd, Masco Exports Ltd, Masco Overseas Ltd, Vargin Grace Ltd, Masco Services Ltd, Concept Knitting Ltd, Masco Picasso Ltd, Masco Shares & Securities Ltd and Masco Properties Ltd.

Report of the Audit Committee

Mr. Tanvir Khan

Date of Birth	: 14.09.1983
Education Qualification	: MBA from University of Toronto, Canada
Years of Experience	: 12+ years
Field of Expertise	: Mr. Tanvir Khan is also the director of J.K. Fabrics Ltd, J.K. Knit Composite Ltd. This budding industrialist is exploring new ideas to improve the business environment for the contemporaries.

Dr. Salim Mahmud

Date of Birth	: 14.09.1971
Educational Qualification	: LLB (Hons), LLM & PhD in Energy Law & Policy from University of Dundee.
Years of Experience	: 17+ years
Field of Expertise	: He is one of the faculty members of Department of Law, Dhaka University and prior to that he was also faculty member in the University of Chittagong. Presently, he is a Member (commissioner) of Bangladesh Energy Regulatory Commission, Government of the People's Republic of Bangladesh.

Roles and Responsibilities of the Audit Committee

Besides any other responsibilities which may assign from time to time by the board, the Audit Committee is responsible for the following matters:

(i) Internal Control

- To evaluate whether management has communicated the importance of internal control and risk management to ensure that all employees understand their roles and responsibilities;
- To review whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- To monitor and review the existing risk management procedures in order to ensure an effective internal check and control system;
- To review the Corrective measures taken by the management regarding to report relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and report it to the board regularly;

(ii) Financial Reporting

- To review the annual financial statements and determine whether those are reflect the complete and concrete information according to existing rules & regulations and accounting standards set by Bangladesh Bank;
- To meet with management and the external auditors to review the financial statements before finalize;
- To review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;
- To oversee the financial reporting process;
- To oversee compliance with the statutory financial reporting obligations of the bank and pertinent processes and policies;
- To assist in financial planning and budgeting as per financial audit;

Report of the Audit Committee

(iii) Internal Audit & Inspection Activities

- To review & monitor whether internal audit working independently from the management;
- To review & guide "internal audit process and procedure";
- To examine "efficiency and effectiveness of internal audit function";
- To review & monitor whether the findings and recommendations made by the internal auditors are duly considered by the management or not;
- To recommend findings made by surprise inspection to the committee;
- To recommend audit findings to be placed to the Board of Directors;
- To review the adequacy of internal Audit Function;

(iv) External Audit

- To review the performance of the external auditors and their audit reports;
- To examine whether the findings and recommendations made by the external auditors are duly considered by the management or not;
- To recommend the board regarding the appointment of the external auditors.

(v) Compliance with existing laws and Regulations

- To review & guide whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

(vi) Fraud and Forgery

- To review omission, fraud and forgeries report and advice management on corrective and preventive action as applicable;
- To advice management on potential threats of fraud and forgery;

Meetings of the Audit Committee

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of UCB held 9 meetings in the year 2014 and had detailed discussions and review session with the Head of Internal Audit, Head of Internal Control & compliance, External Auditors etc. regarding their findings, observations and remedial suggestions on issues of bank affairs that need improvement. Meeting dates are as follows:

SL No.	Meetings	Date of Meeting
1	53 rd Audit Committee Meeting	26.01.2014
2	54 th Audit Committee Meeting	11.02.2014
3	55 th Audit Committee Meeting	27.02.2014
4	56 th Audit Committee Meeting	05.05.2014
5	57 th Audit Committee Meeting	28.05.2014
6	58 th Audit Committee Meeting	17.07.2014
7	59 th Audit Committee Meeting	02.09.2014
8	60 th Audit Committee Meeting	25.10.2014
9	61 st Audit Committee Meeting	30.11.2014

Report of the Audit Committee

Members Presence in the Meetings of Audit Committee

Name	No of Meeting Held	Present	Status	Remarks
Lt. Gen. ATM Zahirul Alam rcds, psc (Retd.)	09	09	Independent Director	-
Anisuzzaman Chowdhury	09	01	Director	Resigned from the Committee on 05.05.2014
Tanvir Khan	09	04	Director	Appointed on 05.05.2014
Ahmed Arif Billah	09	09	Director	-
Md. Abdul Karim	09	04	Independent Director	Resigned from the Board on 17.07.2014
Dr. Salim Mahmud	09	07	Independent Director	-

Acknowledgement

The members of the Audit Committee express their gratitude and thanks to the Board of Directors, Management and Auditors for their cooperation while performing its duties and responsibilities.

Lt. Gen. ATM Zahirul Alam rcds, psc (Retd.)
Chairman
Audit Committee & Independent Director

Report of the Risk Management Committee

Risk Management Committee of the Board

In compliance with the sub section (3) of Section of 15Kha of Bank Company (Amended) Act, 2013 and the subsequent BRPD circular no. 11 dated: 27 October 2013 issued by Bangladesh Bank, a Committee named as "Risk Management Committee" of the Board has been formed to oversee various risks of the bank like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks and other risks as to whether these risks have been properly and adequately identified and measured by the bank management.

The terms of reference (ToR) of the Committee defined as per the guidelines/Circulars of Bangladesh Bank issued and in-force from time to time.

Composition

The Board of Directors of the Bank has constituted Risk Management Committee in compliance with the Bank Company (Amended) Act, with a view to address, manage and mitigate the risk issues of the Bank in a befitting manner. The Current Structure of the committee:

Sl. No	Name	Status in the Committee
1	M. A. Sabur	Chairman
2	Showkat Aziz Russell	Member
3	Md. Jahangir Alam Khan	Member
4	Hajee Yunus Ahmed	Member
5	Asifuzzaman Chowdhury	Member

As per regulatory guidelines, the Company Secretary of the Bank Mr. A T M Tahmiduzzaman ACS is the secretary of the Risk Management Committee.

Members Information

Mr. M. A. Sabur

Date of Birth : 02.01.1948
 Educational Qualification : MBA from Institute of Business Administration, University of Dhaka.
 Years of Experience : 36+ years
 Field of Expertise : He is one of the sponsors of the Bank and also the Chairman of Masco Group and Maxim Group, a leading export house in textile sector of the country. This illustrious personality is guiding the Bank in exploring new opportunities of business procurement in this competitive market.

Mr. Showkat Aziz Russell

Date of Birth : 16.11.1972
 Educational Qualification : AA, BBA, MBA
 Years of Experience : 21+ years
 Field of Expertise : He is leading the Bank for more than a decade as a key policy maker of Board of UCB and also the Managing Director of Partex Holdings Ltd, Amber Cotton Mills Ltd, Partex Rotor Mills Ltd, Partex Energy Ltd, Partex Spinning Mills Ltd, Partex Board Mills Ltd. This visionary personality is making his contribution towards economy by introducing modern technology, innovative ideas, upgraded management system & generating employment in various sectors.

Report of the Risk Management Committee

Mr. Md. Jahangir Alam Khan

Date of Birth	: 29.04.1952
Education Qualification	: M Com, Dhaka University
Years of Experience	: 33+ years
Field of Expertise	: He is one of the Director of the Bank and also Chairman & Managing Director of J.K. Group of Industries, a leading business house in Textile sector.

Hajee Yunus Ahmed

Date of Birth	: 02.07.1945
Years of Experience	: 38+ years
Field of Expertise	: He is one of the Sponsors of the Bank and the Chairman & Managing Director of Yunusco Group, Managing Director of Shore to Shore BD Limited & Adapt ID Bangladesh Limited.

Mr. Asifuzzaman Chowdhury

Date of Birth	: 07.07.1978
Educational Qualification	: BBA from Atlantic University, Florida, USA
Years of Experience	: 13+ years
Field of Expertise	: He is a very young Director of the Bank and also the Director of Synthetic Rezin Products (Pvt.) Ltd. and Ronny Chemicals Ltd.

Roles and Responsibilities of the Risk Management Committee

(i) Risk Identification & Control Policy:

- To formulate and implement of appropriate strategies for risk assessment and its control.
- To monitor risk management policies & methods and amend it if necessary.
- To review the risk management process to ensure effective prevention and control measures.

(ii) Construction of organizational structure:

- To ensure an adequate organizational structure for managing risk with the bank.
- To supervise formation of separate management level committees
- To monitor the activities relation to compliance of instruction of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information and communication risk including other risk related guidelines.

(iii) Analysis and approval of Risk Management Policy:

- To review Risk Management policy & guidelines of the bank annually;
- To recommend Board of Directors regarding any propose amendments if necessary;
- To review limits including lending limit at least once annually and amend if necessary;

(iv) Storage of data & reporting system:

- To approve adequate record keeping & reporting system developed by the bank management;
- To ensure proper use of the system(I.E. record keeping & reporting system);
- Minutes its proposal, suggestions & summary and inform it to the Board of Directors;

Report of the Risk Management Committee

(v) Monitoring the implementation of overall Risk Management Policy:

- To monitor proper implementation of overall risk management policies;
- To monitor whether proper steps have been taken to mitigate all risks including lending risk and management risk.

(vi) Other responsibilities:

- To submit the decision and suggestions of the committee to the Board of Directors quarterly in short form;
- To comply instructions issued time to time by the controlling body;
- To collect evaluation report from the internal & external auditor whenever required;

Meetings of the Risk Management Committee

As per BRPD Circular No.11 dated 27 October 2013 and Bank Company (Amended) Act, 2013, The Risk Management Committee of UCB held 4 meetings in the year 2014. Meeting dates are as follows:

SL	Meetings	Date of Meeting
1	1st Risk Management Committee Meeting	05.05.2014
2	2nd Risk Management Committee Meeting	04.09.2014
3	3rd Risk Management Committee Meeting	27.11.2014
4	4th Risk Management Committee Meeting	24.12.2014

Members Presence in the Meetings of RMC

Name	No of Meeting Held	Present	Remarks
M. A. Sabur	04	04	-
Showkat Aziz Russell	04	04	-
Md. Jahangir Alam Khan	04	04	-
Hajee Yunus Ahmed	04	04	-
Asifuzzaman Chowdhury	04	03	Appointed on 05.05.2014

Acknowledgement

The members of the Risk Management Committee express their gratitude and thanks to the Board of Directors, Management and Risk Management Team of the Bank for their cooperation while performing its duties and responsibilities.



M. A. Sabur
Chairman
Risk Management Committee

Evaluation of Quarterly Financial Statements by the Audit Committee and by the Board

Every listed company is required to prepare and publish periodical financial statements for the first quarter (Q-1), first half-year (Q-2) and third quarter (Q-3) as per requirement of Bangladesh Securities and Exchange Commission (BSEC). UCB prepares quarterly financial statements as per requirement of Bangladesh Securities and

Exchange Commission (BSEC) and in accordance with Bangladesh Accounting Standard (BAS)-34; "Interim Financial Reporting".

Key highlights of interim results of the bank is stated below:

	1 Jan 2014 to 30 Sept 2014	1 Jan 2013 to 30 Sept 2013	1 Jan 2014 to 30 June 2014	1 Jan 2013 to 30 June 2013	1 Jan 2014 to 31 March 2014	1 Jan 2013 to 31 March 2013
	3rd qtr-2014	3rd qtr-2013	2nd qtr-2014	2nd qtr-2013	1st qtr-2014	1st qtr-2013
Balance sheet						
Investment in govt & Other securities	40,293.04	28,487.25	32,825.38	29,667.46	31,367.68	24,095.38
Loans and advances	169,017.14	147,300.20	163,918.37	142,322.22	150,989.41	134,665.46
Deposit and other accounts	191,016.59	171,297.40	188,701.07	172,685.64	176,944.67	166,584.97
Paid up capital	8,366.12	8,366.12	8,366.12	8,366.12	8,366.12	8,366.12
Total shareholders equity	21,010.45	18,624.01	20,581.58	18,152.28	21,490.35	17,000.04
Total assets	252,189.48	216,081.37	240,232.85	213,220.62	223,582.33	205,764.21
Off balance sheet items	116,415.86	64,006.12	115,839.49	60,566.28	78,386.80	54,882.49
Profit and loss account						
Net interest income	5,718.88	4,991.12	3,710.91	3,166.46	1,765.32	1,547.95
Non interest income	5,302.99	3,834.87	3,689.68	2,682.05	1,501.80	1,162.36
Operating expenses	4,921.18	4,072.23	3,172.62	2,943.97	1,641.50	1,125.06
Operating profit	6,100.69	4,753.76	4,227.97	2,904.53	1,625.62	1,585.25
Net profit after Taxation	2,345.86	1,527.56	1,927.34	1,058.69	956.23	-999.76
Earnings per share (EPS)	2.80	1.83	2.30	1.27	1.14	(1.2)
Other information						
Net asset value (NAV) per share	25.11	22.26	24.60	21.7	25.69	20.32
NOCFPS	(13.90)	(9.70)	(4.94)	(4.92)	(4.68)	0.76

Before publishing the interim result it is reviewed by the Audit Committee of the Board and then referred it to the Board of Directors' for its approval. After being approval of the Board of Directors interim financial statements are submitted to the Bangladesh Securities and Exchange

Commission (BSEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and then published in two daily newspapers (Bangla and English). The report is also available in the Bank's official website at www.ucbl.com.

Management Review

This section contains:

- Business Review and Segmental Analysis
- Report on Human Resources Management
- UCB's Products & Services
- Asset Liability Management

Business Review & Segmental Analysis

UCB has passed a successful year of 2014 performing a remarkable achievement in term of profitability, business growth, new business initiatives and implementation. The 2014 was an historic year for UCB as the Bank has successfully implemented world renowned core banking solution i.e. Oracle Flexcube Universal Banking Solution in it 49 branches including Head Office and Off-shore Banking Unit. Considering the economic scenario of 2014, the bank moved for balanced expansion of its businesses and also concentrated on strategic business decision, reform and restructuring the processes and policies.

As a result of which, the bank has impressive growth in its profitability with high quality of assets. The management focuses on the right decision at the right time which has ultimately maximized the bottom line of operating results. The management has reviewed the performance from different point of view which is stated below;

Branch Network

Presently the Bank is functioning with its country wide network of 148 branches covering all divisions of the country. Division wise urban and rural branches are given below:

Division Name	Urban	Rural	Total
Dhaka	41	26	67
Chittagong	29	19	48
Rajshahi	7	7	14
Rangpur	8	1	9
Sylhet	2	1	3
Khulna	6	0	6
Barishal	1	0	1
Total	94	54	148

The bank has set up a Zonal Office at Chittagong to facilitate services to the customers of the branches located under the Chittagong division. A part of continuous expansion, UCB opened 9 (nine) new branches in the year 2014. The numbers of authorized dealer branches are 27. Moreover, the Bank currently has 532 correspondents covering 60 important countries in all the continents of the world which is continuously expanding to meet the growing cross- border banking needs of the customers. Moreover, the Bank has arrangement with a number of Exchange Houses at U.K. Singapore, U.A.E., Oman, Qatar, Bahrain and Kuwait to facilitate remittances from expatriate Bangladeshis.

Human Resources Development

UCB has consistently been feeding the development requirements of employees in various job grades with the requisite competencies enabling them to meet the changing business needs and also to replenish employees retiring from Bank's services. HR continued to infuse fresh graduates and post-graduates as Probationary Officers and Trainee Officers during 2014 through a rigorous selection process. At the end of 2014 bank's total number of employees is 3,679 as against 3,445 of the same date of 2013.

The crucial area of HR activities has been management attrition. It is kept at a moderate level by establishing a high performance culture through competitive compensation package, merit based career progression plan and performance-linked financial rewards. Constant endeavors are also made to keep the employee morale and motivation at a high level through counseling programs and various staff welfare measures. The Bank's Performance Management Culture is geared with the introduction of target/KPI based performance system, where recognition is directly related to performance outcome. Performance appraisal system has been further streamlined during the year with a view to encouraging dialogue on performance and development feedback between the appraiser and appraisee.

Information Technology

UCB is a modern tech savvy bank. UCB is using latest, world proven infrastructure, hardware, network, applications, database etc solutions. Most of the solutions are centralized as a result to manage, monitor, control and performance are optimum.

Currently below technology functionality and solutions are running in UCB :

- Core Banking Systems – Flexcube Universal Banking System and PcBank2000.
- Credit Card Management System – CardPro.
- Switching and Debit Card Management System – Tranzware Online.
- Automated Clearing System – Flora CPS & Flora EFT solution.
- Mobile Financial System – Semicon.
- Central MIS system – UCB MIS.
- CBS Annexure System – Unex.
- Internet Banking (FCDB) and SMS banking pilot launched.

Business review & segmental analysis

- Centralized Report Server and MIS solution has been launched along with CBS first cut-off.
- Deployed Highly Capable Switching Device for Server Farm East West Traffic and transfer having with 960 Gbps throughput
- Two different types of Firewall is using for security control and comply PCI-DSS standard.
- UCB Corporate Building is fully facilitated with Wireless Coverage (WiFi) and IP Network based PABX.
- Usage of multiple redundant connectivity for each business unit (Branch, ATM booth, Back office etc.).
- Onsite tape backup and real-time data replication using Active Data Guard.
- Antivirus software for all the solutions.

CORE Banking Software

UCB has successfully implemented globally reputed Core Banking Software name FLEXCUBE. With the implementation of cutting edge technology in all sectors the bank started transforming all its branches and operations under the umbrella of the new Banking Software opening the horizon to provide its clients new transaction channels, services and products.

The major customer base branches of the Bank is already availing the service of Core banking system and the rest will be completed within December of 2015. As a result below IT improvements are in place :

- Process simplification and Centralization.
- Increased Operational Efficiency.
- Enhanced Business Agility.
- Increased Responsiveness.
- Increased Information Visibility for Timely Decision Making.
- Enhanced Compliance and Regulatory Requirements.
- Improvement in Data Manipulation & Data Loss Risk.
- Improvement of Transaction Role Risk (Maker /Checker).
- Reduced in Fraud & Forgery Risk, etc.

State of the Art Data Centre and Disaster Recovery Site:

UCB has procured and implemented state of the art Hardware, Software and systems in its Data Centre and Disaster Recovery Site keeping in mind future scalability,

efficiency, fault tolerance and high availability. The environmental security features of the Data Centre and Disaster Recovery Site have been provided highest priority. The network system of the Bank has been reconfigured with latest technologies for highest availability, efficiency and security.

Debit Switching and Credit Card Management Software:

UCB has recently migrated to its on Debit Switch(TRANZWARE) from the outsourced debit switch. This change has reduced risk of card data related fraud and forgery as well as increased control of the bank over entire operational and business process. Bank has recently introduced SMS notification for Credit and Debit transactions, which reduces the fraudulent transaction risks.

Bank is using CardPro software for Credit Card management .

Network Security

To control malicious and suspicious traffic, new Firewall implemented in Core & Perimeter zone. For controlling malicious and unwanted traffic in application level, Intrusion Prevention System (IPS) is implemented. VPN has been successfully implemented in UCB environment to ensure secure and encrypted remote access from public network. Protecting from any types of cyber attacks UCB has implemented web based firewall(Cyber Rom).

Two Factor Authentication

Bank is in the process of implementing Two Factor Authentication(2FA) for its e-commerce based Card Not Present transactions which will be completed by February 2015 and will ensure that Card Not Present transactions is possible using UCB Cards ensuring security of card data.

ICT Policies, Process Implementation:

The ICT Policy of the Bank has been recently revised and restructured to comply with the recent technology and risk management trends to Bangladesh Bank guideline. The Business Continuity Plan, Disaster Recovery Plan and Information Security Management Policy have been republished after the revision.

Business review & segmental analysis

ICT Training and Security Awareness

In the venture to train and aware all the employees of the bank on Security and technology Operation, Bank has set up three Training Centers (in Dhaka, Chittagong and Sylhet) equipped with modern technology. Information Technology division has regularly conducted ICT awareness training for all employees.

Current IT Projects:

- Card EMV project as well as 2F authentication project ongoing for ensuring compliance and security and safety of the customer and bank.
- Customer Launch of Internet Banking, Mobile Banking & SMS Banking.
- URemit - Centralized Remittance Solutions System to facilitate real-time remittance crediting.
- Domain migration to UCB
- PCI DSS certification

Mobile Financial Services; UCash

UCash is a complete mobile financial service offered by UCB. UCash offers customers to use their mobile phone as a bank account, which can be used to deposit money, transfer money to other UCash accounts or withdraw money from any of the agent points. UCash revolutionized the MFS sector by being the first to offer interest on customer deposits. Just within one year of launching UCash acquired 1.3 million subscribers and launched various innovative value added services like purchase cricket ticket, case fine payment of Dhaka Metropolitan Police, utility bill payment etc.

Treasury Operation

Treasury of UCB generates income by the most efficient utilization of investment and arbitrage opportunities in the market. It also responsible for measuring and monitoring of all risks associated with the Bank's local and foreign exchange exposure. The treasury team is a combination of the most committed and skilled personnels capable of providing all kinds of treasury solutions through wide range of products to our customers with superior service quality. In 2014, UCB Treasury has played around with its specific priorities set at the beginning of the year. We acted to optimize our priorities through following means in maximizing overall profitability of UCBL Treasury.

- Discovering new avenues of investment which maximize portfolio size as well as portfolio return.

- Monitoring market behavior to take the market opportunities in the form of arbitrage pricing etc.
- Exploring new opportunities especially in the fields of derivatives.
- Optimum effort to build rapport with all of our inter-bank and corporate counterparts.

To provide superior service with respect to pricing and cater the best possible solution to the customers, UCB has four separate desks in Treasury Division which are:

Foreign Exchange Desk: FX desk offers full range of FX Derivative products to the customers which include Spot, Forward and SWAP in FCY-BDT and other major cross currencies. Throughout the year, UCBL treasury always kept its open position within its set limit of USD 46.14 million. FX Desk makes forecast about future exchange rate movement on a regular basis and maintains its open position according to its future projection throughout the year.

Money Market Desk: Money market desk is involved in management of assets and liabilities of the Bank. The main function being management of statutory reserves viz. Cash Reserve Ratio (CRR). UCB Money Market Desk is one of the most active and efficient desk in the interbank market. This desk ensured a steady presence throughout the year by exercising call money, term placement, repo and reverse repo etc.

Fixed Income & Security Desk: UCB Fixed Income & Security desk is responsible for investment in various Govt approved securities like Treasury Bill, Bond, Bangladesh Bank Bill and other instruments which are qualified for Statutory Liquidity Requirement (SLR). This desk ensured Banks SLR as per Bangladesh Bank requirement. However, active participation in trading of secondary government securities has also contributed to the growth of revenue generated from this desk.

Asset Liability Management Desk: Treasury is the driving force of the Asset Liability Management Committee (ALCO). UCB has highly efficient ALM Desk which provides analysis, instructions for proper management of Balance sheet. It executes the strategies of the ALCO for effective management and monitoring of various balance sheet gaps.

Business review & segmental analysis

Treasury Income Highlight

+ 23.74%

2014	BDT4,576.60 million
2013	BDT3,695.60 million

Money Market & Investment Income

+24.98%

2014	BDT3,800.00 million
2013	BDT3,040.60 million

Foreign Exchange Income

+ 18.01%

2014	BDT 776.60 million
2013	BDT 655.00 million

Internal Control & Compliance:

Internal auditing is a professional, independent and objective appraisal function that uses a disciplined, evidence-based approach to assess and improve the effectiveness of risk management, control and governance processes. This is an independent, autonomous high level control function charged with the responsibility of appraising all phases of the Bank businesses and operations. The Head of Internal Control and Compliance Division reports to the Managing Director/CEO directly for administrative purposes and has a dotted line to the Chair of the Audit Committee of the Board of Directors. The Head of ICCD has unhindered access to the Audit Committee & Senior Management and meets periodically.

The objective of ICCD is to examine and evaluate all activities of the Bank according to appropriate best business practice recommendations as outlined in the International Standards for the Professional Practice of Auditing and references to good corporate governance. Internal Audit performs analyses of the effectiveness of the reviewed activities, evaluates the quality of the risk management and control systems & processes and provides recommendations for potential improvements.

There are 4(four) units working in ICCD named as (i) Audit & Inspection Unit, (ii) Compliance Unit, (iii) Monitoring Unit & (iv) System Audit Unit. Main task of 'Audit & Inspection Unit' is to conduct Risk Based (Process) Audit, Surprise

Inspection, Special Investigation etc. to assess the probable risks and find out violation of policy/ procedure/ guidelines etc. In 2014, Audit and Inspection Unit has audited 139 branches. Main task of 'Compliance Unit' is to ensure compliance of irregularities/lapses mentioned in the audit report within stipulated time frame. Main task of 'Monitoring Unit' is to analyze data/information collected from various branches and assess the risk of individual branch. Lastly main task of 'System Audit' is to conduct IT audit in branches and divisions for pointing out weakness in IT security system. ICCD plans to arrange an extensive training program for all employees in collaboration with Learning & Development Centre (LDC) and CBS Team of the Bank.

ICCD has prepared a 'Process Manual' in the year 2014 and draft 'Internal Audit Charter' which is under review for finalization. A detailed checklist is also under process to conduct Risk Based (Process) Audit on branches & divisions in light of implementation of Core Banking System (CBS). Considering the implementation of CBS in the Bank, ICCD also took initiative to strengthen its 'System Audit Unit' by recruiting some highly expert & certified IT auditors. Considering the changed environment; a befitting organogram of ICCD has already been approved by the competent authority. Management has also got serious view to ensure proper manpower for ICCD to meet up the upcoming challenges in near future.

Banks and financial services organizations are now more concerned than ever about risk and compliance management. Many, if not most, new risks over the last two decades can be attributed to globalization, explosion of new businesses, growth in technology and gains in efficiency. These changes have not only brought tremendous economic growth but also a growing multitude of risk causing a fundamental change in the approach to risk management. These changing trends in risk management mean that executive decision makers and risk managers within banks have to grapple with some basic issues. Business complexity, along with increased regulatory and market scrutiny, is driving banks to adopt a structured approach to governance, risk, and compliance. The goal is to effectively define, manage, and monitor the external and internal business environments. Technology will play key and enabling role in delivering sustainability, consistency, efficiency, and transparency across this federated Governance, Risk & Compliance process and organization.

Business review & segmental analysis

Import & Export Business

Bangladesh economy is growing at an average rate of 6% over the last two decades despite natural disasters, political unrest and infrastructural deficiencies. Infrastructure is in urgent need of improvement and upgrading. In particular, expansion of the transport and communications network and power generation capacity are essential to supporting long-term growth.

In the year 2014, UCB achieved a significant growth both in import & export business. Total import business handled was BDT 155,282.40 million while the export business transacted during 2014 was BDT 130,447.20 million. The growth rate of import & export trade was 32.11% and 38.35% respectively over the corresponding period of 2013. The items of imports were industrial raw materials, industrial machineries, commodities viz. wheat, Sugar, Lentils, Edible Oil, Cotton etc.

On the export side the top three markets for Bangladeshi exports are the USA, Germany and the UK, and the largest sectors are Clothing and Apparel, Textiles, Wood Manufactures, and Animal Products. Last year, Bangladesh was the second largest exporter of garments to the EU and so Bangladesh's exports are expected to rise as the Euro zone gradually moves out of recession in coming months. UCB's export was largely dominated by clothing, apparel and textile items followed by Jute Goods, Leather & Leather Goods, Potato, Tobacco, Fresh Vegetables, Processed Peanuts, Handicrafts etc. The growth in import and export business of UCB was one of the key attributing factors towards the overall profitability of the bank in 2014.

Foreign Remittance

In Bangladesh, remittance is one of the most important economic variables in recent times as among others it helped in maintaining equilibrium in balance of payments, increasing foreign exchange reserves and enhancing national savings. For about two decades remittance has contributed around 35% of export earnings of the country. If cost of imported raw materials is deducted from the foreign exchange earning of the garments sector, remittance becomes the single largest sector of foreign exchange earnings of the country.

Considering the importance UCB has entered into drawing arrangement with a good number of Exchange companies in U.A.E, Bahrain, Oman, U.K, Kuwait, Qatar and in K.S.A. Bank has set up a Remittance Processing Center at Head Office with skilled and efficient human resources in order to ensure seamless delivery of the proceeds of remittances through its 148 branches in strategic locations having concentration of inward foreign remittance. Compare to the previous year 2013 (US\$ 77 million) the volume of remittances increases significantly in 2014 (US\$ 120 million. Business Growth is 55% then the previous year (2013).

Off Shore Banking

The Offshore Banking Unit (OBU) has been activated which mainly deals with non-resident Bangladeshi citizen, exclusively maintaining foreign currency transaction, borrow and lend in foreign currency with any other local and international Banks. OBU offers limited trade transactions such as Bill financing & discounting and finance mainly to fully Foreign Owned companies, and in limited cases to Joint Venture Companies subject to permission from the Board of Investment (BOI).

In the year 2014, UCB achieved a significant growth in OBU business. Total 1119 no. of Bills discounted in 2014 & total value of the Bills was USD 168.22 million. Total profit was BDT 346.50 million. The growth rate of OBU was 157% over the corresponding period of 2013.

Corporate Financing

With constant 6% economic growth on average over the past two decades amid many obstacles, the economy of Bangladesh has emerged as a promising economy achieving several targets of MDGs and gradually advancing to the threshold of middle income countries. The contribution of industrial sectors in the socio-economic development of Bangladesh as a percentage of GDP is mounting. To meet the demand of rising economy, lots of new corporate entrepreneurs have come forward with the expansion of existing ones. Banks and Financial Institutions are playing pivotal role in the industrial growth by channeling required fund from

Business review & segmental analysis

surplus budget unit to the deficit budget unit i.e. to the industrial sectors. UCBL, as a socially responsible financial institution, is serving every need of the corporate customers with its broad spectrum of loan products. The credit products of UCB are assortment of traditional and tailor-made products which fall under three broad categories such as General Corporate Products, RMG Products and Structured Finance Products. Some of the broad categories of asset products include Industrial and Project Financing, Working Capital Financing, Export-Import Financing, Syndicated Finance, Hire Purchase, Lease Financing, Transport Loan, Developer Finance, Work Order Finance, Off-shore Financing, etc.

Our Corporate Banking entails one of the largest corporate customers base in the banking industry of Bangladesh. The corporate loan portfolio is well diversified among more than thirty uncorrelated industrial sectors and distributed in all the divisions of the country. By and large, all the prominent corporate houses in Bangladesh have kept their confidence on UCBL and created a rapport with us based on mutual benefits. Our key corporate sectors include RMG, Pharmaceuticals, Steel, Textiles, Spinning, Ship Breaking & Building, Packaging, Food Products & Processing, Paper & Paper Products, Furniture, Cement Industries, Power, Construction (Infrastructural), Housing, Aviation, Tableware, Oil Refinery, Healthcare, Transport & Communication, Tea Gardening, Electronic Media, Educational Institute, Hotel & Restaurant, Renewable Energy, Plastic & Polymer, Telecommunications, Ocean-Going Vessel financing, Agri-Business (Poultry, Food Processing), Leather & Leather Products, Commercial Trade Financing and others.

The overall performance of corporate loan portfolio of UCBL has reached a commendable position over the past several years. At the end of 2014, total corporate loans and advances stood at BDT 59,240.00 million which constitutes 34.02% of total loans and advances. Out of total corporate loan of BDT 59,240.00 million, General Corporate loan stood at BDT 36,700.00 million, RMG loan stood at BDT 16,270.00 million and Syndication loan stood at BDT 6,270.00 million. During the year 2014, financing in Padma Multipurpose Bridge Project, among others, is a major achievement which is also an emblem of UCB's financial and reputational elevation.

Amid various challenges, uncertainty and economic slowdown, loans and advances extended to the corporate customers have performed well and still playing foremost role in income generation for the Bank as evidenced from the contribution of income from corporate loan that

earned lion's share of total income for the Bank. The corporate credits are also maintaining good quality as the Non Performing Loan (NPL) ratio, as a percentage of total loans and advances, remained at a satisfactory level over the past several years due to concerted monitoring, tracking and supervising of corporate customers. With good quality assets, large corporate clientele, dedicated corporate team, efficient top management and prudent guidelines from the Board, UCB is well prepared to take the upcoming challenges lie in the banking industry.

SME Financing

Small and medium enterprises (SMEs) are now the key driving force for the economic and social development of emerging markets like Bangladesh. They play a dominantly important role in creating jobs and generating income for low income people; they foster economic growth, social stability, and contribute to the development of a dynamic private sector. A developing country like Bangladesh with high density of population & scarcity of land & capital should give emphasis on 'labor-intensive' industries rather than 'capital-intensive' industries to achieve the Millennium Development Goals (MDGs) towards eradicating poverty. This can only be possible by nurturing SME sector properly as it plays an significant role in generating employment at reasonable rates of remuneration, especially workers with limited skills and women who have few alternative sources of income.

With a view to become a part of this journey, UCB has firm commitment to encourage SME sector through promoting new entrepreneurs with new & innovative ideas of diversified products. UCB has already introduced various types of loan products to meet up the requirement of SME sector under prudent guidelines of its regulator(s). The bank has been fulfilling the thirst of SME clients through its country wide network of 2(two) dedicated SME branches and 146 (One hundred & forty six) urban & rural branches with an efficient & committed team of Relationship Managers working in both Branch and Corporate Office. UCB is providing diversified loan products covering different categories like Working Capital Financing, Import Financing, Lease Financing, Hire Purchase, Work Order Financing etc. SME portfolio of the Bank distributed among all major sectors like Manufacturing, Textiles, Garments Accessories, Construction, Furniture, Healthcare, Transport & Communication, Housing, Agri- Business (Poultry, Food processing etc.), Leather & Leather Products, Educational Institute etc. SME Business Division also attended different SME fairs all over the country with new products & ideas to increase its clientele base.

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UCB has got one of the largest SME portfolios in the banking industry of the country. At the end of 2014, total loans & advances of SME stood at BDT 87,670.00 million holding 50.34% of total loan portfolio. BDT 978.30 million was financed among women entrepreneurs and BDT 2,762.60 million in Agriculture sector. UCB observed significant growth in SME portfolio over the last few years as stated below:

(BDT in million)		
Year	Outstanding Balance	Growth (%)
2012	57,545.60	40.09%
2013	70,246.60	22.07%
2014	87,670.00	24.80%

Despite of various challenges & uncertainties like political instability, economic meltdown, new entrants in the banking industry etc., UCB upholds the trend in SME financing with a view to become the dominant market player to be the part of mission towards sustainable growth & development of the economy. This tremendous achievement was possible due to prudent guidance of Board of Directors as well as able leadership of Senior Management of the Bank and relentless efforts of Relationship Managers by ensuring proper monitoring, tracking & supervision to keep the NPL ratio at an acceptable level.

Therefore, considering immense importance of this sector, SME Business Division is committed to overcome all forthcoming challenges & uncertainties through ensuring all out efforts of its dedicated team of Relationship Managers towards achieving the targets to be the first choice in the banking industry for SME financing.

Retail Banking

Retail banking scenario in UCB is witnessing a dramatic change in the patterns of product creation and consumption. The influx of consumerism has its natural spillover effect in terms of increased demand of retail banking products- deposit, cards, loans & customized products and services. The retail banking Division has its task cut out: keeping pace with the fast changing competitive environment, optimum usage of technology, expanding customer base by targeting rural Bangladesh towards inclusive banking, improving customer service standards & strategically designing innovative products and services towards targeted segments.

UCB Retail Banking is playing an important role to fulfill the lifestyle need of its customers. Be it deposit to ensure safety in future or a loan to fulfill the future need now, UCB retail offers a range of products aiming to satisfy the growing market requests and customers needs without having to compromise their dreams. This division strives to create best practices by being different in the fields like consumer lending, liability management and cash management. We believe every approach the Retail Banking team of UCB will take today will ensure satisfaction of our customer tomorrow.

Retail Banking has become a vital Pillar in the bank's structure and a strong lever in Bank's P&L. It has made a strong inroad into Balance Sheet of the Bank. Currently Retail Deposit Book is BDT 106,820.00 million which is about 50% of the Bank's total deposit. The total deposit of Retail Banking experienced a growth of 15% from the previous year. Low Cost deposit grew by 32% against 10% growth of High Cost Deposit. The ratio of Low cost deposit in total deposit Mix was 27% in 2014 against 23% in 2013.

Prime focus of Retail Banking in 2014 was to flourish the Imperial Banking Division (Priority Banking Services) by adding more lounges to the pipeline and on the verge of that we opened our Uttara Imperial lounge in 2014. With the differentiated service and benefits, Imperial has contributed significantly to the portfolio enhancement of the Bank with a yearend deposit portfolio of BDT 1,660.00 million.

Nowadays, customer wants to complete all their transaction at one go and look for convenience of banking more. Keeping that in mind we have adapted major changes in IT platform during 2013 and are moving into the fast lane by the end of 2014. We strongly believe that with the help of a robust IT platform we shall be able to offer modern banking facilities for our customers in coming days. Newly introduced Internet Banking is believed to change the face of Retail Banking.

Card Business

UCB Cards Business is one of the main stream businesses of the bank. Credit Card has become an integral part of Consumer lifestyle and also a profitable product for the Bank. UCB cards started its journey in 2006

Business review & segmental analysis

and within a very short period became a strong player in the market. UCB is the principal member of VISA and MasterCard. But it had suffered few setbacks in last few years. 2014 was the year of turnaround for UCB Cards. It made a strong comeback in the market and in Consumer mind.

Till to-date the bank has issued 58,686 Credit Cards and has extended its service in Divisional and District cities. Currently it has a portfolio of BDT 1,320.00 million. In 2014 cards strategy evolved around improvement in Product Proposition, continuous process improvement, Formulation of major policies, increased promotional activities and revised pricing structure.

The Financials in Cards Business has noticed an upward trend in 2014. Operating Profit in 2014 was 256.60 million i.e 195% growth from 2013. Total revenue grew by 91%, POS transaction volume grew by 19%, Cash Advance grew by 18%.

To increase the visibility in the market, Cards Business has tied up with 55 partners, where UCB Cardholders will enjoy various kinds of discounts. Another highlight of 2014 was to introduce Equal Installment Plan for Customers and we have 21 Partners where UCB Cardholders can buy products and pay in Installments with no Interest.

UCB started its own ATM Network in 2009 and has already established 115 ATMs throughout Bangladesh; and hoping to reach 150 by the end of 2015. The Bank has issued around 88,485 new debit cards and through that bank crossed the 150,000 debit card milestone during 2014.

Today the Bank's Card Service is available from all branches across the country. Our Premium Cardholders enjoy special privilege at Dhaka International Airport.

Finally Retail banking division is committed to maintain strength both in earning and balance sheet, Clients will continue to enjoy their relationship with UCB with the believe that their deposit are safe and service level will improve every day. We promise to our customer Happy Banking all along the journey with UCB Retail Banking.

Readymade Garments Financing

The country has an inspiring track record over growth & development of RMG sector for contributing as a key indicator in socio economic development by playing pivotal role in employment generation, upholding human development index, alleviating poverty, empowering

woman work force & reducing trade deficit in global business. The sector is approaching ahead with aspiration to take a seat on pinnacle in global apparel business. Due to robust growth over last three decades, ready made garments has become major foreign earning source which accounted for 80% of the country's total export by fetching billions of dollars in every year. More than four million people, engaged in above 4000 garments are fabricating country's economy with their day night untiring efforts.

Despite manifold pressure of elevating compliance standard due to tragedy of Rana Plaza, Tazreen Garments & holding preferential access in international market, apparel business in Bangladesh remains unscratched in last couple of years. In last fiscal year 2013-2014, the country's total RMG export stood around \$24.49 billion, raised by 13.85% from \$21.51 billion. Being one of the pioneer banks in Bangladesh, UCB has been assisting RMG industry & its backward linkage since long. UCB relaxes her entrepreneur by facilitating adequate export finance i.e issuance of back to back LC for procurement of raw materials, allowing pre-shipment & post-shipment finance, importing capital machineries, providing long term loan for installation of new factory & expansion of existing factory and most importantly financing RMG factories for improvement of their compliance standard.

