

FINANCIAL STATEMENTS OF UNITED COMMERCIAL BANK LIMITED

Auditors' Report to the shareholders' of United Commercial Bank Limited

We have audited the consolidated financial statements of United Commercial Bank Limited and its subsidiaries, (the "Group") as well as the financial statements of United Commercial Bank Limited ("the Bank") which comprise the balance sheet as at 31 December 2011, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the subsidiaries, UCB Securities Limited and UCB Investment Limited, were audited by us, as at 31 December 2011.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of these consolidated financial statements of the Group and financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Bank prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Group as well as the Bank as of 31 December 2011 and the results of its financial performance and its cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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We also report that:

i) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

ii) the consolidated balance sheet and consolidated profit and loss account of the Group and those of the Bank dealt with by the report are in agreement with the books of account and returns;

iii) the expenditure incurred was for the purposes of the Group's and the Bank's business;

iv) the consolidated financial position of the Bank and its subsidiaries as of 31 December 2011 and the profit for the year then ended have been properly reflected in the consolidated financial statements, and the consolidated financial statements have been prepared in accordance with the generally accepted accounting principles;

v) the consolidated financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;

vi) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;

vii) the consolidated financial statements of the Group and those of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

ix) the information and explanations required by us have been received and found satisfactory.

x) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 2,800 person hours for the audit of the books and accounts of the Group and the Bank.

Dated : 21 March 2012

Syful Shamsul Alam
Syful Shamsul Alam & Co.
Chartered Accountants

Consolidated Balance Sheet

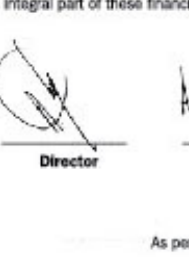
As at 31 December 2011

Notes	Amount in Taka	
	31 Dec. 2011	31 Dec. 2010
PROPERTIES & ASSETS		
Cash	3.00	13,034,212,190
Cash in hand (Including foreign currencies)		1,761,707,268
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		11,272,504,922
Balance with other banks & financial institutions	4(a)	3,740,008,122
In Bangladesh		3,208,435,789
Outside Bangladesh		531,572,333
Money at Call on short notice	5.00	5,070,000,000
Investments	6(a)	19,506,665,453
Government		16,303,116,231
Others		3,203,549,222
Loans and Advances	7.00	115,506,326,932
Loans, Cash Credits, Overdrafts etc		112,741,460,709
Bills purchased and discounted		2,764,866,223
Fixed assets including premises, furniture & fixture	8.00	3,288,087,277
Other assets	9(a)	8,543,243,532
Non-banking assets		-
Total Assets		168,688,543,506
LIABILITIES AND CAPITAL		
Liabilities:		
Borrowings from other banks, financial institutions and agents	10.00	-
Deposits and other accounts	11(a)	139,284,745,903
Current accounts & other accounts		16,153,444,792
Bills Payable		2,273,086,345
Savings Bank Deposits		14,811,191,649
Fixed Deposits		106,047,023,117
Other Liabilities	12(a)	13,440,625,561
Total Liabilities		152,725,371,464
Capital / Shareholders' Equity		
Paid up Capital	13.00	7,274,883,750
Share Premium		1,454,976,750
Statutory Reserve	14.00	3,594,277,936
General Reserve	15.00	26,577,961
Other Reserve	16.00	1,638,376,771
Retained Earnings	17(a)	1,974,078,777
Total Shareholders' Equity		15,963,171,945
Non controlling interest		97
Total Shareholders' Equity with non-controlling interest		15,963,172,042
Total Liabilities and Shareholders' Equity		168,688,543,506

Off Balance Sheet Items As at 31 December 2011

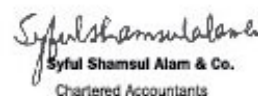
Notes	Amount in Taka		
	31 Dec. 2011	31 Dec. 2010	
Contingent Liabilities :	18.00	40,255,368,942	40,797,736,864
Acceptances & Endorsements	18.01	13,288,652,589	13,680,010,767
Letter of Guarantees	18.02	12,442,898,593	10,543,900,599
Irrevocable Letter of Credit	18.03	14,217,804,235	16,288,672,250
Bill for Collection	18.04	306,013,525	285,153,248
Other Commitments:		-	-
Documentary credit and other short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance sheet items including contingent liabilities		40,255,368,942	40,797,736,864

The annexed notes 01 to 45 form an integral part of these financial statements.

 Managing Director
 Director
 Director
 Director

As per our separate report of same date.


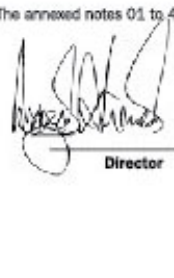


Dated : March 21, 2012
Place : Dhaka


 Syful Shamsul Alam & Co.
 Chartered Accountants

Consolidated Profit and Loss Account For the year ended 31 December 2011

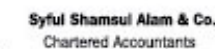
	Notes	Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
Interest income	19.00	15,351,632,098	9,468,361,424
Interest paid on deposit and borrowings etc	20.00	10,203,214,761	5,632,947,436
Net Interest Income		5,148,417,337	3,835,413,988
Investment income	21.00	1,739,911,885	1,970,671,424
Commission, exchange and brokerage	22.00	1,647,706,030	1,359,550,333
Other Operating income	23.00	758,337,034	688,246,381
Total Operating Income (A)		9,294,372,286	7,853,882,126
OPERATING EXPENSES			
Salary and allowances	24.00	1,784,554,350	1,795,575,637
Rent, taxes, insurance, electricity etc.	25.00	450,071,354	373,489,667
Legal expenses	26.00	7,388,739	11,095,425
Postage, stamps, telecommunications etc.	27.00	64,596,297	54,033,234
Stationery, printing, advertisements etc.	28.00	199,989,030	159,085,714
Chief Executive's salary and fees	29.00	10,916,300	10,033,000
Director's fees	30.00	5,570,584	4,600,161
Auditors fees	31(a)	586,850	555,000
Depreciation and repair of banks assets	32.00	236,779,122	169,015,538
Other expenses	33(a)	561,607,834	545,905,371
Total Operating Expenses (B)		3,322,060,460	3,123,388,747
Profit/(Loss) before provision (C) = (A-B)		5,972,311,826	4,730,493,379
Provision for Loans & Advances	34.00	788,308,225	832,052,754
Provision for diminution in value of investments	35.00	-	71,832,000
Other provision	36.00	11,691,775	196,645,125
Total Provision (D)		800,000,000	1,100,529,879
Total Profit before Income taxes (C - D)		5,172,311,826	3,629,963,500
Provision for Taxation	37(a)	2,227,109,622	1,450,167,647
Current Tax		2,227,109,622	1,288,052,590
Deferred Tax		-	162,115,057
Net Profit after Taxation		2,945,202,204	2,179,795,853
Appropriations			
Statutory Reserve		1,034,582,919	726,359,614
Retained Surplus		1,910,619,285	1,453,436,239
		2,945,202,204	2,179,795,853
Earnings Per Share (EPS)	38(a)	4.19	3.48

The annexed notes 01 to 45 form an integral part of these financial statements.

 Managing Director
 Director
 Director
 Director

As per our separate report of same date.

Dated : March 21, 2012
Place : Dhaka


 Syful Shamsul Alam & Co.
 Chartered Accountants

Consolidated Cash Flow Statement For the year ended 31 December 2011

A. Cash flows from operating activities

Notes	31 Dec. 2011.	31 Dec. 2010.
Interest Receipts in cash	16,607,189,138	10,466,431,686
Interest Payments	(10,203,214,761)	(5,632,947,436)
Dividend Receipts	159,394,144	76,921,633
Fees & Commission Receipts in cash	1,068,186,725	846,031,301
Recoveries of loans previously written off	148,356,286	140,548,021
Cash Payments to employees	(1,795,470,650)	(1,805,608,237)
Cash Payments to suppliers	(714,656,681)	(586,586,400)
Income taxes paid	(1,366,036,542)	(848,620,709)
Receipt from other operating activities	1,514,460,754	1,960,962,251
Payment for other operating activities	(653,140,221)	(596,526,370)
Operating profit before changes in operating assets and liabilities.	4,765,068,192	4,020,605,740

Increase/Decrease in operating assets and liabilities:

Statutory Deposits	(3,890,001,939)	(4,553,241,328)
Purchase/Sales of trading Securities	(541,085,897)	(377,641,105)
Loans and advances to Customers	(22,120,465,019)	(32,573,242,635)
Other assets	(849,467,623)	(437,399,486)
Deposit from banks	(1,996,877,000)	(2,015,718,000)
Deposit from customers	28,410,840,398	37,356,099,448
Other Liabilities	2,155,547,224	348,788,257
	1,168,490,143	(2,252,354,849)
Net Cash from operating activities (A)	5,933,558,335	1,768,250,891

B. Cash flows from investing activities

Proceeds from Sale of Securities	95,902,030	(770,605,200)
Acquisition of Fixed Assets	(1,524,180,401)	(798,448,965)
Proceeds from sale of fixed Assets	-	1,780,052
Net Cash from investing activities (B)	(1,428,278,371)	(1,567,274,113)

C. Cash flows from financing activities

Repayment of borrowings	-	(550,000,000)
Cash received from issuing of Right Shares	4,364,930,250	-
Net cash from financing activities (C)	4,364,930,250	(550,000,000)

D. Net Increase/(Decrease) in cash (A+B+C)

Net Increase/(Decrease) in cash (A+B+C)	8,870,210,214	(349,023,222)
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E. Cash and Cash equivalents at beginning of the year

Cash and Cash equivalents at beginning of the year	12,974,010,098	13,323,033,320
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F. Closing Cash and cash equivalents at the end of the year

Closing Cash and cash equivalents at the end of the year	21,844,220,312	12,974,010,098
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Cash and cash Equivalents at end of the year

Cash in hand (including foreign currencies)	3.01	1,761,707,268	1,615,750,667
Balance with bangladesh bank and its agent bank	3.02	11,272,504,922	8,413,724,589
Balance with other banks & financial institution	4.00	3,740,008,122	1,824,534,862
Money at call on short notice	5.00	5,070,000,000	1,120,000,000
		21,844,220,312	12,974,010,098

The annexed notes 01 to 45 form an integral part of these financial statements.

Managing Director

Director

Director

Director

Dated : March 21, 2012
Place : Dhaka

Consolidated Statement of Changes in Equity For the year ended 31 December 2011

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Currency Translation Reserve	Retained Earnings	Total
Balance as at 01 January 2011	2,900,953,500	-	2,399,095,017	91,577,561	406,496,009	343,473,044	97	-	1,403,406,242	7,814,032,420
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Revalued Balance	2,900,953,500	-	2,399,095,017	91,577,561	406,496,009	343,473,044	97	-	1,403,406,242	7,814,032,420
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investments	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	2,743,607	-	2,743,607
Net gains and losses not recognized in the Income Statement	-	-	-	-	-	-	-	-	2,945,302,204	2,945,302,204
Net Profit for the period	-	-	-	-	-	-	-	-	(1,034,082,919)	-
Appropriation made during the year	-	-	-	-	-	-	-	-	(1,454,976,750)	-
Dividends (Bonus Share Issued)	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Issue of share capital	2,600,953,500	1,454,976,750	-	-	-	-	-	-	65,000,000	4,364,930,250
Balance as at 31 December 2011	7,274,883,750	1,454,976,750	3,594,277,936	26,577,561	1,483,249,590	152,383,574	97	2,743,607	1,974,078,777	15,963,172,042

The annexed notes 01 to 45 form an integral part of these financial statements.

Managing Director
Director
Director
Director

Dated : March 21, 2012
Place : Dhaka





Balance Sheet As at 31 December 2011

Notes	Amount in Taka	
	31 Dec. 2011	31 Dec. 2010
PROPERTIES & ASSETS		
Cash	3.00	13,034,212,190
Cash in hand (including foreign currencies)		1,761,707,268
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		11,272,504,922
Balance with other banks & financial institutions	4.00	3,740,008,122
In Bangladesh		3,208,435,789
Outside Bangladesh		531,572,333
Money at Call on short notice	5.00	5,070,000,000
Investments	6.00	19,383,418,310
Government		16,303,116,231
Others		3,080,302,079
Loans and Advances	7.00	115,506,326,932
Loans, Cash Credits, Overdrafts etc		112,741,460,709
Bills purchased and discounted		2,764,866,223
Fixed assets including premises, furniture & fixture	8.00	3,288,087,277
Other assets	9.00	8,869,724,326
Non-banking assets		-
Total Assets		168,891,777,157
LIABILITIES AND CAPITAL		
Liabilities:		
Borrowings from other banks, financial institutions and agents	10.00	-
Deposits and other accounts	11.00	139,484,745,903
Current accounts & other accounts		16,353,444,792
Bills Payable		2,273,086,345
Savings Bank Deposits		14,811,191,649
Fixed Deposits		106,047,023,117
Other Liabilities	12.00	13,440,618,311
Total Liabilities		152,925,364,214
Capital / Shareholders' Equity		
Paid up Capital	13.00	7,274,883,750
Share Premium		1,454,976,750
Statutory Reserve	14.00	3,594,277,936
General Reserve	15.00	26,577,961
Other Reserve	16.00	1,638,376,771
Retained Earnings	17.00	1,977,319,775
Total Shareholders' Equity		15,966,412,943
Total Liabilities and Shareholders' Equity		168,891,777,157

Off Balance Sheet Items As at 31 December 2011

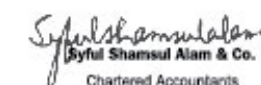
Notes	Amount in Taka	
	31 Dec. 2011	31 Dec. 2010
Contingent Liabilities :	18.00	40,255,368,942
Acceptances & Endorsements	18.01	13,288,652,589
Letter of Guarantees	18.02	12,442,898,593
Irrevocable Letter of Credit	18.03	14,217,804,235
Bill for Collection	18.04	306,013,525
Other Commitments:		-
Documentary credit and other short term trade related transactions		-
Forward assets purchased and forward deposits placed		-
Undrawn note issuance and revolving underwriting facilities		-
Undrawn formal standby facilities, credit lines and other commitments		-
Total Off-Balance sheet Items including Contingent Liabilities		40,255,368,942

The annexed notes 01 to 45 form an integral part of these financial statements.

 Managing Director
  Director
  Director
  Director

As per our separate report of same date.

Dated : March 21, 2012
Place : Dhaka


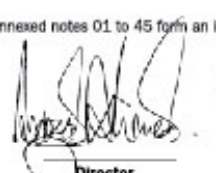
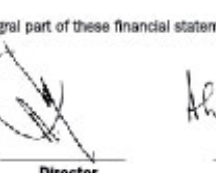
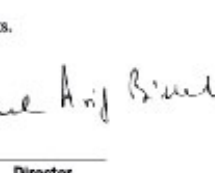

 Syful Shamsul Alam & Co.
 Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2011

	Notes	Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
Interest Income	19.00	15,351,632,098	9,468,361,424
Interest paid on deposit and borrowings etc	20.00	10,203,214,761	5,632,947,436
Net Interest Income		5,148,417,337	3,835,413,988
Investment Income	21.00	1,739,911,885	1,970,671,424
Commission, exchange and brokerage	22.00	1,647,706,030	1,359,550,333
Other Operating Income	23.00	758,337,034	688,246,381
Total Operating Income (A)		9,294,372,286	7,853,882,126
OPERATING EXPENSES			
Salary and allowances	24.00	1,784,554,350	1,795,575,637
Rent, taxes, insurance, electricity etc.	25.00	450,071,354	373,489,667
Legal expenses	26.00	7,388,739	11,095,425
Postage, stamps, telecommunications etc.	27.00	64,596,297	54,033,234
Stationery, printing, advertisements etc.	28.00	199,989,030	159,085,714
Chief Executive's salary and fees	29.00	10,916,300	10,033,000
Director's fees	30.00	5,570,584	4,600,161
Auditors fees	31.00	524,600	525,000
Depreciation and repair of banks assets	32.00	236,779,122	169,015,538
Other expenses	33.00	561,067,313	543,302,141
Total Operating Expenses (B)		3,321,457,689	3,120,755,517
Profit/(Loss) before provision (C) = (A-B)		5,972,914,597	4,733,126,609
Provision for Loans & Advances	34.00	788,308,225	832,052,754
Provision for diminution in value of investments	35.00	-	71,832,000
Other provision	36.00	11,691,775	198,645,125
Total Provision (D)		800,000,000	1,100,529,879
Total Profit before income taxes (C - D)		5,172,914,597	3,632,596,730
Provision for Taxation	37.00	2,227,109,622	1,450,162,647
Current Tax		2,227,109,622	1,288,047,590
Deferred Tax		-	162,115,057
Net Profit after Taxation		2,945,804,975	2,182,434,083
Appropriations			
Statutory Reserve		1,034,582,919	726,359,614
Retained Surplus		1,911,222,056	1,456,074,469
		2,945,804,975	2,182,434,083
Earnings Per Share (EPS)	38.00	4.20	3.49

The annexed notes 01 to 45 form an integral part of these financial statements.

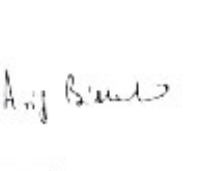
 Managing Director
 Director
 Director
 Director
 As per our separate report of same date.
 Syful Shamsul Alam & Co.
 Chartered Accountants
 Dated : March 21, 2012
 Place : Dhaka

Cash Flow Statement

For the year ended 31 December 2011

	Notes	Amount in Taka	
		31 Dec. 2011.	31 Dec. 2010.
A. Cash flows from operating activities			
Interest Receipts in cash		16,607,189,138	10,466,431,696
Interest Payments		(10,203,214,761)	(5,632,947,436)
Dividend Receipts		159,394,144	76,921,633
Fees & Commission Receipts in cash		1,068,186,725	846,031,301
Recoveries of loans previously written off		148,356,286	140,548,021
Cash Payments to employees		(1,795,470,650)	(1,805,608,237)
Cash Payments to suppliers		(714,656,681)	(586,586,400)
Income taxes paid		(1,366,036,542)	(848,620,709)
Receipt from other operating activities	39.00	1,514,460,754	1,960,962,251
Payment for other operating activities	40.00	(652,537,450)	(596,496,370)
Operating profit before changes in operating assets and liabilities.		4,765,670,963	4,020,635,740
Increase/Decrease in operating assets and liabilities:			
Statutory Deposits		(3,890,001,939)	(4,553,241,328)
Purchase/Sale of trading Securities		(541,085,897)	(377,641,105)
Loans and advances to Customers		(22,120,465,019)	(32,573,242,635)
Other assets	41.00	(1,175,948,417)	(663,149,759)
Deposit from banks		(1,996,877,000)	(2,015,718,000)
Deposit from customers		28,410,840,398	37,356,099,448
Other Liabilities	42.00	2,481,425,247	574,508,530
		1,167,887,372	(2,252,384,849)
Net Cash from operating activities (A)		5,933,558,335	1,768,250,891
B. Cash flows from investing activities			
Proceeds from Sale of Securities		95,902,030	(770,605,200)
Acquisition of Fixed Assets		(1,524,180,401)	(798,448,965)
Proceeds from sale of fixed Assets		-	1,780,052
Net Cash from investing activities (B)		(1,428,278,371)	(1,567,274,113)
C. Cash flows from financing activities			
Repayment of borrowings		-	(550,000,000)
Cash received from Issuing of Right Shares		4,364,930,250	-
Net cash from financing activities (C)		4,364,930,250	(550,000,000)
Net Increase/(Decrease) in cash (A+B+C)		8,870,210,214	(349,023,222)
Cash and Cash equivalents at beginning of the year		12,974,010,098	13,323,033,320
Closing Cash and cash equivalents at the end of the year		21,844,220,312	12,974,010,098
Cash and cash Equivalents at end of the year			
Cash in hand (including foreign currencies)	3.01	1,761,707,268	1,615,750,667
Balance with bangladesh bank and its agent bank	3.02	11,272,504,922	8,413,724,569
Balance with other banks & financial institution	4.00	3,740,008,122	1,824,534,862
Money at call on short notice	5.00	5,070,000,000	1,120,000,000
		21,844,220,312	12,974,010,098

The annexed notes 01 to 45 form an integral part of these financial statements.


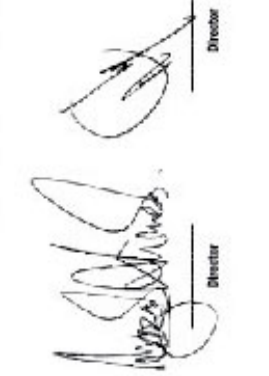

 Managing Director
 Director
 Director
 Director
 Dated : March 21, 2012
 Place : Dhaka

Statement of Changes in Equity

For the year ended 31 December 2011

Amount in Taka									
Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Currency transition reserve	Retained Surplus	Total
Balance as at 01 January 2011	2,909,933,500	-	2,039,696,037	91,577,961	456,496,308	343,473,044	-	1,456,275,811	7,815,411,892
Changes in Accounting policy	-	-	-	-	-	-	-	798,658	798,658
Revised Balance	2,909,933,500	-	2,039,696,037	91,577,961	456,496,308	343,473,044	-	1,456,074,469	7,817,270,950
Surplus/deficit on revaluation of properties	-	-	-	-	1,028,753,031	-	-	-	1,028,753,031
Surplus/deficit on revaluation of investments	-	-	-	-	-	(191,089,470)	-	-	(191,089,470)
Currency translation differences	-	-	-	-	-	-	2,743,607	-	2,743,607
Net gains and losses not recognized in the Income Statement	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	2,945,604,975	2,945,604,975
Appropriation made during the year	-	-	-	-	-	-	-	(1,034,582,918)	-
Dividends (Bonus Share Issued)	1,454,976,750	-	1,034,582,919	-	-	-	-	(1,454,976,750)	-
Transfer to Retained Earnings	2,909,933,500	-	-	(60,000,000)	-	-	-	60,000,000	-
Issue of share capital	7,274,883,790	1,454,976,750	3,994,277,936	26,577,961	1,483,249,590	152,983,574	2,743,607	1,977,519,775	15,096,412,943
Balance as at 31 December 2011									

The annexed notes 01 to 45 form an integral part of these financial statements.

Managing Director
 Director
 Director

Dated : March 01, 2012
 Place : Dhaka

Liquidity Statement

Asset Liability Maturity Analysis

As at 31 December 2011

(Amount in Taka)

Particulars	Up to 1 Month	Over 1 Month upto 3 Months	Over 3 Months upto 12 Months	Over 1 year upto 5 years	Over 5 years	Total
Assets						
Cash in hand	13,034,212,190	-	-	-	-	13,034,212,190
Balance with other banks & financial institutions	1,995,008,122	1,420,000,000	325,000,000	-	-	3,740,008,122
Money at call on short notice	5,070,000,000	-	-	-	-	5,070,000,000
Investment	2,307,316,653	2,134,974,177	3,803,182,216	7,108,439,822	4,029,505,442	19,383,416,310
Loans and Advances	14,407,000,000	23,776,975,416	36,890,451,516	29,220,800,000	11,211,100,000	115,506,326,932
Fixed assets including premises, furniture & fixture	-	-	195,000,000	765,000,000	2,328,067,277	3,288,067,277
Other Assets	7,307,867,837	303,150,710	46,415,703	1,006,455,640	205,834,436	8,869,724,326
Non banking assets	-	-	-	-	-	-
Total Assets (A)	44,121,404,802	27,635,100,303	41,260,049,435	38,100,695,462	17,774,527,155	158,891,777,457
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	34,790,096,453	41,963,794,681	43,850,023,911	13,094,331,295	5,786,499,563	130,484,745,903
Other facilities	7,590,417,272	768,907,705	872,822,702	3,701,985,141	506,485,492	13,440,618,311
Total Liabilities (B)	42,380,513,725	42,732,702,386	44,722,846,613	16,796,316,436	6,292,985,055	152,925,364,214
Net Liquidity Gap (A-B)	1,740,891,078	(15,097,602,083)	(3,462,797,178)	21,304,379,026	11,481,542,100	15,966,412,943

Notes to the Financial Statements For the year ended 31 December 2011

1.0 The Bank & its activities

1.1 Status of the Bank

United Commercial Bank Limited (UCBL) was incorporated in Bangladesh as a public limited company with limited liability as on the 26 June 1983 under Companies Act 1913 to carry on banking business in Bangladesh. It obtained permission from Bangladesh Bank on 13 November 1983 to commence its business.

The Bank has 115 branches as on 31 December 2011. All the branches of the Bank run on Commercial Conventional basis. The bank offers services for all commercial banking needs of the customers, which includes deposit banking, loans & advances, export import financing, inland and international remittance facility etc. The bank is listed with Dhaka Stock Exchange limited and Chittagong Stock Exchange limited as a publicly traded Company.

The principal place of business and the registered office were located at 60, Motijheel Commercial Area, Federation Bhaban, Dhaka-1000, Bangladesh. Principal place of business has been changed to Plot # CWS (A) 1, Gulshan Avenue, Dhaka - 1212 with effect from January 2010.

1.2 Off-shore Banking Unit

Off-shore Bank is a Bank located outside the country of residence of depositors, typically in the low tax jurisdiction (or tax haven) that provides financial and legal advantage. Offshore Banking Unit (the Unit) a separate business unit of United Commercial Bank Limited, governed under the rules and guideline of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. Presently the Bank has 1 (One) unit in Dhaka operating under the rules and guideline of Bangladesh Bank.

1.3 Subsidiary Company

1.3.1 UCB Securities Limited

The UCB Securities Limited was incorporated in Bangladesh as a private limited company with limited liability as on the 28 day of January of 2010 under Companies Act 1994. The principal activities of UCB Securities are stock brokerage, 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. The principal place of business and the registered office is located at Sara Tower (9th Floor), 11/A Toyenbee Circular Road, Motijheel C/A, Dhaka - 1000.

1.3.1 UCB Investment Limited

The UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on the 3rd day of August of 2011 under Companies Act 1994. The principal activities of UCB Investment are stock brokerage, 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. The principal place of business and the registered office is located at Sara Tower (9th Floor), 11/A Toyenbee Circular Road, Motijheel C/A, Dhaka - 1000.

2.0 Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Basis of preparation of the financial statements

The financial statements of the bank are prepared under the historical cost convention and in accordance with the "First Schedule (section-38) of the Bank Companies Act 1991 as amended by BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank 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 have been approved by the Board of Directors of the bank in its meeting held on March 21, 2012.

2.2 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka, which is the Bank's functional currency. Financial information has been rounded to the nearest Taka.

Notes to the Financial Statements

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of United Commercial Bank Limited and its subsidiary UCB Securities Limited and UCB Investment Ltd, made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements. The consolidated financial statements are prepared to a common financial year ended 31 December 2011.

Subsidiary

Subsidiary is that enterprise which is controlled by the bank. Control exists when the bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting.

Intergroup transactions, balances and the resulting unrealized profits are eliminated on consolidation.

2.4 Use of estimates and judgments

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

2.5 Foreign currency transactions

Foreign currency transactions are converted into equivalent Taka currency using the ruling exchange rates on the dates of respective transactions as per BAS 21. Assets and liabilities as at 31 December 2011 in foreign currency are translated into Taka currency at the prevailing mid rate and notional rates of the concerned foreign currencies of that day. Difference arising through transactions of foreign currencies buying and selling on different dates of the period has been adjusted by debiting / crediting to exchange gain or loss account.

Bank did not conduct any forward foreign exchange dealings during the period 2011.

2.6 Comparative information

Comparative information in respect of the previous year has been presented from the financial statements audited by current year auditors for the year ended 31 December 2010.

2.7 Reporting period

These financial statements cover the period from 1 January 2011 to 31 December 2011.

2.8 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash flow statement" under direct method for the period classified by operating activities, investing and financing activities as recommended in the BRPD Circular No. 14 dated June 25, 2003 issued by Banking Regulation & Policy Department of Bangladesh Bank.

2.9 Statement of Changes in Equity

The Statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth.

Notes to the Financial Statements

2.10 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per following basis:

- Balance with other banks and financial institutions, money at call and on short notice etc. are on the basis of their maturity term.
- Investments are on the basis of their residual maturity.
- Loans and advances are on the basis of their repayment/maturity schedule.
- Fixed assets are on the basis of their useful lives.
- Other assets are on the basis of their realization/ amortization.
- Borrowings from other banks, financial institutions and agents are per their maturity/ repayment term.
- Deposits and other accounts are on the basis of their maturity term and behavioral past trend.
- Other long term liabilities are on the basis of their maturity term.
- Provisions and other liabilities are on the basis of their settlement.

2.11 Assets and basis of their valuation

2.11.1 Cash and cash equivalents

Cash and cash equivalent include notes and coins on hand, unrestricted balance held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.11.2 Loans, Advances and provisions

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers.

c) Provision for loans and advances is made on the basis of periodical review by the management as per the instructions contained in Bangladesh Bank BCD Circular no.34 dated 16 November 1989, BCD Circular no.20 dated 27 December 1994, BCD Circular no.12 dated 4 September 1995, BRPD Circular no.16 dated 6 December 1998, BRPD Circular no.9 dated 14 May 2001, BRPD Circular no.02 of February 2005, BRPD Circular no.09 of August 2005, BRPD Circular no.17 dated 06 December 2005 and BRPD Circular no. 32 dated 27 October 2010. The classification rates are given below:

General provision on general (unclassified) loans and advances	01%
General provision on Special Mention Account	05%
General provision on Small and Medium enterprise financing	01%
General provision on Consumer Financing (Credit Card)	05%
General provision on Consumer Financing (House Finance)	02%
General provision on Consumer Financing (Loans for Professionals)	02%
General provision on Consumer Financing (Others)	05%
General provision on Agricultural Loan	05%
General provision on Off-Balance Sheet Exposure	01%
Specific provision on sub-standard loans and advances	20%
Specific provision on doubtful loans and advances	50%
Specific provision on bad/loss loans and advances	100%

d) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are pending for more than 05 (five) years as per guidelines of Bangladesh Bank. However, the write off will not reduce the claim against the borrower. Detailed memorandum records for all such write off accounts are maintained carefully and followed up.

As per BRPD circular no. 5 dated 5 June 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the company has recognized an accumulated general provision of Tk. 1,412 million in the balance sheet under liabilities as per Bangladesh Bank's requirement.

Notes to the Financial Statements

2.11.3 Investments

All investment securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discounts are accreted.

Held To Maturity (HTM)

Investment which have "fixed or determinable payments" and are intended to be held to maturity are classified as "Held to Maturity". These investments are subsequently measured at amortized cost, less any provision for impairment in value. Any gain or loss on such investment is recognized in the profit and loss account when the investment is derecognized or impaired.

Held For Trading (HFT)

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at present value and any change in the present value is recognized in the profit and loss account for the year in which it arises.

Revaluation

As per the DOS Circular Letter no.-05, dated 26 May 2008, HFT securities are revalued on weekly basis and HTM Securities are amortized on yearly basis. The HTM Securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognized in the statement of changes in equity. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in profit & loss account.

Government Treasury Bill (HTM)	At amortized cost price
Government Treasury Bond (HTM)	At amortized cost price
Government Treasury Bond (HFT)	At present value
Prize Bonds	At cost price
Debenture	Redeemable Value
Investment in Shares (unquoted)	At cost price
Investment in Shares (Quoted)	At cost or market price whichever is lower at balance sheet date

As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognizes investment in quoted and unquoted shares at cost if the year -end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the company's market value and book value of quoted and unquoted shares was higher than cost price by Tk. 111.18 million. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.

According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) should be charged in profit and loss account, and gain on such revaluation should be recorded under Revaluation Reserve Account. At the year end the company has accumulated revaluation gain of Tk. 152.38 million for T-bonds. However as per requirement of BAS 39, such T-bills and T-bonds will fall under the category of "held for trading" and "held to maturity" where any change in the fair value of held for trading is recognized in profit and loss account, and amortized cost method is applicable for held to maturity using an effective interest rate.

Notes to the Financial Statements

2.11.4 Fixed assets and depreciation

a. Assets are stated at cost or revalued amount less accumulated depreciation.

b. No depreciation has been charged on land. Depreciation on fixed assets acquired during the current year to be charged from the month of acquisition (Full month depreciation will be charged irrespective of the date of purchase during the month).

Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Name of the assets	Rate of depreciation amortization	Method of charging depreciation/ amortization
Land	NIL	Not applicable
Building	2.50%	Straight Line Method
Furniture & Fixtures	10%	Reducing Balance Method
Office Equipment	20%	Reducing Balance Method
Computer Equipments	20%	Straight Line Method
Computer Software	25%	Straight Line Method
Vehicle	20%	Straight Line Method

Gain or loss on sale of fixed assets are recognized in profit and loss account as per provision of BAS 16 "Property, Plant and equipments"

c. As at 27 December 2011, Bank's land property was revalued by Padma Techno Consult & Survey Ltd. Accordingly, revaluation surplus is included in fixed assets and assets revaluation reserve is recognized under shareholders equity.

d. On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

2.11.5 Other Assets:

Other assets include all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps.

2.11.6 Non banking assets

There are no assets acquired in exchange for loan during the period of financial statements.

2.11.7 Capital / Shareholder's equity

i. Authorized capital

Authorized capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Article of Association to issue to shareholders.

ii. Paid-up capital

Paid-up Capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.11.8 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 until such reserve equal to its paid up capital.

2.11.9 Other Reserve

Other reserve comprises balance of reserves for unforeseen losses, Investment revaluation reserve and fixed assets revaluation reserve.

Notes to the Financial Statements

2.11.10 General Reserve

The surplus amount after appropriation of yearly profit, surplus of Tax and bonus provision of different years kept in General reserved fund.

2.11.11 Exchange Equalization Fund

This represents the amount arise from exchange gain due to devaluation of Bangladesh Taka with foreign currencies and is accounted for as per instruction issued by the Bangladesh Bank from time to time.

2.11.12 Deposits and other accounts

Deposits and other accounts include non interest bearing current deposit redeemable at call, interest bearing demand & short term deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of outstanding balance.

2.11.13 Retirement Benefit Schemes

The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of Bangladesh Accounting Standard-19, "Employees Benefits". Basis of enumerating the retirement benefit operated by the bank is as follows:

2.11.14 Provident fund

Provident fund benefits are given to the employees of the Bank in accordance with the registered provident fund rules. The Commissioner of Income Tax, Dhaka (North) has approved the provident fund as a recognized provident fund within the meaning of section 2 (52) read with the provision of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from November 30, 1988. The Fund is operated by a Board of Trustees consisting 03 (three) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the fund. The bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on half yearly basis

2.11.15 Gratuity

Gratuity benefits are given to the employees of the bank in accordance with the approved gratuity fund rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund on December 27, 1995. The fund is operated by a Board of Trustees consisting 3 (Three) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 5 (five) years of service in the bank. The gratuity is calculated on the basis of last basic pay. Obligation for Gratuity Fund is determined on the basis of actuary valuation.

2.11.16 Taxation

Income tax represented the sum of the current Tax and deferred tax payable

a) Current Tax

The company is a publicly traded company as per the Income Tax Ordinance 1984. Provision for the Income Tax has been made at the existing rate of 42.50% in respect of business income.

b) Deferred Tax

Deferred Tax arises due to temporary difference, deductible or taxable, for the events or transactions recognized during the reporting period. Deferred Tax assets are the amount of Income Tax recoverable in future periods in respect of deductible temporary differences. Deferred Tax liabilities are the amount of Income Taxes payable in future periods in respect of taxable temporary differences. Deferred Tax assets & liabilities are measured using Tax rate & Tax laws enacted or substantially enacted at the balance sheet date. The Bank recognized deferred Tax accounting policy as per Bangladesh Accounting Standard (BAS - 12).

2.11.17 Provisions and accrued expenses

In compliance with BAS- 37, provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.11.18 Provision for Nostro accounts

According to guideline of Foreign Exchange Policy Department of Bangladesh Bank, Circular No. FEOD (FEMO)/01/2005-677 dated 13 September, 2005. Provision has been made for debit entries which remained un-reconciled for more than 03 (three) months.

Notes to the Financial Statements

2.11.19 Revenue recognition

The revenue during the year are recognized as following which satisfy all conditions of revenue recognition as prescribed by BAS 18 "Revenue Recognition".

- Interest is calculated on daily product on unclassified loan and advances but charged on quarterly basis.
- Interest is charged on classified loans and advances by crediting "Interest Suspense Account" instead of interest income as per Bangladesh Bank BRPD circular No. 16 of 1989.
- Dividend income is recognized at the time when it is realized.
- Income on investments is recognized on accrual basis.
- Commission and discount on bills purchased and discounted are recognized at the time of realization.

2.11.20 Interest paid on Deposits

a. Interest expenses are generally recognized on accrual basis taking into account of daily balance outstanding at the rate applicable for respective deposits and credited to depositors account half yearly basis. No interest is applicable on balance lying in current deposit account. Interest on FDR accrued but not due to clients A/c was credited to "Other Liability A/c - Interest Payable".

b. Other expenses are also recognized and recorded on accrual basis.

2.11.21 Fees and commission income

Fees and commission income arises on services provided by the Bank are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

2.11.22 Risk Management

In banking organization, risk is the possibility that outcome of an action or event could bring up adverse impact. Such outcome could either result in a direct loss of earnings/capital or may result in imposition of constraints on banks' ability to meet their business objectives. Risk is the outcome of losses due to sudden downturn in economy or falling interest rates. Banks have to rely on their capital as a buffer to absorb such losses. The types and degree of risks an organization may be exposed depend upon a number of factors such as its size, complexity business activities, volume etc. Initially Bangladesh Bank has issued guidelines on six core risk areas and accordingly scheduled banks operating in Bangladesh has implemented the guidelines for better risk management practice. Implementation of core risk management guidelines by United Commercial Bank Limited and its status are discussed below.

2.11.22.1 Credit risk Management

Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the UCBL through a framework that spell out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors.

Credit rating and measurement

Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. It is a primary area for sustained investment and senior management attention. The standard credit risk grading (CRG) system is used in both Corporate and SME Banking. The grading is used to assess the client along with a range of quantitative and qualitative factors. Our credit grades against Corporate & Medium clients are supported by external credit grades, and ratings assigned by external ratings agencies.

Credit approval

Major credit exposures to individual borrowers, groups of connected counterparties and portfolios of retail exposures are reviewed by the Head Office Credit Committee (HOCC) and HOCC recommend the loan to the approval authority. All credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business acumen. Credit origination and approval roles are segregated in all cases.

Notes to the Financial Statements

Credit Monitoring

We regularly monitor credit exposures, portfolio performance, and external trends through relationship and credit administration team at Branch and Head Office. Internal risk management reports containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; as well as credit grade migration are presented to risk committees (HOCC and PAMC). The HOCC & PAMC meets regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting standards, risk policy and procedures. Accounts or portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration, for example, where there is a decline in the customer's position within the industry, a breach of covenants, non-performance of an obligation, or there are issues relating to ownership or management. Such accounts and portfolios are subjected to a dedicated process overseen by the Recovery Division. Account plans are re-evaluated and remedial actions are agreed and monitored. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exiting the account or immediate movement of the account into the control of Recovery unit. In Retail/Consumer Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions. Accounts which are past due are subject to a collections process, monitored in collaboration with the Relationship manager by the Risk function. Charged-off accounts of the Bank are managed by specialist recovery teams.

Concentration risk

Credit concentration risk is managed within concentration caps set for counterparty or groups of connected counterparty, for industry sector; and for product. Additional targets are set and monitored for concentrations by credit committee. Credit concentrations are monitored by the responsible risk committees in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit. Collateral is valued in accordance with our risk mitigation policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

2.11.22.2 Foreign Exchange Risk

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates as adverse movement may result in loss in local currency terms to the institution.

Foreign exchange risk arises from two factors: currency mismatches in an institution's assets and liabilities (both balance sheet and off-balance sheet items) that are not subject to a fixed exchange rate vis-à-vis the local currency. Such risk continues until the foreign exchange position is hedged or covered. This risk may arise from a variety of sources such as foreign currency retail accounts and retail cash transactions and services, foreign exchange trading, investments denominated in foreign currencies and investments in foreign companies.

Managing foreign exchange risk is a fundamental part in the safe and sound management of all institutions that have exposures in foreign currencies. It involves prudent management of foreign currency positions in order to control, within the set parameters, the impact of changes in exchange rates on the financial position of the institution.

Although the particulars of foreign exchange risk management will differ from institution to institution depending upon the nature and complexity of their foreign exchange activities, a comprehensive foreign exchange risk management program requires:

- establishing and implementing sound and prudent foreign exchange risk management policies; and
- developing and implementing appropriate and effective foreign exchange risk management and control procedures.

Notes to the Financial Statements

The exposure of United Commercial Bank Ltd to the international market is governed by the underlying transactions which are well-hedged in order to protect the interest and safety of the Bank. UCBL has put its own risk management policies and guidelines in place. Maturity profiles of FC denominated Off-balance sheet commitments are reviewed regularly and monitored closely in order to minimize the underlying risks. Moreover, prudent management and regular supervision by the Senior Management has ensured a better practice paradigm of managing the foreign exchange risk of the bank.

2.11.22.3 Asset Liability Management Risk

The significance of Asset Liability Risk Management (ALM) to the banking sector is highlighted due to the dramatic changes in global economic environment, when closely regulated markets are giving way to market-driven economies. The Bank has established a committee called Asset Liability Committee (ALCO) which holds meeting at least once in every month. The main responsibilities of ALCO are to look after the Financial Market activities, manage liquidity and interest rate risk, understand the market position and competition etc. The Bank is managing its Asset and Liabilities in order to ensure sustained profitability. The Bank has been prepared an approved policy manual on Asset Liability Management (ALM) as per Bangladesh bank focus group guideline so that it could be followed constantly each area of the management. The asset Liability Management Committee also monitored the balance sheet risk. The balance sheet risk is defined as potential changes in earnings due to change in rate of interest and exchange earnings which are not of trading nature. To support ALM process, the most important strategy of the ALM of the Bank is to long-term funding and adequate liquidity all time at the most appropriate funding cost. In order to manage Asset Liability risk smoothly the Bank:

- Ø Set pricing strategy of deposit and lending, adjust the interest rate structure and compares the same to the interests of Banks Assets and Liabilities
- Ø Monitored balance Sheet risk, identifies balance sheet gap, interest rate gap etc.
- Ø Monitored constantly the credit risk and contingency risk that may originate either due to rate functions or otherwise and assess the quality of assets; and
- Ø Review the liquidity contingency plan for the Bank

2.11.22.4 Internal Control and Compliance Risk:

Internal control in the process is affected by the Bank's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations, and internal policies.

Internal controls are the policies and procedures established and implemented alone, or in concert with other policies or procedures, to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Bank is exposed to or in which it is engaged.

Objective of Internal Control:

The primary objective of internal control system in a bank is to help the bank perform better through the use of its resources. Through internal control system bank identifies its weaknesses and takes appropriate measures to overcome the same. The main objectives of internal control are as follows :

- Efficiency and effectiveness of activities (performance objectives)
- Reliability, completeness and timeliness of financial and management information (information objectives)
- Compliance with applicable laws and regulations (compliance objectives), Risk Recognition and Assessment:
- Internal control system has been designed in such a way to recognize and assess all of the material risks that could adversely affect the achievement of the Bank's goals.
- Effective risk assessments identify and consider both internal and external factors.

- Risk assessment by Internal Control System differs from the business risk management process which typically focuses more on the review of business strategies developed to maximize the risk/reward trade-off within the different areas of the Bank. The risk assessment by Internal Control focuses more on compliance with regulatory requirements, social, ethical and environmental risks those affect the banking industry.

Notes to the Financial Statements

2.11.22.5 Money Laundering Risk:

Money Laundering Risk is one of the 6(six) core risk elements in banking business. Money Laundering Risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In order to manage the risk of money laundering the bank has set up an effective Anti-Money Laundering program in line with Anti-Money laundering Act and Bangladesh Bank guidance which has been updated through inclusion of Anti-Terrorist Act. The Bank has developed manuals for prevention of money laundering and introduced Know Your Customer (KYC) program and Transaction Profile (TP) including uniform A/C opening form at branch level for meticulous compliance. The bank recognizes this risk as a separate classification emphasizing due importance for being compliant on it by way of making conversant of all Executives/Officers through issuing circulars and providing necessary training to them. This risk covers on the loss that the bank may face in the event of devolution of any transactions within the ambit of money laundering while the penal risk is covered under legal risk.

Designation of Anti-Money Laundering Compliance Officers (AMLCO) :

The Bank has designated a Chief Anti-Money Laundering Compliance Officer (CAMLCO) at its Head office who empowered with sufficient authority to implement and enforce corporate wide anti-money laundering policies, procedures and measures and who reports directly to Senior Management and the Board of Directors. This provides evidence of Senior Management's commitment to efforts to combat money laundering and terrorist financing and more importantly, provides added assurance that the officers have sufficient clout to investigate potentially suspicious activities.

2.11.22.6 Information Communication Technology Risk

The ICT policy of the Bank has been revised and amended to cope with the recent ICT trends as instructed by Bangladesh Bank. The ICT policy will further revised and amended in the year 2012 to minimize ICT Risks.

IT Audit Team performed comprehensive IT Audit on different aspects of IT for the Data center, Disaster Recovery Site and also for branches. The Audit recommendations and suggestions were considered and accordingly steps were taken to minimize associated ICT Risks.

Information Technology Division has arranged awareness programs and training on the field of ICT Risk and its mitigation for both business and technical human resources. The idea behind this practice was to increase average ICT knowledge of the bank which will mitigate probability of occurrence of policy noncompliance in the Bank.

UCB is gradually moving towards internationally recognized frameworks of Risk Management (i.e. COBIT and RISK IT framework of ISACA). This will ensure a safe, secured and efficient work-flow process yielding the highest benefit from ICT operation.

In order to mitigate loss & data corruption risk, UCB has taken different measures to implement state of the art IT infrastructure comprising all necessary protection and prevention system for both Hardware and Software point of view. Fault tolerant hardware systems were implemented in all cases and redundant systems were maintained for to minimize system downtime risk.

The annual maintenance contract with different ICT vendors have been continued to ensure maximum system uptime through availability of expert service support and spare parts.

The quest to minimize and control ICT risks was continued throughout the year. This pursuit will continue with certain objectives for the next year.

2.11.23 Off balance sheet items & provision

Off-balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular # 10, dated September 18, 2007 Banks are required to maintain provision @ 1.00% against Off Balance Sheet exposure (L/c, Guarantee and Bills for collection).

Notes to the Financial Statements

As per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet risk exposures. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the company has recognized an accumulated general provision of Tk. 402.60 million in the balance sheet under liabilities as per Bangladesh Bank's requirement.

2.11.24 Events after balance sheet date

Where necessary, all the material events after the balance sheet date have been considered are appropriate adjustment/ disclosures have been made in the financial statements.

2.11.25 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with BAS 33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account. This has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the year. Details are shown in note 38.

Basic Earnings per Share

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax has been considered as fully attributable to the ordinary shareholders.

Diluted Earnings per Share

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

2.11.26 Credit rating

CRISL has rated the Bank based on December 31, 2010 with 'A+' (pronounced as single A Plus) in the long Term and ST-2 for the Short Term. The date of rating was June 30, 2011.

Year	Long term rating	Short term rating
2010	A+	ST-2

UCBL has been rated as 'A+' which means Adequate Safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in higher categories.

The short term rating "ST-2" indicates high certainty of timely payment. Liquidity factors as strong and supported by good fundamental protection factors. Risk factors are very small.

Notes to the Financial Statements

2.11.27 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, United Commercial Bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

Name of the BAS / BFRS	BAS /BFRS	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Cash Flow Statement	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the balance sheet date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	Applied
Interests in Joint Ventures	31	N/A
Financial Instruments: Disclosure and Presentation	32	Applied with some departure See note 2.11.3
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied with some deviations See note 2.11.3
Investment Property	40	Applied
Agriculture	41	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied with some deviation See note 2.11.3
Operating Segments	8	Applied

2.11.28 General

Figures of previous year/ period have been rearranged whenever necessary to confirm the current period's presentation.

Notes to the Financial Statements

Amount in Taka		
	31 Dec. 2011	31 Dec. 2010
3.00 Cash	13,034,212,190	10,029,475,236
3.01 Cash in hand		
Local currency	1,668,684,709	1,547,546,769
Cash in ATM	75,624,600	47,717,200
Foreign currency	17,397,959	20,486,698
	<u>1,761,707,268</u>	<u>1,615,750,667</u>
3.02 Balance with Bangladesh Bank and its agent Bank(s)		
Local currency	9,599,865,725	7,212,467,382
Foreign currency	1,672,639,197	1,201,257,187
	<u>11,272,504,922</u>	<u>8,413,724,569</u>
	13,034,212,190	10,029,475,236
3.02.01 Balance with Bangladesh Bank		
Local currency	8,506,562,403	6,184,329,937
Foreign currency	1,672,639,197	1,201,257,187
	<u>10,179,201,600</u>	<u>7,385,587,124</u>
3.02.02 Balance with Sonali Bank (as agent of Bangladesh Bank)		
Local currency	1,093,303,322	1,028,137,445
Foreign currency	-	-
	<u>1,093,303,322</u>	<u>1,028,137,445</u>
3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
Cash reserve requirement (CRR) and statutory liquidity ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and of instructions contained in BRPD Circular No. 11 and 12 dated 25 August 2005 and MPD circular No. 04 dated 1st December 2010 issued by Bangladesh Bank.		
The cash reserve requirement of the Bank calculated @ 6% of total time and demand liabilities and maintained with Bangladesh Bank in current account and 19% statutory liquidity ratio, including CRR, on the same liabilities has also been maintained with Bangladesh Bank in the form of treasury bills, bonds and debentures including foreign currency balances with Bangladesh Bank, both the reserves maintained by the bank are in excess of the statutory requirements as shown below:		
3.03.01 Cash Reserve Requirement (CRR) (6.00% of average Demand & Time Liabilities)		
Required reserve	7,505,871,705	5,714,121,780
Actual reserve held (note - 3.02.01)	<u>8,506,562,403</u>	<u>6,184,329,937</u>
Surplus/(Deficit)	<u>1,000,690,698</u>	<u>470,208,157</u>
3.03.02 Statutory Liquidity Ratio (SLR) (13.00% of average Demand & Time Liabilities)		
Required reserve	16,262,722,028	12,380,597,190
Actual reserve held	<u>20,850,766,018</u>	<u>18,278,259,591</u>
Surplus/(Deficit)	<u>4,588,043,991</u>	<u>3,897,662,401</u>
3.03.03 Total Required Reserve	23,768,593,733	18,094,718,970
Actual Reserve Held (note-3.03.04)	29,357,328,421	22,462,589,528
Total Surplus/(Shortfall)	5,588,734,689	4,367,870,558
3.03.04 Held for Statutory Liquidity Ratio		
Cash in hand (note- 3.01)	1,761,707,268	1,615,750,667
Balance with B.Bank & its agent Bank (note-3.02)	11,272,504,922	8,413,724,569
Govt. Securities (Treasury Bills) (note:6.01)	3,226,208,091	-
Govt. Treasury Bond (HTM) (note : 6.01)	6,705,993,727	2,600,487,532
Govt. Treasury Bond (HFT) (note : 6.01)	6,366,228,913	9,802,007,260
Stock of Prize Bond (note : 6-a)	4,685,500	5,619,500
Debenture (HBFC) (Note : 6-b)	20,000,000	25,000,000
	<u>29,357,328,421</u>	<u>22,462,589,528</u>

Notes to the Financial Statements

Amount in Taka		
	31 Dec. 2011	31 Dec. 2010
4.00 Balance with other banks and financial institutions		
In Bangladesh (note - 4.01)	3,208,435,789	1,278,118,316
Outside Bangladesh (Annexure-A)	<u>531,572,333</u>	<u>546,416,546</u>
	3,740,008,122	1,824,534,862
4.01 In Bangladesh		
A. Current account		
Janata Bank	191,042,303	121,063,319
Agrani Bank	169,922,436	129,670,967
Rupali Bank	13,514,719	2,008,519
Sonali Bank (Local)	31,684,191	46,727
Standard Chartered Bank (Visa Card)	22,015,121	17,484,265
Dutch Bangla Bank Ltd.	<u>18,023,584</u>	<u>37,697,997</u>
	<u>446,202,354</u>	<u>307,941,794</u>
B. STD account		
Janata Bank	106,259,869	34,516,595
Rupali Bank	10,866,778	5,555,541
Sonali Bank B.B Avenue	<u>106,787</u>	<u>104,386</u>
	<u>117,233,435</u>	<u>40,176,522</u>
C. Fixed Deposit		
Eastern Bank Ltd.	400,000,000	-
National Bank Ltd.	300,000,000	-
Jamuna Bank Ltd.	200,000,000	-
AB Bank Ltd.	500,000,000	-
Edm Bank Ltd.	-	400,000,000
Foreast Finance & Investment Ltd.	100,000,000	-
Industrial and Infrastructure Development Finance Company Ltd.	125,000,000	-
Peoples Leasing and Financial Services Ltd.	530,000,000	280,000,000
Hajj Finance Company Ltd.	100,000,000	50,000,000
First Lease Finance & Investment Ltd.	100,000,000	-
Lanka Bangla Finance Ltd.	100,000,000	-
Phoenix Finance & Investments Ltd.	150,000,000	-
Bangladesh Industrial Finance Company Ltd.	40,000,000	-
Prime Finance & Investment Ltd.	-	200,000,000
	<u>2,645,000,000</u>	<u>930,000,000</u>
Total (A+B+C)	3,208,435,789	1,278,118,316
4.02 Maturity grouping of balance with other banks & financial institutions		
On demand	1,995,008,122	894,534,862
Upto three months	1,420,000,000	450,000,000
More than three months but less than six months	<u>325,000,000</u>	<u>480,000,000</u>
	3,740,008,122	1,824,534,862
4(a) Consolidated Balance with other bank & financial institutions		
In Bangladesh		
United Commercial Bank Ltd. (note-4.01)	3,208,435,789	1,278,118,316
UCB Securities Ltd.	100,000,000	100,000,000
UCB Investment Ltd.	<u>100,000,000</u>	<u>-</u>
	3,408,435,789	1,378,118,316
Less: Inter Company balance eliminated	<u>200,000,000</u>	<u>100,000,000</u>
	3,208,435,789	1,278,118,316
Outside Bangladesh		
United Commercial Bank Ltd.	531,572,333	546,416,546
UCB Securities Ltd.	-	-
UCB Investment Ltd.	<u>-</u>	<u>-</u>
	<u>531,572,333</u>	<u>546,416,546</u>
	3,740,008,122	1,824,534,862

Notes to the Financial Statements

5.00 Money at call on short notice

Agrani Bank Ltd.	500,000,000	-
Uttara Bank Ltd.	800,000,000	-
Prime Bank Ltd.	1,000,000,000	-
Mercantile Bank Ltd.	350,000,000	-
Dhaka Bank Ltd.	100,000,000	200,000,000
Southeast Bank Ltd.	100,000,000	-
One Bank Ltd.	300,000,000	500,000,000
Mutual Trust Bank Ltd.	400,000,000	70,000,000
National Credit and Commerce Bank Ltd.	500,000,000	-
Jamuna Bank Ltd.	350,000,000	-
AB Bank Ltd.	400,000,000	150,000,000
National Bank of Pakistan	-	100,000,000
BRAC Bank Ltd.	-	100,000,000
International Leasing & Financial Services Ltd.	100,000,000	-
Prime Finance & Investment Ltd.	100,000,000	-
Bangladesh Industrial Finance Company Ltd.	70,000,000	-

Amount in Taka	
31 Dec 2011	31 Dec 2010
5,070,000,000	1,120,000,000

6.00 Investments

Government Securities (note-6.a)	16,303,116,231	12,408,114,292
Other Investments (note-6.b)	3,080,302,079	2,640,118,212

16,303,116,231	12,408,114,292
3,080,302,079	2,640,118,212
19,383,418,310	15,048,232,504

a) Government Securities

Treasury Bills

28 days Treasury bills	-	-
91 days Treasury bills	-	-
182 days Treasury bills	2,737,528,234	-
364 days Treasury bills	488,679,857	-
2 years Treasury bills	-	-
5 years Treasury bills	-	-

-	-
-	-
2,737,528,234	-
488,679,857	-
-	-
-	-

3,226,208,091

Total Treasury Bills

3,226,208,091

Government Bonds

Prize Bonds	4,685,500	5,619,500
Government Bonds	13,072,222,640	12,402,494,792

4,685,500	5,619,500
13,072,222,640	12,402,494,792

Total Government Bonds

13,076,908,140

Total Government Securities

16,303,116,231

b) Other Investments

Shares in listed companies (note-6.03)	2,222,632,762	1,582,562,167
Shares in un-listed companies (note-6.03)	757,670,927	932,558,057
Debentures	20,000,000	25,000,000
ACI 20% Convertible Zero Coupon Bond	79,998,390	99,997,988

2,222,632,762	1,582,562,167
757,670,927	932,558,057
20,000,000	25,000,000
79,998,390	99,997,988

3,080,302,079

Total other investments

2,640,118,212

Total Investments (a+b)

19,383,418,310

6.01 Government Securities are Classified as per Bangladesh Bank Circular

Held to Maturity (HTM)	6,705,993,727	2,600,487,532
Held for Trading (HFT)	6,366,228,913	9,802,007,260
Treasury Bills	3,226,208,091	-
Other Securities (Prize Bond)	4,685,500	5,619,500

6,705,993,727	2,600,487,532
6,366,228,913	9,802,007,260
3,226,208,091	-
4,685,500	5,619,500

16,303,116,231

12,408,114,292

6.02 Maturity grouping of Investments

On demand	2,307,316,653	5,619,500
Up to three months	2,134,974,177	5,000,000
More than three months but less than one year	3,803,182,216	1,682,560,155
More than one year but less than five years	7,108,439,822	7,693,215,901
Over five years	4,029,505,442	5,661,836,948

2,307,316,653	5,619,500
2,134,974,177	5,000,000
3,803,182,216	1,682,560,155
7,108,439,822	7,693,215,901
4,029,505,442	5,661,836,948

19,383,418,310

15,048,232,504

Notes to the Financial Statements

6.03 Other investments

Name of the Company	Market Price On 31.12.2011	Cost Price On 31.12.2011	Cost Price On 31.12.2010
A) Shares in listed companies			
Prime Bank Limited	53,166,242	46,016,876	71,185,821
Standard Bank Limited	15,100	7,591	7,591
Bank Asia Limited	12,462,750	13,855,856	-
One Bank Ltd.	27,488,556	7,865,034	6,623,218
National Credit & Commerce bank Ltd.	35,267,466	13,523,563	10,822,009
The City Bank Ltd.	136,797,346	59,065,476	79,939,895
Jamuna Bank Ltd.	41,558,735	27,506,745	28,394,884
Exim Bank Ltd.	38,934,122	27,026,865	36,628,092
Southeast Bank Ltd.	34,340,187	21,775,370	21,775,370
Mercantile Bank Ltd.	27,840,000	16,101,028	13,086,700
Uttara Finance & Inv.Ltd.	2,694,435	1,536,094	218,600
Powergrid	29,767,500	43,459,051	33,642,588
Summit Power Ltd.	79,925,762	78,290,303	92,521,860
Heidelberg Cement Ltd.	2,738,130	3,126,232	-
SP Ceramics	14,670,830	23,393,254	31,360,859
Summit Alliance Port Ltd.	27,761,603	76,964,792	72,975,535
Lafarge Surma Cement Limited.	44,794,400	58,782,466	81,856,650
Basimco Pharmaceuticals Limited.	75,237,552	96,564,330	91,046,880
Square Pharmaceuticals Ltd.	32,717,429	34,653,491	-
Confidence Cement Ltd.	18,660,060	27,422,594	-
S.Nam Colled Rolled Steels Ltd.	37,110,160	38,115,529	25,420,901
Basimco Limited.	84,453,488	166,594,283	123,256,285
Bangladesh Steel Re rolling Mills Limited	55,515,990	72,231,689	35,445,112
Square Textile Limited	18,646,800	24,957,437	-
Apex Foods Limited	17,795,200	26,694,505	31,126,988
Fuwang Ceramics Industries Limited	1,032,075	739,018	-
Meghna Petroleum Limited	69,368,922	103,222,167	102,865,533
Navana CNG Limited	10,912,308	25,482,070	25,482,070
Aftab Automobiles Limited	10,642,500	12,642,838	-
Ocean Containers Limited	12,392,890	32,648,951	30,387,915
Basimco Synthetic Limited	4,070,460	3,973,507	4,239,284
ICB Islami Bank Limited	16,140,000	23,839,097	19,641,660
Meghna Life Insurance Company Limited	22,163,820	27,351,848	-
Renata Limited	8,856,750	7,217,923	19,533,389
Style Craft Limited	304,350	169,626	169,626
IDLC Finance Limited	9,334,900	17,635,664	14,380,777
Islami Bank Bangladesh Limited	8,175,000	8,023,329	-
RAK Ceramics Limited	44,838,058	92,582,227	80,352,944
Phoenix Finance & Investment Limited	30,763,200	41,918,795	-
IFIC Bank Limited	240,656	293,038	-
Aramit Cement Company Limited	32,528,800	32,806,410	-
United Air	9,560,000	10,038,502	-
Bangladesh Plantation Limited	48,000	46,069	46,069
Padma Oil Company Limited	9,231,630	15,197,652	15,197,652
East Land Insurance Company Limited	41,640,053	50,397,077	26,854,635
Mutual Trust Bank Ltd.	21,045,000	35,430,279	-
Keya Cosmetics Limited	29,539,305	37,351,654	12,860,102
Grameen Phone Limited	342,810,450	150,301,400	150,301,400
National Life Insurance Company Limited	6,684,905	7,306,809	-
Agri systems Limited	1,260,000	1,262,268	-
National Housing Fin. & Investment Limited	263,601,822	28,121,800	-
MIL Bangladesh Limited	15,988,995	22,804,276	-
All Tex Industries limited	1,835,200	2,063,457	-
Asia Pacific General Insurance Company Limited	3,764,700	4,118,315	-
Monno Ceramics	8,985,720	9,191,313	-
Eastern Housing Limited	5,190,300	4,902,902	-
Olympic Industries Limited	2,088,000	2,032,452	-
8TH ICB Mutual Fund	914,760	154,000	154,000
1ST BSRS Mutual Fund	6,243,960	3,827,629	3,827,629
Grameen one:Scheme Two	16,562,800	33,355,629	-

Name of the Company	Amount in Taka		
	Market Price On 31.12.2011	Cost Price On 31.12.2011	Cost Price On 31.12.2010
EBL 1st Mutual Fund	20,058,300	34,256,310	16,635,817
ICB AMCL 2nd NRB Mutual Fund	14,100,000	21,895,048	5,668,007
DBH 1st Mutual Fund	30,710,000	52,490,326	8,718,608
ICB AMCL 2nd Mutual Fund	8,900,000	16,316,940	14,929,212
IFIC 1st Mutual Fund	8,800,000	14,753,584	12,211,864
PHP 1st Mutual Fund	8,207,600	10,920,609	2,063,279
1st Prime Mutual Fund	3,372,600	4,585,014	-
MBL 1st Mutual Fund	46,000,000	50,000,000	-
EBL NRB Mutual Fund	157,196,500	149,710,000	-
Trust 1st Mutual Fund	5,340,000	8,588,831	-
Grameen Mutual Fund One	3,532,100	5,136,665	19,594,612
AB Bank Limited	-	-	29,883,244
National Credit & Commercial Bank Limited	-	-	28,121,800
Sonar Bangla Insurance Limited	-	-	8,092,335
Fifth ICB Mutual Fund	-	-	3,588,636
Rupali Bank Limited	-	-	1,781,361
Ibn Sina Pharmaceuticals Limited	-	-	1,033,404
ICB Employee 1st Mutual Fund	-	-	1,144,715
Beemco Textiles Limited	-	-	25,152,392
Keya Detergent Limited	-	-	8,972,739
Islami Insurance Bangladesh Limited	-	-	2,339,629
Sub total	2,325,326,231	2,222,632,762	1,582,562,167
ACI 20% Zero coupon bond	88,483,392	79,998,390	99,997,988
Sub Total (a)	2,413,809,623	2,302,631,152	1,682,560,155
B) Shares in un-listed companies			
Employment Bank	10,000,000	10,000,000	10,000,000
Central Depository (BD) Ltd	6,277,770	6,277,770	4,000,000
STS Holdings Ltd	100,000,000	100,000,000	100,000,000
Prime Financial First Unit Fund	15,000,000	15,000,000	-
Summit Purbanchol Power Co.	215,138,600	215,138,600	261,239,600
Summit Uttaranchol Power Co.	90,901,700	90,901,700	110,380,500
Energies Power Corporation	320,000,000	320,000,000	320,000,000
Anam Capital	352,857	352,857	352,857
Cashlink Bangladesh Limited	-	-	47,600,000
Aftab Automobiles Limited (Preference Share)	-	-	75,000,000
Summit Power (Preference Share)	-	-	3,985,100
Sub total (b)	757,670,927	757,670,927	932,558,057
Total (a + b)	3,171,480,550	3,060,302,079	2,615,118,212

6.04 Cost and market value of investment as on 31 December 2011

	Cost Price (Taka)	Market Value/ Amortized Cost	Market Value/ Amortized Cost
Government securities:			
Treasury Bills (Govt. Securities)	3,173,696,562	3,226,208,091	-
Govt. Treasury Bond (HTM)	6,515,900,591	6,705,993,727	2,600,487,532
Govt. Treasury Bond (HFT)	6,284,956,728	6,366,228,913	9,802,007,260
Stock of Price Bond	4,685,500	4,685,500	5,619,500
	16,979,239,381	16,303,116,231	12,408,114,292
Investment in Shares, Bond & Debenture:			
	Market Value/ Amortized Cost	Cost Price	Cost Price
Quoted Shares	2,325,326,231	2,222,632,762	1,582,562,167
Un-Quoted Shares	757,670,927	757,670,927	932,558,057
Total investment in shares	3,082,997,158	2,980,303,689	2,515,120,224
ACI 20% convertible zero coupon bond	88,483,392	79,998,390	99,997,988
Investment in debenture	20,000,000	20,000,000	25,000,000
	3,191,480,550	3,080,302,079	2,640,118,212

	Amount in Taka	
	31 Dec. 2011	31 Dec. 2010
6(a) Consolidated Investments		
Government Securities		
United Commercial Bank Ltd	16,303,116,231	12,408,114,292
UCB Securities Ltd.	-	-
UCB Investment Ltd.	-	-
	16,303,116,231	12,408,114,292
Other Investments		
United Commercial Bank Ltd	3,080,302,079	2,640,118,212
UCB Securities Ltd.	123,247,143	123,147,143
UCB Investment Ltd.	-	-
	3,203,549,222	2,763,265,355
	19,506,665,453	15,171,379,647
	115,506,326,932	93,560,701,744
7.00 Loans and Advances		
7.01 Maturity grouping of Loans & Advances (including bills purchased and discounted)		
On demand	14,407,000,000	13,563,284,700
Not more than three months	23,776,975,416	13,516,440,435
More than three months but less than one year	36,890,451,516	30,206,205,975
More than one year but less than five years	29,220,800,000	24,763,922,831
More than five years	11,211,100,000	11,510,847,803
	115,506,326,932	93,560,701,744
7.02 Loans & Advances		
i) Loans, Cash credit & overdraft etc		
a) Within Bangladesh		
Loan	58,037,977,005	51,997,720,417
Cash credits	23,012,353,480	17,809,421,548
Overdrafts	31,691,130,224	21,379,449,836
	112,741,460,709	91,186,591,801
b) Outside Bangladesh		
	112,741,460,709	91,186,591,801
ii) Bills Purchased & Discounted (note : 7.13)		
a) Payable inside Bangladesh		
Inland Bills Purchased	1,788,679,444	1,910,762,352
b) Payable outside Bangladesh		
Foreign bills purchased & discounted	976,186,779	463,347,591
	2,764,866,223	2,374,109,943
	115,506,326,932	93,560,701,744
7.03 Net Loan & Advances		
Gross Performing Loans & Advances (note- 7.02)	115,506,326,932	93,560,701,744
Less: Non Performing Loans & Advances (note- 7.10 b)		
Interest suspense (note- 12.18)	2,067,544,585	1,120,803,000
Provision for Loans & Advances (note- 7.11)	689,078,480	396,914,067
	2,756,623,065	1,517,717,067
	112,749,703,867	92,042,984,677
7.04 Loans & Advances according to significant concentration		
a) Advances to the companies or firms in which the Directors of the Bank are interested	59,846,815	59,846,815
b) Advances to Chief Executive and other senior executives	270,922,982	234,620,782
c) Advances to customers group		
i) Commercial Lending	33,765,061,512	28,720,713,213
ii) Import Finance	14,853,703,544	12,676,081,349
iii) Export Finance	2,480,773,078	3,312,148,147
iv) House Building Loan	6,532,178,514	6,269,798,895
v) Transport Loan	4,309,214,111	2,707,567,487
vi) Retail Loan	8,430,097,403	6,763,266,226
vii) Staff Loan	235,871,030	181,581,284
viii) Industrial Loan	39,468,421,437	27,459,650,747
ix) Agricultural Loan	817,257,435	334,053,212
x) Others	4,282,979,071	4,841,373,587
Total Loans & Advances	115,506,326,932	93,560,701,744

Amount in Taka		
	31 Dec. 2011	31 Dec. 2010
7.05 Industry wise Loans and Advances		
RMG & Accessories	8,168,414,342	7,956,650,178
Textile Industries	5,454,703,691	4,080,631,823
Agriculture	817,257,435	334,053,212
Food Products & Processing	5,752,877,226	1,251,739,780
Jute Industries	875,438,451	770,530,956
Leather & Leather Products	142,720,534	46,276,143
Paper & Paper Products Industries	2,460,418,552	2,351,943,752
Wood & Wooden Products	268,501,639	579,310,593
Chemical & Chemical Products	2,280,235,221	1,207,835,140
Cement Industries	336,446,253	249,638,924
Glass & Glassware Product Industries	41,035,872	2,526,356
Brick Field, Auto Bricks, Tiles	532,841,322	409,210,589
Engineering, Basic Metal & Products	2,442,736,825	2,865,241,794
Ship Re-cycling	68,745,139	471,392,422
Educational Institute, Hotel, Restaurant	533,452,316	943,351,246
Telecommunication	1,370,368,215	993,201,832
Transport & Communication	4,309,201,523	2,707,567,487
Diagnostic/Medical/Clinic	946,720,127	782,903,046
Housing Industry	11,478,378,514	6,269,798,895
Construction (Other than Housing)	7,087,501,563	5,993,931,792
Tea Manufacturing	-	178,430,812
Electronics Media	226,401,256	184,720,358
Power & Energy	1,715,221,560	985,612,507
Commercial Trade Financing	33,824,908,327	28,720,713,213
Others	24,371,803,029	23,225,488,894
	115,506,326,932	93,560,701,744
7.06 Geographical Location wise Loans & Advances		
Urban branches		
Dhaka	76,328,221,125	62,621,226,864
Chittagong	22,148,798,574	17,260,361,598
Sylhet	1,536,178,080	1,571,755,441
Rajshahi	4,084,055,196	3,682,629,399
Rangpur	917,881,377	-
Khulna	4,800,360,074	4,308,390,292
Barisal	276,701,811	199,077,952
	110,092,196,237	89,643,441,556
Rural branches		
Dhaka	3,396,292,474	2,404,902,159
Chittagong	1,532,236,386	1,088,333,132
Sylhet	307,516,177	264,858,118
Rajshahi	-	-
Rangpur	-	-
Khulna	178,085,658	159,166,778
Barisal	-	-
	5,414,130,695	3,917,260,188
	115,506,326,932	93,560,701,744
7.07 Sector - wise Loans and Advances		
Government & autonomous	-	-
Co-operative sector	-	-
Other public sector	-	-
Private sector	115,506,326,932	93,560,701,744
	115,506,326,932	93,560,701,744
7.08 Details of large Loans and Advances		
Number of clients with outstanding amount and classified loans exceeding 10% of total capital of the Bank.		
Total Capital of the Bank	1,687.71	908.58
Outstanding Advances (note : 7.08.01)	2,124.11	2,490.53
Number of customers	17	33
Classified amount	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

7.08.1. Detail of Information on Advances more than 10% of Bank's total Capital as on 31 December 2011.

(Figure in crore)			
Name of the Borrower	Outstanding as on 31 Dec-2011		31 Dec- 2010
	Funded	Non-Funded	Total
Palmal Group	22.61	42.20	64.81
Max Automobile Products & Allied Ltd.	138.19	331.23	469.42
City Seed Crushing Ind. Ltd.	35.01	-	35.01
Bulk Trade International Ltd.	-	118.22	118.22
Nasir Group	55.54	2.92	58.46
Toma Construction Co. Ltd. & Allied	86.03	102.96	188.99
Beshundhara Paper Mills Ltd.	66.49	1.59	68.08
Borak Real Estate (Pvt.) Limited	116.61	9.55	126.16
Four H.Group	130.46	192.80	323.26
Kabir steel Ltd & allied	119.21	9.25	128.46
Liz Fashion Inds. Ltd.	60.37	92.36	152.73
T. K. Group	-	0.03	46.92
Tamvir Oils Ltd.	5.05	-	5.05
Micro Fiber Limited	-	9.85	9.85
Ruby Food Products Ltd.	93.31	67.53	160.84
Metro Group	38.15	121.38	159.53
City Group	8.32	-	8.32
Antim Group	-	-	162.16
Sikder Group	-	-	57.14
Thermax Group	-	-	10.72
AT & T Spinning Mills Ltd.	-	-	7.52
Shampa Flour Mills Ltd. & Hamida	-	-	71.05
APS Group	-	-	61.42
Rangs Motors Ltd.	-	-	64.13
Knit Asia Ltd.	-	-	118.76
Kabir Enterprise	-	-	75.80
Reza Construction Ltd.	-	-	35.23
Abul Khair Group	-	-	81.26
Amin Associates	-	-	53.28
M/S Dhaka Enterprise	-	-	30.01
M/S Wahid Miah	-	-	89.42
Metro Knitting & Dyeing Mills Ltd.	-	-	135.16
Satter Enterprise	-	-	52.40
BSRM Group	-	-	70.01
MAF Newsprint Mills Ltd.	-	-	108.67
Metro Knitting & Dyeing Mills Ltd.	-	-	121.39
Azan Store	-	-	28.53
Total :	1,022.24	1,101.87	2,124.11
			2,490.53

7.09 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.	98,713,181,568	77,143,618,833
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	14,870,052,295	7,540,541,657
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	1,923,093,069	8,876,541,254
iv) Loans adversely classified, provision not maintained there against.	115,506,326,932	93,560,701,744
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	566,669,725	468,043,941
vi) Loans due by companies or firms in which the directors of the banking company have interests as directors, partners, or managing agents or in case of private companies, as members	59,846,815	59,846,815

Notes to the Financial Statements

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
vi) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other person		231,200,000	200,078,000
vii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members		-	-
ix) Due from banking companies			
x) Amount of classified loans on which interest has not been charged:		1,349,940,627	726,606,000
a) Decrease/ Increase in provision		740,632,293	129,254,372
b) Amount realised against loan previously written off		148,356,286	140,548,021
c) Amount of provision kept against loan classified as Bad /Loss on the balance sheet date		598,243,529	249,468,875
d) Interest credited to the interest suspense account.		596,659,460	253,808,938
xi) Cumulative amount of the written off loan		6,360,690,753	6,187,262,902
xii) Amount written off during the year		173,427,851	703,258,413
xiii) Amount of written off loan for which law suit filed		5,545,985,469	5,379,189,160
7.10 Classification of Loans & Advances			
a) Unclassified			
Standard (SMA)		887,760,151	798,005,000
Standard (Small & Medium Ent.)		42,986,870,000	37,940,512,000
Standard (Consumer Finance- Credit Card)		2,105,682,000	1,137,768,000
Standard (Consumer Finance-House Finance)		3,668,684,000	2,515,873,000
Standard (Consumer Finance - Loan Professional)		17,066,000	13,622,000
Standard (Consumer Finance-Others)		3,003,896,000	2,797,319,000
Standard (Agri Loan)		358,614,000	257,104,000
Standard (Staff Loan)		506,822,910	408,197,000
Standard (Others.)		59,903,387,286	46,571,498,744
		<u>113,438,782,347</u>	<u>92,439,898,744</u>
b) Classified			
Sub - Standard		256,680,887	248,209,000
Doubtful		460,923,071	145,988,000
Bad & Loss		1,349,940,627	726,606,000
		<u>2,067,544,585</u>	<u>1,120,803,000</u>
Total		115,506,326,932	93,560,701,744

Notes to the Financial Statements

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
7.11 Particulars of required provision for Loans & Advances			
General Provision (a)			
Special Mention Account	831,241,940	5%	41,562,097
Small & Medium Enterprise	42,986,870,000	1%	429,868,700
Consumer Fin.- Credit Card	2,105,682,000	5%	105,284,100
Consumer Fin-House Finance	3,668,684,000	2%	73,373,680
Consumer Fin - Loan Prof.	17,066,000	2%	341,320
Consumer Fin-Others	3,003,896,000	5%	150,194,800
Agriculture Loan	358,614,000	5%	17,930,700
Loan to BHs/MBs/SDs against share	27,048,000	2%	540,960
Unclassified Advances	59,820,647,900	1%	598,206,479
			<u>1,417,902,836</u>
Specific Provision (b)			
Sub - Standard	74,223,952	20%	14,844,790
Doubtful	293,043,949	50%	146,521,975
Bad & Loss	537,558,470	100%	537,558,470
			<u>698,925,235</u>
Required provision for Loans & Advances (A+B)			
Total provision held for Loans & Advances			<u>2,116,228,071</u>
Excess/(Short) Provision			<u>1,428,925,000</u>
			<u>2,177,144,168</u>
			<u>60,916,097</u>
7.12 Suit filed by different branches against defaulted borrowers during the year (Branch wise details)			
Elephant road branch		6,612,870	105,448,065
Narayanganj branch		39,722,237	24,066,069
Agrabad branch		115,189,450	188,370,898
O.R Nizam Road branch		661,811	110,987,487
Khulna branch		1,344,452	-
Card division		10,653,190	4,199,550
Khatungong branch		8,165,065	15,688,180
Nayabazar branch Dhaka		68,142,105	-
Zindira branch		2,507,087	-
Principal branch		-	327,636,931
Chowmuhani branch		-	6,485,383
Muradpur branch Ctg.		-	27,286,258
Rangpur branch		-	86,902,484
Noapara bazar branch (Jessore)		-	16,713,480
		<u>282,997,967</u>	<u>911,784,746</u>
7.13 Bills purchased and discounted			
a) Payable in Bangladesh		1,788,679,444	1,910,762,352
b) Payable outside Bangladesh		976,186,779	463,347,591
		<u>2,764,866,223</u>	<u>2,374,109,943</u>
7.13.01 Maturity grouping of bills purchased and discounted			
Payable within one month		1,197,000,000	913,682,973
Over one month but less than three months		645,114,707	1,072,800,622
Over three months but less than six months		919,151,518	384,744,736
Six months or more		3,600,000	2,881,612
		<u>2,764,866,223</u>	<u>2,374,109,943</u>

Notes to the Financial Statements

8.00 Fixed assets including premises, furniture & fixture, Property, Plant & Equipment.

	Amount in Taka	
	31 Dec. 2011	31 Dec. 2010
Land	1,706,032,169	677,579,138
Building	612,389,638	582,858,071
Furniture and fixtures	568,011,867	377,055,827
Office equipments	450,144,790	326,456,544
Computer & equipments	389,770,395	353,825,803
Banks Car/ Scooter/Vehicle	246,175,478	173,660,200
	3,972,524,337	2,491,435,583
Intangible assets		
Computer software	78,400,696	59,589,702
	4,050,925,033	2,551,025,285
Less: Accumulated depreciation & amortization	752,837,756	584,676,198
Written down value at the end of the year	3,288,087,277	1,966,349,087

A schedule of Fixed assets is given in Annexure - B

9.00 Other assets

Printing stationery, stamps & security paper	33,176,514	37,911,784
Advance rent	916,828,880	784,800,347
Stock of credit card	4,880,241	3,420,880
Security deposit	1,395,866	1,358,276
Advance deposit	2,728,616	2,367,020
Suspense accounts (note - 9.01)	516,022,047	367,759,491
Advance Income Tax (note - 9.02)	5,041,882,849	3,675,846,307
Branch adjustment A/C (note - 9.03)	880,720,548	643,895,071
Work-in-Progress	36,567,349	8,951,890
Interest receivable	471,873,774	357,946,121
Accrued income	45,562,350	23,676,693
Prepaid expenses	4,500,000	9,000,000
Investment in share of subsidiary companies.	199,899,900	99,999,900
Receivable from Subsidiary Company	126,580,894	125,750,373
Placement of F.C with correspondent bank	455,881,848	-
Others (note - 9.04)	131,222,650	185,055,214
	8,869,724,326	6,327,739,367

9.01 Suspense accounts

Sundry debtors	458,178,892	303,186,424
Advance against TAY/DA	431,600	676,090
Advance against postage	26,563	10,109
Advance against petty cash	4,000	-
Advance against BSP/PSP	29,650,555	22,326,275
Interest in sanchay patra	11,657,190	11,776,078
Excise duty	6,258,130	4,532,020
Legal charges	25,700	-
Protested bill	5,934,536	5,934,536
Advance against proposed branch	-	6,150,000
Credit card	3,854,881	13,167,959
	516,022,047	367,759,491

9.02 Advance income tax

Opening balance	3,675,846,307	2,827,225,598
Addition during the year	1,366,036,542	848,620,709
Adjustment during the year	-	-
Balance at the end of the year	5,041,882,849	3,675,846,307

9.02.01 Advance income tax

A) Assessment year wise break up is as follows:

Up to 2005-2006	78,308,587	78,308,587
2006-2007	451,214,344	451,214,344
2007-2008	576,367,998	576,367,998
2008-2009	935,529,752	935,529,752
2009-2010	640,626,917	640,626,917
2010-2011	666,225,618	666,225,618
2011-2012	1,136,180,613	327,573,091
2012-2013	557,429,020	-
	5,041,882,849	3,675,846,307

Notes to the Financial Statements

9.03 Branch adjustment account

This is made up as follows :

	31 Dec. 2011	31 Dec. 2010
Due from branches	56,879,751,150	41,946,704,536
Due to branches	55,999,030,602	41,302,809,465
	880,720,548	643,895,071

Branch Adjustment account represents outstanding inter-branch and Head Office transaction (Net) originated but yet to be responded at balance sheet date. However, the unresponded entries of 31.12.2011 as of February 25, 2012 are given below:

Particulars	Debit Entries		Credit Entries	
	No of Entries	Amount in Taka	No of Entries	Amount in Taka
Over three months upto six months	293	81,663,817	368	33,244,024
Over six months upto nine months	387	82,445,436	257	-
Over nine months upto one year	242	21,499,480	219	30,670,075
Over one year	816	17,211,479	268	4,892,381
Total	1,738	202,820,212	1,112	149,990,114

9.04 Others

Cash remittance	5,000,000	3,075,000
Adjusting account debit	341,550	45,295
D.D cancelled	-	30,000
D.D paid without advice	5,317,778	22,896,516
Clearing adjustment account	37,481,565	158,035,161
Share sale proceed receivable	79,729,044	973,142
Premium on deposit insurance	3,352,613	-
Receivable from Al Tamas	100	100
	131,222,650	185,055,214

9.05 Non-income generating other assets

Printing stationery, stamps & security paper	33,176,514	37,911,784
Advance rent	916,828,880	784,800,347
Stock of credit card	4,880,241	3,420,880
Security deposit	1,395,866	1,358,276
Advance deposit	2,728,616	2,367,020
Advance Income Tax	5,041,882,849	3,675,846,307
Suspense account	516,022,047	367,759,491
Branch Adjustment account	880,720,548	643,895,071
	7,397,635,561	5,517,359,176

9(a) Consolidated Other assets

United Commercial Bank Ltd.	8,869,724,326	6,327,739,367
UCB Securities Ltd.	-	-
UCB Investment Ltd.	-	-
	8,869,724,326	6,327,739,367
Less: Inter Company balance eliminated	326,480,794	225,750,273
Investment in shares of subsidiary companies	199,899,900	99,999,900
Receivables from Subsidiary Company	126,580,894	125,750,373
	8,543,243,532	6,101,989,094

10.00 Borrowings from other banking companies, financial institution, agents etc.

11.00 Deposits and other accounts

a. Current accounts & other accounts

Current deposits	9,075,843,403	10,054,396,567
Sundry deposits (note - 11.01)	6,802,507,462	5,800,821,325
Foreign currency deposits (note - 11.02)	124,849,165	40,787,434
Overdraft	11,831,321	10,784,130
Secured overdraft	177,436,000	248,970,224
C.C (Hypo)	111,441,682	174,026,379
C.C Pledge	13,368	4,127,568
C.C Others	46,864,319	357,301
IPO subscription-NRB (Dollar)	2,340,608	2,605,655
IPO subscription-NRB (Pound)	254,032	249,868
IPO subscription-NRB (Euro)	63,432	78,725
	16,353,444,792	16,337,205,175

b. Bills Payable

Pay order	2,130,238,404	2,185,602,956
Demand draft payable	109,372,287	357,085,691
T.T payable	8,500	139,500
Foreign remittance account	33,467,094	-
Others	60	-
	2,273,086,345	2,542,828,147

c. Savings Bank deposits

Savings Bank deposits	14,811,191,649	14,030,124,624
	14,811,191,649	14,030,124,624

d. Fixed deposits

Fixed deposits	82,868,907,061	62,718,950,632
Short term deposits	14,899,446,840	12,504,957,267
Staff security deposits	3,514,446	2,934,446
Deposit pension scheme	35,835,593	42,011,434
Monthly savings schemes	2,630,703,873	3,054,049,164
UCB youngstar DPS	1,179,810	-
UCB money multiplier	2,943,325,410	793,516,588
UCB monthly time return	70,449,000	71,040,384
UCB quarterly time return	24,055,125	25,894,125
UCB multi millionaire	523,430,284	281,996,176
UCB monthly savings plus	1,263,100,880	531,303,532
UCB earning Plus (monthly interest)	215,734,516	52,116,750
UCB earning plus (quarterly interest)	21,500,000	30,428,690
UCB money maximizer (Double)	334,378,739	71,416,294
UCB youngstars savings deposit	4,125,294	-
UCB savings Plus deposits	1,597,843	-
UCB royale savings deposit	205,724,747	-
Salary account corps.	5,514	9,076
UCB student accounts	8,142	-

Total Deposits and other accounts (a+b+c+d)

11.01 Sundry deposits

Sundry creditors	368,027,188	272,572,060
Security deposits	36,526,332	81,182,423
Outward bill for collection	2,876,773	6,874,480
Collection clearing adjustment account	31,430,471	188,780,144
Foreign correspondence charge	477,460,454	383,326,105
Exporters retention quota	168,109,712	106,064,294
Cash assistance to exporters	371,323	7,371,683
Margin		
Letter of guarantees	477,292,400	682,478,694
Letter of credit	4,688,771,281	3,601,966,118
Usance letter of credit (normal)	156,105,104	86,169,703
Inland bills purchased	3,000,998	24,727,372

Dues to government agencies

Tax at source	209,367,274	143,614,845
Value added Tax (VAT)	63,681,262	52,705,366
Excise duty	101,400,480	86,098,679
Credit card	143,190	6,000
Others	17,943,220	76,883,359
	6,802,507,462	5,800,821,325

11.02 Foreign currency deposits

Non-Resident foreign currency account (\$)	103,598,666	21,937,943
Non-Resident foreign currency deposit	1,484,704	2,541,504
Resident foreign currency deposit	19,765,795	16,307,987
	124,849,165	40,787,434

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
11.03 Maturity analysis of deposits & other accounts			
Inter-Bank Deposits			
Payable on demand	8,714,000	5,619,000	
Payable within one month	-	-	
Over one month but within six months	175,746,000	110,000,000	
Over six month but within one year	-	-	
Over one year but within five years	-	-	
Over five years but within ten years	-	-	
	184,460,000	115,619,000	
Other Deposits			
Payable on demand	7,443,691,982	7,072,403,870	
Payable within one month	27,337,690,471	9,915,735,726	
Over one month but within six months	62,121,730,822	53,784,777,542	
Over six month but within one year	23,516,341,771	28,990,111,775	
Over one year but within five years	13,094,331,295	10,528,797,464	
Over five years but within ten years	5,786,499,563	2,663,337,129	
	139,300,285,903	112,955,163,505	
	139,484,745,903	113,070,782,505	
11.04 Sector-wise deposits			
Government	328,385,000	272,646,000	
Semi-Government	2,100,290,000	1,365,609,000	
Other Financial Institution	512,010,000	1,744,778,000	
Foreign currency (note-11.02)	124,849,165	40,787,434	
Private	136,419,211,738	109,648,962,071	
	139,484,745,903	113,070,782,505	
11(a) Consolidated Deposits and other accounts			
Current accounts & other accounts			
United Commercial Bank Ltd.	16,353,444,792	16,337,205,176	
UCB Securities Ltd.	-	-	
UCB Investment Ltd.	-	-	
	16,353,444,792	16,337,205,176	
Less: Inter company balance eliminated	200,000,000	100,000,000	
	16,153,444,792	16,237,205,176	
Bills Payable			
United Commercial Bank Ltd.	2,273,086,345	2,542,528,147	
UCB Securities Ltd.	-	-	
UCB Investment Ltd.	-	-	
	2,273,086,345	2,542,528,147	
Savings Bank deposits			
United Commercial Bank Ltd.	14,811,191,649	14,030,124,624	
UCB Securities Ltd.	-	-	
UCB Investment Ltd.	-	-	
	14,811,191,649	14,030,124,624	
Fixed deposits			
United Commercial Bank Ltd.	106,047,023,117	80,160,624,558	
UCB Securities Ltd.	-	-	
UCB Investment Ltd.	-	-	
	106,047,023,117	80,160,624,558	
	139,284,745,903	112,970,782,505	

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
12.00 Other Liabilities			
Provision for classified loans & advances	(note - 12.01)	759,660,529	292,504,875
Provision for diminution in value of investment	(note - 12.02)	-	104,567,000
Provision for classified fixed assets	(note - 12.03)	3,972,000	3,972,000
Provision for classified other assets	(note - 12.04)	10,937,000	16,447,125
Provision for unclassified loans & advance	(note - 12.05)	598,226,639	465,760,000
Provision for special mention account	(note - 12.06)	41,582,000	38,524,000
Provision for small & medium enterprise (SME)	(note - 12.07)	429,889,000	379,425,000
Provision for consumer finance (Credit Card)	(note - 12.08)	105,304,000	58,908,000
Provision for consumer finance (House Finance)	(note - 12.09)	73,394,000	50,337,000
Provision for consumer finance (L.p)	(note - 12.10)	361,000	292,000
Provision for consumer finance (Others)	(note - 12.11)	150,215,000	139,886,000
Provision for short term agri micro finance	(note - 12.12)	17,951,000	12,875,000
Provision for off-balance sheet exposure	(note - 12.13)	402,602,000	407,997,000
Provision for current tax	(note - 12.14)	6,536,027,492	4,352,567,173
Provision for deferred tax	(note - 12.15)	181,445,374	181,445,374
Provision for UCB foundation	(note - 12.16)	39,534,987	39,534,987
Provision for others	(note - 12.17)	561,000	-
Interest suspense account	(note - 12.18)	689,078,480	396,914,067
Exchange equalization fund		41,287,638	-
Dividend payable		41,400	41,400
Adjusting account credit		239,523	-
Sundry liabilities		388,923,824	73,439,721
Inter bank fund transfer		48,097,533	-
Festival bonus		100,000	-
Incentive bonus		164,537,222	330,976,477
Interest payable		2,532,427,462	1,347,371,340
Accrued expenses		224,222,208	297,194,206
		13,440,618,311	8,988,979,745
12.01 Provision for classified loans & advances			
Opening balance		292,504,875	586,231,503
Fully provided debts written off		(173,427,851)	(703,258,413)
Remission allowed		(1,362,081)	(1,500,817)
Recoveries from previously written off		-	-
Provision made during the year		513,690,586	347,900,754
Transferred from surplus of other provision heads		128,255,000	63,131,848
Transferred to other provision head		-	-
		759,660,529	292,504,875
12.02 Provision for diminution in value of investment			
Opening balance		104,567,000	32,735,000
Provision made during the year		-	71,832,000
Transferred to other provision head		(104,567,000)	-
		-	104,567,000
12.03 Provision for classified fixed assets			
Opening balance		3,972,000	3,972,000
Provision made during the year		-	-
		3,972,000	3,972,000
12.04 Provision for classified other assets			
Opening balance		16,447,125	9,276,000
Provision made during the year		1,539,775	9,650,125
Adjustment during the year		(7,049,900)	(2,479,000)
Recoveries from previously written off		-	-
		10,937,000	16,447,125
12.05 Provision for unclassified loans & advance			
Opening balance		465,760,000	425,666,000
Provision made during the year		132,466,639	90,567,000
Adjustment during the year		-	(50,473,000)
		598,226,639	465,760,000

Notes to the Financial Statements

		Amount In Taka	
		31 Dec. 2011	31 Dec. 2010
12.06	Provision for special mention account		
	Opening balance	38,524,000	41,399,000
	Provision made during the year	3,058,000	6,978,000
	Adjustment during the year	-	(9,853,000)
		41,582,000	38,524,000
12.07	Provision for small & medium enterprise(SME)		
	Opening balance	379,425,000	139,224,000
	Provision made during the year	50,464,000	240,201,000
		429,889,000	379,425,000
12.08	Provision for consumer finance (Credit Card)		
	Opening balance	56,908,000	42,224,000
	Provision made during the year	48,506,000	14,684,000
	Adjustment during the year	(110,000)	-
		105,304,000	56,908,000
12.09	Provision for consumer finance (House Finance)		
	Opening balance	50,337,000	4,038,000
	Provision made during the year	23,057,000	46,299,000
		73,394,000	50,337,000
12.10.	Provision for consumer finance (Loan Professionals)		
	Opening balance	292,000	277,000
	Provision made during the year	60,000	15,000
		361,000	292,000
12.11	Provision for consumer finance (Others)		
	Opening balance	139,886,000	54,478,000
	Provision made during the year	10,329,000	85,408,000
		150,215,000	139,886,000
12.12	Provision for short term agri micro finance		
	Opening balance	12,875,000	13,720,000
	Provision made during the year	6,107,000	-
	Transferred to other provision	(1,031,000)	(845,000)
		17,951,000	12,875,000
12.13	Provision for off-balance sheet exposure		
	Opening balance	407,997,000	221,002,000
	Provision made during the year	10,152,000	186,995,000
	Transferred to other provision	(15,547,000)	-
		402,602,000	407,997,000
12.14	Provision for current tax		
	Opening balance	4,352,567,173	3,064,519,583
	Addition during the year	2,183,460,319	1,288,047,590
		6,536,027,492	4,352,567,173
12.15	Provision for deferred tax		
	Opening balance	181,445,374	19,330,317
	Addition during the year	-	162,115,057
		181,445,374	181,445,374
12.16	Provision for UCB foundation		
	Opening balance	39,534,987	39,534,987
	Addition during the year	-	-
	Adjustment during the year	-	-
		39,534,987	39,534,987

Notes to the Financial Statements

Amount In Taka

31 Dec. 2011

31 Dec. 2010

12.17 Provision for Others

Opening balance	-	-
Addition during the year	561,000	-
Adjustment during the year	-	-
	561,000	-

12.18 Interest suspense account

Opening balance	396,914,067	391,273,958
Add: Amount transferred to interest suspense account during the year	596,659,460	253,808,938
Less: Amount recovered from interest suspense account	(243,348,039)	(82,870,591)
Less: Interest waiver/remission allowed	(36,165,096)	(33,473,712)
Less: Amount recovered to write off loans & advances	(24,981,912)	(131,824,526)
	689,078,480	396,914,067

12(a) Consolidated Other Liabilities

United Commercial Bank Ltd.	13,440,618,311	8,988,979,745
UCB Securities Ltd.	126,126,979	125,785,373
UCB Investment Ltd.	511,165	-
	13,567,256,455	9,114,765,118
Less: Inter company balance eliminated	126,630,894	125,750,373
	13,440,625,561	8,989,014,745

13.00 Share Capital

Opening balance	2,909,953,500	1,193,827,100
Add: Amount received from Right shares issue	2,909,953,500	-
Add: Bonus shares issue and paid 145,497,675 ordinary shares of Tk. 10.00 each	1,454,976,750	1,716,126,400
	7,274,883,750	2,909,953,500

13.01 Authorized Capital

800,000,000 ordinary shares of Tk 10.00 each	8,000,000,000	8,000,000,000
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13.02 Issued subscribed and paid up Capital

29,09,95,350 ordinary shares @ Taka 10.00 each issued for cash	2,909,953,500	120,000,000
14,54,97,675 ordinary shares of Tk-10.00 each issued as bonus	1,454,976,750	2,788,953,500
29,09,95,350 ordinary shares @ Taka 10.00 each issued as Right share	2,909,953,500	-
	7,274,883,750	2,909,953,500

Category of shareholding position was as follows:

Particulars	2011		2010	
	No. of shares	Amount In Taka	No. of shares	Amount In Taka
Sponsors/promoters	192,410,322	1,924,103,220	104,373,990	1,043,739,900
Institution(Financial & Others)	92,265,544	922,655,440	12,019,370	120,193,700
General Public	436,912,010	4,369,120,100	162,286,850	1,622,868,500
Govt. of Peoples Republic of B'desh	5,900,499	59,004,990	12,315,140	123,151,400
Total	727,488,375	7,274,883,750	290,995,350	2,909,953,500

13.03 Share Premium

29,09,95,350 ordinary shares of Taka 5 each per share	1,454,976,750	-
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Notes to the Financial Statements

13.04 Classification of Shareholders by holding as at 31 December 2011

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in Taka	Total Holdings %
Upto 500 Shares	63,703	14,957,904	149,579,040	2.06%
501 to 5000 Shares	57,575	96,628,289	966,282,890	13.28%
5001 to 10,000 Shares	5,012	36,040,475	360,404,750	4.95%
10,001 to 20,000 Shares	2,181	30,660,971	306,609,710	4.21%
20,001 to 30,000 Shares	625	15,439,734	154,397,340	2.12%
30,001 to 40,000 Shares	301	10,493,753	104,937,530	1.44%
40,001 to 50,000 Shares	160	7,382,825	73,828,250	1.01%
50,001 to 100,000 Shares	281	20,151,412	201,514,120	2.77%
100,001 to 10,00,000 Shares	241	66,595,114	665,951,140	9.15%
10,00,001 & above	96	429,137,898	4,291,378,980	58.99%
Total	130,175	727,488,375	7,274,883,750	100.00%

Notes to the Financial Statements

Amount in Taka

31 Dec. 2011

31 Dec. 2010

13.05 Capital Adequacy Ratio

The calculation of CAR has been done as per BRPD circular no. 10 dated 10 March 2010 and the BASEL-II guideline December 2010 vide BRPD circular no. dated 29 December 2010. Required Capital of the bank at the close of business on 31 December 2011 was Taka 15,523,189,229 as against available Core capital of Taka 14,278,036,173 and Supplementary capital of Taka 2,599,020,068 making a total capital of Taka 16,877,056,241 thereby an excess of capital of Taka 1,353,867,012 at that date.

Details are shown below :

Tier-I (Core Capital) :

Paid-up Capital (note: 13.02)	7,274,883,750	2,909,953,500
Share Premium (note: 13.03)	1,454,976,750	-
Statutory Reserve (note: 14.00)	3,594,277,936	2,559,695,017
General Reserve (note : 15.00)	26,577,961	91,577,961
Retained Earning (note : 17.00)	1,977,319,775	1,456,074,469
	14,328,036,173	7,017,300,947
Less: Investment in subsidiaries which are not consolidated	(50,000,000)	-
	14,278,036,173	7,017,300,947

Tier-II (Supplementary Capital)

General Provision against Unclassified Loan	1,417,483,639	1,142,979,000
General Provision on Off Balance Sheet Exposure	402,602,000	407,997,000
Assets Revaluation Reserve (note-a)	741,624,795	228,248,280
Revaluation Reserve of Govt. Securities (note-b)	76,191,787	171,736,522
Revaluation Reserve of equity instrument (note-c)	11,117,847	117,565,193
	2,649,020,068	2,068,525,995
Less: Investment in subsidiaries which are not consolidated	(50,000,000)	-
	2,599,020,068	2,068,525,995

Tier-III (Eligible for Market Risk only) :

Total Capital	16,877,056,241	9,085,826,942
Risk Weighted Assets (note-13.07)	155,231,892,292	144,080,551,272
Required Capital (10% on risk Weighted Assets)	15,523,189,229	12,967,249,614
Capital Surplus/(Shortfall)	1,353,867,012	(3,881,422,672)

Note :

a) This represents 50% of the value increased due to revaluation of bank's land property.

A sum of Tk. 1,483,249,590 is increased due to revaluation but as per guide line of BRPD Circular # 10 dated 24 November 2002, 50% of the increased value i.e. Tk. 741,624,795 has been included as a component of Tier-II capital.

The revaluation work was done by Padma Techno Consult & Survey Ltd. (Report Date 27.12.2011).

b) This represents 50% of the value increased due to revaluation of Banks HTM & HFT Securities.

As per Bangladesh Bank's instruction (BRPD Circulars # 03, dated 12 March 2008) upto 50% of revaluation reserves on HTM & HFT securities amounting to Tk.76,191,787 (i.e. 50% of Tk.152,383,574 note-16.02) has been considered as Supplementary Capital.

c) This represents 10% of the unrealized gain (difference between market & cost value (2,413,809,623-2,302,631,153) X 10% = 11,117,847) on equity instruments as per BRPD Circular No. 24 para 1.3.2 dated August 03,2010

13.06	Total Risk weighted assets	Required	Held	Required	Held
	On Core Capital	5.00%	9.20%	4.50%	4.87%
	On Supplementary Capital		1.67%		1.44%
	Total		10.87%		6.31%

Notes to the Financial Statements

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
13.07	Computation of Risk weighted assets		
	Credit Risk (A)	137,610,760,221	125,648,630,629
	On-Balance sheet	117,588,298,428	101,367,806,965
	Off-Balance sheet	20,022,461,793	24,280,823,674
	Market Risk (B)	6,315,705,905	8,836,309,532
	Operational risk (C)	11,305,426,166	9,595,611,111
	Total: Risk Weighted assets (A+B+C)	155,231,892,292	144,080,551,272
14.00	Statutory Reserve		
	As per section 24(1) of the Banking companies act 1991, an amount equivalent to 20% of the profit before taxes for the year has been transferred to the statutory reserve fund as under:		
	Opening Balance	2,559,695,017	1,833,335,403
	Add: Transferred during the year	1,034,582,919	726,359,614
	Less: Adjustment during the year	-	-
		3,594,277,936	2,559,695,017
15.00	General Reserve		
	Opening Balance	91,577,961	114,123,086
	Add: Transferred during for the year	-	-
	Less: Transfer to Retained Earnings	(65,000,000)	(22,545,125)
		26,577,961	91,577,961
16.00	Other Reserve		
	Asset Revaluation Reserve	1,483,249,590	456,496,559
	Currency translation reserve	2,743,607	-
	Revaluation Reserve on HTM Securities	145,585,626	79,359,327
	Revaluation Reserve on HFT Securities	6,797,948	264,113,717
		1,638,376,771	799,969,603
16.01	Asset Revaluation Reserve		
	In terms of Bangladesh Accounting Standard (BAS) 16, 'Property, Plant & Equipment' and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank were revalued as at 27.12.2011 by Padma Techno Consult & Survey Ltd. an independent professionally qualified valuation firm of the country based on market survey. Accordingly, revaluation surplus of Tk. 1,483,249,590/- for land has been included as asset revaluation reserve at reporting date as follows:		
	Opening Balance	456,496,559	456,496,559
	Reserve made for the year	1,026,753,031	-
		1,483,249,590	456,496,559
16.02	Revaluation Reserve		
	HTM Securities (Notes 16.02.1)	145,585,626	79,359,327
	HFT Securities (Notes 16.02.2)	6,797,948	264,113,717
		152,383,574	343,473,044
	As per the DOS Circular Letter # 05 dated 26 May 2008, HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis.		
16.02.1	Revaluation Reserve on HTM Securities		
	Opening Balance	79,359,327	43,632,185
	Net Revaluation gain during the year	66,226,299	39,565,783
	Adjustment / Reverse during the year	-	(3,838,641)
		145,585,626	79,359,327

Notes to the Financial Statements

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
16.02.2	Revaluation Reserve on HFT Securities		
	Opening Balance	264,113,717	370,471,157
	Net Revaluation gain during the year	-	52,029,173
	Adjustment / Reverse during the year	(257,315,769)	(158,386,613)
		6,797,948	264,113,717
17.00	Retained Earnings		
	Opening Balance	1,456,074,469	648,982,575
	Add: Transferred during for the year	1,911,222,066	1,456,074,469
	Add: Transferred from General Reserve	65,000,000	-
	Less: Issue of Bonus Share	(1,454,976,750)	(648,982,575)
		1,977,319,775	1,456,074,469
17(a)	Consolidated Retained Earnings		
	United Commercial Bank Ltd.	1,977,319,775	1,456,074,469
	UCB Securities Ltd.	(2,729,836)	(2,638,230)
	UCB Investment Ltd.	(511,165)	-
		1,974,078,774	1,453,436,239
	Less: Non controlling interest	(3)	(3)
		1,974,078,777	1,453,436,242
	Non controlling interest		
	Paid up Capital	200,000,000	100,000,000
	Retained earnings	(3,241,001)	(2,638,230)
		196,758,999	97,361,770
	Non controlling interest	97	97
18.00	Contingent liabilities & commitment		
	Acceptances & endorsement (note-18.01)	13,288,652,589	13,680,010,767
	Letter of guarantees (note-18.02)	12,442,898,593	10,543,900,599
	Irrecoverable letter of credit (note-18.03)	14,217,804,235	16,288,672,250
	Bills for collection (note-18.04)	306,013,525	285,153,248
		40,255,368,942	40,797,736,864
18.01	Acceptances & endorsements		
	Bankers liabilities for accepted bills (Inland)	8,302,792,664	3,599,393,652
	Bankers liabilities for accepted bills (Foreign)	4,985,859,925	10,080,617,115
		13,288,652,589	13,680,010,767
18.02	Letter of guarantees		
	Bankers liabilities for letter of guarantees (Inland)	11,325,311,989	9,075,943,133
	Bankers liabilities for letter of guarantees (Foreign)	1,117,586,604	1,467,957,466
		12,442,898,593	10,543,900,599
18.03	Irrecoverable letters of credit		
	Letters of credit (Inland)	196,519,000	171,475,000
	Letters of credit (Foreign)	8,956,098,072	9,816,316,727
	Letters of credit (Deferred)	1,705,313,000	1,718,016,071
	Back to back L/C	2,997,035,000	4,417,793,000
	Letters of credit (Sight)	-	-
	Letters of credit EDF	355,567,436	165,071,452
	Letters of F.C purchase	7,271,727	-
		14,217,804,235	16,288,672,250

Notes to the Financial Statements

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
18.04	Bills for collection		
	Bills for collection	81,723,729	109,632,910
	Foreign Bills for collection	156,946,817	175,520,338
	BEFT collection account	67,342,979	-
		306,013,525	285,153,248
19.00	Interest income		
	Interest on loans and advances (note - 19.01)	14,850,725,129	9,357,222,185
	Interest on balances with other bank & Fin Ins. (note - 19.02)	492,504,405	105,569,326
	Interest on balance with foreign Bank (note - 19.03)	8,029,237	5,390,289
	Penal interest (note - 19.04)	373,327	179,624
		15,351,632,098	9,468,361,424
19.01	Interest on loans and advances		
	Time loan	236,630,579	197,366,381
	Personal credit scheme	10,618,570	7,830,163
	Transport loan	144,274,632	103,563,151
	Project loan	2,920,764,323	2,318,208,956
	Staff car loan	21,067	1,346,277
	House building loan (HBL)-commercial	209,178,185	77,465,082
	House building loan (HBL)-residential	756,970,933	630,508,940
	House building loan (STAFF)	9,879,367	10,316,955
	Payments against documents(Cash)	142,290,730	107,332,347
	Payments against documents(EDF)	41,322,353	10,462,671
	Import loan (Pledge)	45,261,448	36,775,875
	Lone against Trust Receipt(LTR)	1,743,893,258	1,330,425,830
	Own acceptance purchase	145,824,680	56,067,218
	Packing credit	29,941,438	41,378,488
	Foreign bills purchased (FBP)	8,157,060	10,461,453
	Local bills purchased & discounted (LBPD)	274,202,995	166,282,957
	T.T. Purchase	6,180	-
	Loan to leasing company	86,888,113	44,299,140
	Overdrafts	3,655,398,572	1,719,708,704
	Cash credits	2,831,529,025	1,684,275,302
	Loan against credit card (Local)	234,758,375	152,601,774
	Loan against credit card (International)	57,467,810	41,904,941
	Demand loan	660,922	506,896
	Home loan	650,774,835	269,950,104
	Auto loan	284,314,500	197,144,151
	Doctors loan	1,126,695	259,953
	Marriage loan	156,858	-
	Any purpose loan	211,915,108	112,651,168
	Education loan	8,095,921	110,541
	Hospitalization loan	40,206	-
	Advance against salary	4,514,675	201,238
	Travel loan	60,058	-
	Home mortgage loan	102,459,183	22,511,015
	House hold durable loan	1,060,202	-
	UCB-Disha	86,354	-
	UCB-Odammaya	138,861	-
	UCB-Nistha	31,966	-
	Other loans	9,092	5,304,514
		14,850,725,129	9,357,222,185

Notes to the Financial Statements

		Amount in Taka	
		31 Dec. 2011	31 Dec. 2010
19.02	Interest on balances with other bank and financial institution		
	Call Loans	313,488,009	13,299,389
	Balance with Other bank	179,016,396	92,269,937
		492,504,405	105,569,326
19.03	Interest on balance with foreign bank		
	F.C held in abroad	2,000,655	-
	Regular fund in abroad	6,028,582	5,390,289
		8,029,237	5,390,289
19.04	Penal interest		
	Penal interest on FDR	75,743	117,608
	Penal interest on M.S.S	281,263	53,382
	Penal interest on D.P.S	870	8,634
	Penal interest on S.E.F	15,451	-
		373,327	179,624
20.00	Interests Paid on deposits and borrowings etc.		
	Interest paid on deposits (note - 20.01)	10,049,405,178	5,413,442,665
	Interest paid on borrowings (note - 20.02)	153,809,583	219,504,771
		10,203,214,761	5,632,947,436
20.01	Interest paid on deposits		
	Savings bank deposits	457,873,284	428,678,700
	Fixed deposits	8,080,519,884	4,097,930,874
	Call deposits	-	36,672
	Short term deposits	797,945,651	412,150,279
	Staff security deposits	252,000	137,560
	Deposit pension scheme	5,700,692	8,085,782
	Monthly savings scheme	341,548,074	318,180,406
	Interest Paid on foreign currency AD	94,248	80,479
	UCB money multiplier	199,677,888	80,159,425
	UCB monthly time return	8,556,837	8,314,888
	UCB quarterly time return	2,803,633	2,235,732
	UCB multi millionaire one million	20,803,050	10,748,363
	UCB multi millionaire five million	8,485,118	2,391,496
	UCB multi millionaire ten million	11,319,129	4,383,775
	UCB DPS plus	621,718	-
	UCB monthly savings plus	83,084,867	28,770,640
	UCB earning plus monthly	9,199,908	1,535,460
	UCB earning plus quarterly	1,516,848	1,330,814
	Insurance deposits scheme	-	873,912
	UCB money maximizer(Double)	16,886,886	7,417,402
	UCB youngsters savings deposits	32,001	-
	UCB royale savings deposits	2,449,383	-
	UCB youngsters DPS	33,195	-
	Student accounts	631	16
	Interest expenses on salary account	253	-
		10,049,405,178	5,413,442,665