

**United Commercial Bank PLC and its Subsidiaries**  
**Independent Auditor's Report and**  
**Audited Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2022**

**Independent Auditor's Report  
To the Shareholders of United Commercial Bank PLC**

**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of United Commercial Bank PLC and its subsidiaries (the "Group") as well as the separate financial statements of United Commercial Bank PLC (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.



Description of key audit matters	Our response to key audit matters
<b>1. Measurement of provision for loans and advances</b>	
Refer to note no. 7, 12.1, 12.2 and 35 to the consolidated and separate financial statements	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the borrower;</li> <li>• Key assumptions relating to further business;</li> <li>• Performance of the borrower;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>As at 31 December 2022, the Group and the Bank reported total provision for loans and advances of BDT 19,208 million (December 2021: BDT 16,584 million) and BDT 19,208 million (December 2021: BDT 16,584 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit monitoring and provisioning process;</li> <li>• Identification of loss events including early warning indicator and default warning indicators; and</li> <li>• Review of quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the provision requirements;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and</li> <li>• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>
<b>2. Recognition of interest income from loans and advances</b>	
Refer to note no. 7 and 20 to the consolidated and separate financial statements	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p> <p>At the year ended 2022, the Group and the Bank reported total gross interest income from loans and advances of BDT 31,484 million (January 2021 to December 2021: BDT 27,465 million)</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>



Description of key audit matters	Our response to key audit matters
and BDT 30,868 million (January 2021 to December 2021: BDT 26,804 million) respectively.	
<b>3. Loans and advances</b>	
Refer to note no. 7 to the consolidated and separate financial statements	
<p>Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>At the year ended 2022, the Group and the Bank reported total gross loans and advances of BDT 474,640 million (December 2021: BDT 408,310 million) and BDT 468,605 million (December 2021: BDT 402,482 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loans and advances disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.</p>
<b>4. Impairment assessment of unquoted shares</b>	
Refer to note no. 6b to the consolidated and separate financial statements	
<p>In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgement and assumption.</p> <p>Due to high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.</p>	<p>We assessed the process and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We have tested a sample of investment valuation as at 31 December 2022 and compared our results to the recorded value.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>5. Valuation of treasury bills and treasury bonds</b>	
Refer to note no. 6a and 6.1 to the consolidated and separate financial statements	
The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.



Description of key audit matters	Our response to key audit matters
<p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We have obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We have tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p><b>6. Carrying value of investment in subsidiaries by the Bank</b></p>	
<p>Refer to note no. 9 and 9.6 to the consolidated and separate financial statements</p>	
<p>The Bank has invested in equity shares of its four subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, and UCB Fintech Company Limited. As at 31 December 2022 the carrying value of these Investments is BDT 7,500 million (December 2021: BDT 5,500 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Further, the subsidiary UCB Fintech Company Limited continuing its operation having retained loss of Taka 2,281 million as at 31 December 2022.</p> <p>The Bank is required to perform impairment test of investments in subsidiaries when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgements required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36: Impairment of Assets.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of the subsidiaries in accordance with IAS 36: <i>Impairment of Assets</i>. In addition, as per IAS-27: <i>Separate Financial Statements</i>, when an entity prepares separate financial statements, it shall account for investment in subsidiaries, joint ventures and associates either at cost, as per IFRS-9 and using equity method as per IAS-28. Here, the Bank followed the recognition of investment in subsidiaries at cost.</p> <p>In particular, our discussion with the management was focused on the continued appropriateness of the used model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. Further, UCB Fintech Company Limited having continuous loss working on a 10 years strategic plan to recover its loss and being a profitable entity.</p> <p>We also checked mathematical accuracy of the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>





Description of key audit matters	Our response to key audit matters
<b>7. Deferred tax assets</b>	
Refer to note no. 9.4 to the consolidated and separate financial statements	
<p>As at 31 December 2022 the Group and the Bank reported net deferred tax assets of BDT 5,470 million (December 2021: BDT 4,226 million) and BDT 5,470 million (December 2021: BDT 4,229 million) respectively.</p> <p>Significant judgment is required in relation to measurement of deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and the Bank's future taxable income.</p> <p>We have assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: <i>Income Taxes</i>.</p>
<b>8. Legal and regulatory matters</b>	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimation for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and Bank's key controls over the legal provision and contingency processes.</p> <p>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group and the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.</p>
<b>9. IT systems and controls</b>	
<p>Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous</p>	<p>We tested the design and operating effectiveness of the Group and the Bank's IT access controls over the information systems that are critical to financial reporting. We tested</p>





Description of key audit matters	Our response to key audit matters
<p>locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.</p>	<p>IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group and the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

**Other Matter**

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2021 were audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 30 March 2022.

**Other Information**

Management is responsible for the other information. The other information comprises all of the information but does not include the consolidated and separate financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

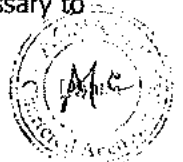
Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note no. 2.1, and for such internal control as management determines is necessary to



enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate



financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
  - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank;
- (iii) consolidated financial statements of the Bank include 04 (four) subsidiaries, namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited which reflect total assets of BDT 9,972 million, BDT 1,334 million, BDT 1,102 million, BDT 1,666 million respectively as at 31 December 2022 and total revenue



of BDT 1,279 million, BDT 123 million, BDT 56 million, BDT 202 million respectively for the year ended 2022.

- (iv) 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;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Group's and the Bank's business for the period;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as explained in notes 2.10.52 and 2.1.1 as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 7,112 person hours; and
- (xii) Capital to Risk-weighted Assets Ratio (CRAR) has been maintained adequately during the period based on provisions allowed by Bangladesh Bank against the requirement as explained in notes 12.1 and 13.6.

Dhaka,

25 APR 2023

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

**Md. Moniruzzaman, FCA**  
Partner

ICAB Enrollment No. 787

DVC: 2304260787AS109585

**United Commercial Bank PLC & its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 31 December 2022**

	Notes	31.12.2022 Taka	31.12.2021 Taka
<b>PROPERTIES &amp; ASSETS</b>			
<b>Cash</b>	3	<b>30,939,723,526</b>	<b>25,380,748,231</b>
Cash in hand (Including foreign currencies)		9,100,795,455	7,498,609,154
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
<b>Balance with other banks &amp; financial institutions</b>	4	<b>17,975,933,601</b>	<b>20,633,128,821</b>
In Bangladesh		4,509,386,657	19,568,097,037
Outside Bangladesh		13,466,546,944	1,065,031,784
<b>Money at Call on short notice</b>	5	-	<b>3,200,000,000</b>
<b>Investments</b>	6	<b>79,010,194,462</b>	<b>83,046,995,094</b>
Government		65,222,002,585	73,662,987,344
Others		13,788,191,877	9,384,007,750
<b>Loans and Advances</b>	7	<b>474,639,746,248</b>	<b>408,309,815,648</b>
Loans, Cash Credits, Overdrafts etc		451,148,361,902	381,754,404,170
Bills purchased and discounted		23,491,384,346	26,555,411,478
<b>Fixed assets including premises, furniture and fixture</b>	8	<b>17,026,510,993</b>	<b>17,018,196,481</b>
<b>Other assets</b>	9	<b>13,714,813,337</b>	<b>12,835,963,574</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>633,306,922,167</b>	<b>570,424,847,849</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	10	<b>107,039,740,584</b>	<b>89,410,437,395</b>
<b>Deposits and other accounts</b>	11	<b>424,683,416,974</b>	<b>387,023,828,463</b>
Current accounts & other accounts		92,967,521,218	78,346,168,340
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
<b>Other Liabilities</b>	12	<b>61,405,650,473</b>	<b>56,601,754,666</b>
<b>Total Liabilities</b>		<b>593,128,808,031</b>	<b>533,036,020,524</b>
<b>Capital / Shareholders' Equity</b>		<b>40,178,113,962</b>	<b>37,388,827,060</b>
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,764,308,439	14,555,968,681
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,072,815,387	5,935,480,290
Non controlling Interest		174	265
<b>Total Shareholders' Equity with non-controlling interest</b>		<b>40,178,114,136</b>	<b>37,388,827,325</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>633,306,922,167</b>	<b>570,424,847,849</b>

Notes	31.12.2022 Taka	31.12.2021 Taka
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**Off Balance Sheet Items**

**Contingent Liabilities**

		<b>215,667,677,403</b>	<b>260,413,159,150</b>
Acceptances & Endorsements	18.1	95,629,506,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities		-	-

**Other Commitments**

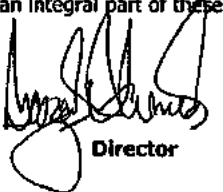
		<b>2,272,080,692</b>	-
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-

**Total off-balance sheet items**

<b>217,939,758,095</b>	<b>260,413,159,150</b>
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The annexed notes from 01 to 49 form an integral part of these financial statements.

  
Managing Director & CEO

  
Director

  
Director

  
Director

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,  
25 APR 2023

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC:2304260787AS109585



**United Commercial Bank PLC & its Subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2022**

	Notes	2022 Taka	2021 Taka
Interest Income	20	32,301,597,460	27,984,761,834
Interest paid on deposits and borrowings etc.	21	17,087,467,705	14,166,778,473
<b>Net Interest Income</b>		<b>15,214,129,755</b>	<b>13,817,983,361</b>
Investment income	22	5,814,473,380	5,646,288,161
Commission, exchange and brokerage	23	8,899,008,606	6,466,823,421
Other Operating Income	24	319,785,244	394,237,274
<b>Total Operating Income (A)</b>		<b>30,247,396,985</b>	<b>26,325,332,217</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	25	8,421,749,115	7,736,214,129
Rent, taxes, insurance, electricity etc.	26	1,667,491,649	1,147,506,346
Legal expenses	27	107,724,456	136,054,009
Postage, stamps, telecommunications etc.	28	241,266,257	191,894,385
Stationery, printing, advertisements etc.	29	1,943,127,626	2,154,980,062
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	4,331,887	3,339,785
Auditors' fees	32	1,947,500	1,278,500
Depreciation and repair of banks assets	33	2,154,511,753	1,859,159,180
Other expenses	34	4,478,285,856	3,102,257,442
<b>Total Operating Expenses (B)</b>		<b>19,034,534,541</b>	<b>16,346,134,738</b>
<b>Profit before provision (C) = (A-B)</b>		<b>11,212,862,444</b>	<b>9,979,197,479</b>
Provision for Loans & Advances	35	5,515,505,953	4,391,175,429
Provision for diminution in value of investments	36	646,373,322	(244,586,028)
Other provisions	37	(482,028,218)	549,363,208
<b>Total Provision (D)</b>		<b>5,679,851,057</b>	<b>4,695,952,609</b>
<b>Total Profit before Income taxes (C - D)</b>		<b>5,533,011,387</b>	<b>5,283,244,870</b>
Provision for Taxation	38	2,234,364,259	2,776,130,772
Current Tax		3,473,872,045	4,166,078,526
Deferred Tax		(1,239,507,786)	(1,389,947,755)
<b>Net Profit after Taxation</b>		<b>3,298,647,127</b>	<b>2,507,114,098</b>
<b>Appropriations</b>			
Statutory Reserve		1,186,282,643	1,130,980,783
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		1,826,159,062	1,344,361,606
<b>Attributable to:</b>			
Equity holders' of the Bank		1,826,159,153	1,344,361,561
Non controlling interest		(91)	45
<b>Earnings Per Share (EPS)</b>	39	<b>2.35</b>	<b>1.78</b>

The annexed notes from 01 to 49 form an integral part of these financial statements.

  
Managing Director & CEO

  
Director

  
Director

  
Director

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,

25 APR 2023

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC:2304260787AS109585

**United Commercial Bank PLC & its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2022**

Amount in BDT

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Foreign Currency translation Gain	Retained Earnings	Total Equity
Balance as at 01 January 2022	12,783,969,490	1,454,976,750	14,555,968,681	26,577,961	2,534,101,559	67,732,519	265	30,019,811	5,935,480,290	37,388,827,325
Surplus on accounts of revaluation of investments	-	-	-	-	-	60,328,018	-	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	-	104,887,088	-	104,887,088
Net Profit for the year	-	-	-	-	-	-	-	-	3,012,441,705	3,012,441,705
Transferred to statutory reserve	-	-	1,208,339,758	-	-	-	-	-	(1,208,339,758)	-
Dividend (Bonus Share Issued)	1,278,396,940	-	-	-	-	-	-	-	(1,278,396,940)	-
Coupon Payment Perpetual Bond	-	-	-	-	-	-	-	-	(388,370,000)	(388,370,000)
Non Controlling Interest	-	-	-	-	-	-	(91)	-	91	-
Balance as at 31 December 2022	14,062,366,430	1,454,976,750	15,764,308,439	26,577,961	2,534,101,559	128,060,537	174	134,906,899	6,072,815,386	40,178,114,134

**For the year ended 31 December 2021**

Amount in BDT

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Foreign Currency translation Gain	Retained Earnings	Total Equity
Balance as at 01 January 2021	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	220	25,125,152	5,864,047,022	35,738,514,789
Deficit on accounts of revaluation of investments	-	-	-	-	-	(165,756,668)	-	-	-	(165,756,668)
Currency translation difference (OBU)	-	-	-	-	-	-	-	4,894,659	-	4,894,659
Net Profit for the year	-	-	-	-	-	-	-	-	2,419,935,006	2,419,935,006
Transferred to statutory reserve	-	-	1,130,980,783	-	-	-	-	-	(1,130,980,783)	-
Dividend (Bonus Share Issued)	608,760,450	-	-	-	-	-	-	-	(608,760,450)	-
Dividend (Cash)	-	-	-	-	-	-	-	-	(608,760,459)	(608,760,459)
Non Controlling Interest	-	-	-	-	-	-	45	-	(45)	-
Balance as at 31 December 2021	12,783,969,490	1,454,976,750	14,555,968,681	26,577,961	2,534,101,559	67,732,519	265	30,019,811	5,935,480,290	37,388,827,325

The annexed notes from 01 to 49 form an integral part of these financial statements.



**United Commercial Bank PLC & its Subsidiaries**
**Consolidated Cash Flow Statement  
 For the year ended 31 December 2022**

Notes	2022 Taka	2021 Taka
<b>A. Cash flows from operating activities</b>		
Interest Receipts in cash	38,346,831,674	33,310,945,884
Interest Payments	(16,806,028,516)	(14,277,952,671)
Dividend Receipts	216,497,814	189,847,793
Fees & Commission Receipts in cash	5,176,708,919	4,871,999,226
Recoveries of loans Previously written off	236,944,194	102,577,518
Cash Payments to employees	(8,657,478,775)	(7,705,298,800)
Cash Payments to suppliers	(5,505,311,332)	(3,527,410,603)
Income taxes paid	(4,638,236,660)	(3,499,325,527)
Receipt from other operating activities	289,055,558	765,093,940
Payment for other operating activities	(4,044,131,737)	(2,987,399,969)
<b>Operating profit before changes in operating asset and liabilities</b>	<b>4,614,851,139</b>	<b>7,243,076,791</b>
<b>Increase/Decrease in operating assets and liabilities</b>		
Statutory Deposits	9,035,522,468	(16,679,987,307)
Purchase/Sales of trading Securities	(547,478,052)	57,866,937
Loans and advances to Customers	(66,327,928,377)	(51,717,458,833)
Other assets	(819,859,606)	383,014,186
Deposit from banks	798,799,900	3,495,509,363
Deposit from customers	36,887,880,866	31,061,611,148
Other Liabilities	(2,173,490,754)	2,461,013,816
	<b>(23,246,553,555)</b>	<b>(30,938,430,690)</b>
<b>Net cash used in operating activities (A)</b>	<b>(18,631,702,416)</b>	<b>(23,695,353,899)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from Sale of Securities	(1,175,370,413)	(142,500,930)
Purchase/Sale of property, plant & equipment	(1,635,032,727)	(3,495,479,680)
<b>Net cash used in investing activities (B)</b>	<b>(2,810,403,140)</b>	<b>(3,637,980,610)</b>
<b>C. Cash flows from financing activities</b>		
Receipts from borrowings	19,448,179,846	29,642,896,100
Sub-Ordinated Bond	(1,820,000,000)	(3,000,000,000)
Dividends paid	-	(608,760,452)
<b>Net cash flow from financing activities (C)</b>	<b>17,628,179,846</b>	<b>26,034,135,648</b>
<b>D. Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(3,813,925,710)</b>	<b>(1,299,198,861)</b>
<b>E. Effects of the changes of exchange rate on cash and cash equivalents</b>	<b>3,515,705,784</b>	<b>1,571,481,016</b>
<b>F. Cash and Cash Equivalents at beginning of the year</b>	<b>49,213,877,052</b>	<b>48,941,594,897</b>
<b>G. Cash and Cash Equivalents at the end of the year</b>	<b>48,915,657,127</b>	<b>49,213,877,052</b>
<b>Consolidated Cash and Cash Equivalents at end of the year</b>		
Cash in hand (including foreign currencies)	3.1 9,100,795,455	7,498,609,154
Balance with Bangladesh bank and its agent bank	3.2 21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4 17,975,933,601	20,633,128,821
Money at call on short notice	5 -	3,200,000,000
	<b>48,915,657,127</b>	<b>49,213,877,052</b>

The annexed notes from 01 to 49 form an integral part of these consolidated financial statements.

**United Commercial Bank PLC**  
**Balance Sheet**  
**As at 31 December 2022**

	Notes	31.12.2022 Taka	31.12.2021 Taka
<b>PROPERTIES &amp; ASSETS</b>			
<b>Cash</b>	3	<b>30,939,034,586</b>	<b>25,380,179,538</b>
Cash in hand (Including foreign currencies)		9,100,106,515	7,498,040,461
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
<b>Balance with other banks &amp; financial institutions</b>	4	<b>16,872,052,936</b>	<b>19,409,249,978</b>
In Bangladesh		3,405,505,992	18,344,218,194
Outside Bangladesh		13,466,546,944	1,065,031,784
<b>Money at Call on short notice</b>	5	-	<b>3,200,000,000</b>
<b>Investments</b>	6	<b>76,434,562,205</b>	<b>81,387,609,500</b>
Government		64,706,395,079	73,662,987,344
Others		11,728,167,126	7,724,622,156
<b>Loans and Advances</b>	7	<b>468,605,096,016</b>	<b>402,481,735,743</b>
Loans, Cash Credits, Overdrafts etc		445,113,711,670	375,926,324,265
Bills purchased and discounted		23,491,384,346	26,555,411,478
<b>Fixed assets including premises, furniture and fixture</b>	8	<b>14,579,410,074</b>	<b>14,721,191,566</b>
<b>Other assets</b>	9	<b>20,646,673,379</b>	<b>18,734,245,157</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>628,076,829,196</b>	<b>565,314,211,482</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	10	<b>103,891,893,400</b>	<b>85,803,634,252</b>
<b>Deposits and other accounts</b>	11	<b>426,028,440,768</b>	<b>389,900,723,984</b>
Current accounts & other accounts		94,312,545,012	81,223,063,861
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
<b>Other Liabilities</b>	12	<b>57,199,836,761</b>	<b>52,167,845,818</b>
<b>Total Liabilities</b>		<b>587,120,170,929</b>	<b>527,872,204,054</b>
<b>Capital / Shareholders' Equity</b>		<b>40,956,658,267</b>	<b>37,442,007,428</b>
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,730,183,055	14,546,968,923
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,885,485,076	5,997,660,416
<b>Total Liabilities and Shareholders' Equity</b>		<b>628,076,829,196</b>	<b>565,314,211,482</b>

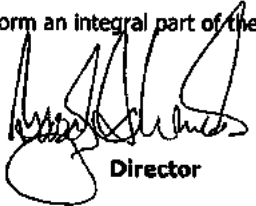




	Notes	31.12.2022 Taka	31.12.2021 Taka
<b>Off Balance Sheet Items</b>			
<b>Contingent Liabilities</b>			
		<b>215,667,677,403</b>	<b>260,413,159,150</b>
Acceptances & Endorsements	18.1	95,629,506,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities			
<b>Other Commitments</b>			
Documentary credit and short term trade related transactions		2,272,080,692	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		2,272,080,692	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total off-balance sheet items</b>		<b>217,939,758,095</b>	<b>260,413,159,150</b>

The annexed notes from 01 to 49 form an integral part of these financial statements.

  
Managing Director & CEO

  
Director

  
Director

  
Director

This is the Balance Sheet referred to in our separate report of even date.

Dhaka,

25 APR 2023

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC: 2304260787AS109585

**United Commercial Bank PLC**  
**Profit and Loss Account**  
For the year ended 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
Interest Income	20	31,684,836,835	27,323,646,852
Interest paid on deposits and borrowings etc	21	17,010,387,394	13,927,259,014
<b>Net Interest Income</b>		<b>14,674,449,441</b>	<b>13,396,387,838</b>
Investment income	22	5,685,113,776	5,463,607,877
Commission, exchange and brokerage	23	7,899,474,370	5,739,170,575
Other Operating Income	24	263,702,890	220,574,859
<b>Total Operating Income (A)</b>		<b>28,522,740,477</b>	<b>24,819,741,149</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	25	7,658,696,939	7,166,522,140
Rent, taxes, insurance, electricity etc.	26	1,623,559,944	1,122,448,908
Legal expenses	27	94,587,412	128,654,592
Postage, stamps, telecommunications etc.	28	219,090,942	184,561,969
Stationery, printing, advertisements etc.	29	1,694,262,239	1,249,146,112
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	3,544,387	2,590,290
Auditors' fees	32	1,725,000	1,150,000
Depreciation and repair of banks assets	33	2,073,607,674	1,822,185,672
Other expenses	34	3,670,796,436	2,945,319,029
<b>Total Operating Expenses (B)</b>		<b>17,053,969,415</b>	<b>14,636,029,612</b>
<b>Profit before provision (C) = (A-B)</b>		<b>11,468,771,062</b>	<b>10,183,711,537</b>
Provision for Loans & Advances	35	5,422,689,930	4,259,894,629
Provision for diminution in value of investments	36	612,038,691	(235,220,899)
Other provisions	37	(482,028,218)	549,132,684
<b>Total Provision (D)</b>		<b>5,552,700,403</b>	<b>4,573,806,414</b>
<b>Total Profit before Income taxes (C - D)</b>		<b>5,916,070,659</b>	<b>5,609,905,123</b>
<b>Provision for Taxation</b>	38	<b>1,892,059,505</b>	<b>2,432,734,220</b>
Current Tax		3,133,378,030	3,823,478,709
Deferred Tax		(1,241,318,525)	(1,390,744,489)
<b>Net Profit after Taxation</b>		<b>4,024,011,154</b>	<b>3,177,170,903</b>
<b>Appropriations</b>			
Statutory Reserve		1,183,214,132	1,121,981,025
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		2,554,591,600	2,023,418,169
		<b>4,024,011,154</b>	<b>3,177,170,903</b>
<b>Earnings Per Share (EPS)</b>	39	<b>2.86</b>	<b>2.26</b>

The annexed notes from 01 to 49 form an integral part of these financial statements.

  
Managing Director & CEO

  
Director

  
Director

  
Director

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka,

25 APR 2023

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC:2304260787AS109585

**United Commercial Bank PLC**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

Particulars	Amount in BDT								
	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency Translation Gain	Retained Earnings	Total Equity
Balance as at 01 January 2022	12,783,969,490	1,454,976,750	14,546,968,923	26,577,961	2,534,101,559	67,732,519	30,019,811	5,997,660,416	37,442,007,428
Surplus on accounts of revaluation of investments	-	-	-	-	-	60,328,018	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	104,887,089	-	104,887,089
Net Profit for the period	-	-	-	-	-	-	-	-	-
Transferred to statutory reserve	-	-	1,183,214,132	-	-	-	-	3,737,805,732	3,737,805,732
Dividend (Bonus Share Issued)	1,278,396,940	-	-	-	-	-	-	(1,183,214,132)	-
Coupon Payment Perpetual Bond	-	-	-	-	-	-	-	(1,278,396,940)	-
Balance as at 31 December 2022	14,062,366,430	1,454,976,750	15,730,183,055	26,577,961	2,534,101,559	128,060,537	134,906,900	6,885,485,076	40,956,658,267

**For the year ended 31 December 2021**

Particulars	Amount in BDT								
	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency translation Gain	Retained Surplus	Total Equity
Balance as at 01 January 2021	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	25,125,152	5,191,763,156	35,066,230,703
Deficit on accounts of revaluation of investments	-	-	-	-	-	(165,756,668)	-	-	(165,756,668)
Currency translation difference (OBU)	-	-	-	-	-	-	4,894,659	-	4,894,659
Net Profit for the year	-	-	-	-	-	-	-	-	-
Transferred to statutory reserve	-	-	1,121,981,025	-	-	-	-	3,145,399,194	3,145,399,194
Dividend (Bonus Share Issued)	608,760,450	-	-	-	-	-	-	(1,121,981,025)	-
Dividend (Cash for 2020)	-	-	-	-	-	-	-	(608,760,450)	-
Issue of share capital	-	-	-	-	-	-	-	(608,760,459)	(608,760,459)
Balance as at 31 December 2021	12,783,969,490	1,454,976,750	14,546,968,923	26,577,961	2,534,101,559	67,732,519	30,019,811	5,997,660,416	37,442,007,428

The annexed notes from 01 to 49 form an integral part of these financial statements.



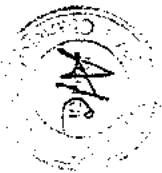
**United Commercial Bank PLC**  
**Cash Flow Statement**  
 For the year ended 31 December 2022

Notes	2022 Taka	2021 Taka
<b>A. Cash flows from operating activities</b>		
Interest receipts	37,078,273,890	32,410,109,539
Interest payments	(16,574,786,563)	(14,078,145,160)
Dividend receipt	178,569,508	149,088,539
Fees & Commission receipt	4,383,768,584	4,167,689,559
Recoveries from previously written off advances	236,944,194	102,577,518
Payments to employees	(7,867,795,381)	(7,179,973,040)
Payments to suppliers	(4,192,355,163)	(3,200,235,642)
Payment for Advance Income Tax	(4,392,182,336)	(3,285,957,698)
Receipt from other operating activities	272,883,290	641,746,940
Payment for other activities	(3,962,642,308)	(2,895,277,427)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>5,160,677,714</b>	<b>6,831,623,127</b>
<b>Increase/Decrease in operating assets and liabilities</b>		
Statutory Deposit	9,035,522,468	(16,679,987,307)
Purchase/Sale of trading securities	(390,644,970)	(118,378,810)
Loans and advances to customers	(66,123,360,271)	(50,798,176,340)
Other Assets	(1,900,245,802)	(2,326,620,975)
Deposit from Banks	798,799,900	3,495,509,363
Deposit from customers	35,328,916,884	32,247,232,604
Other liabilities	(1,668,991,486)	2,885,991,733
	<b>(24,920,003,276)</b>	<b>(31,294,429,733)</b>
<b>Net cash used in operating activities (A)</b>	<b>(19,759,325,562)</b>	<b>(24,462,806,605)</b>
<b>B. Cash flows from investing activities</b>		
Purchase/Sale of Securities	(532,900,000)	(10,400,000)
Purchase of Property, Plant & Equipments	(1,490,081,364)	(1,250,599,100)
<b>Net cash used in investing activities (B)</b>	<b>(2,022,981,364)</b>	<b>(1,260,999,100)</b>
<b>C. Cash flows from financing activities</b>		
Receipt from borrowing	19,908,259,148	29,404,508,263
Sub-Ordinated Bond	(1,820,000,000)	(3,000,000,000)
Cash dividend payment	-	(608,760,459)
<b>Net cash flow from financing activities (C)</b>	<b>18,088,259,148</b>	<b>25,795,747,804</b>
<b>D. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)</b>	<b>(3,694,047,778)</b>	<b>71,942,099</b>
<b>E. Effects of the changes of exchange rate on cash and cash equivalents</b>		
	3,515,705,784	1,571,481,023
<b>F. Cash and Cash Equivalents at beginning of the year</b>	<b>47,989,429,516</b>	<b>46,346,006,394</b>
<b>G. Cash and Cash Equivalents at the end of the year (D+E+F)</b>	<b>47,811,087,522</b>	<b>47,989,429,516</b>
<b>Cash and Cash Equivalents at the end of the year</b>		
Cash in hand (including foreign currencies)	3.1 9,100,106,515	7,498,040,461
Balance with Bangladesh bank and its agent bank	3.2 21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4 16,872,052,936	19,409,249,978
Money at call on short notice	5 -	3,200,000,000
	<b>47,811,087,522</b>	<b>47,989,429,516</b>

The annexed notes from 01 to 49 form an integral part of these financial statements.

**UNITED COMMERCIAL BANK PLC**  
Liquidity Statement  
Asset and Liability Maturity Analysis  
As at 31 December 2022

Particulars	Amount in BDT					
	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years	Total
<b>Assets</b>						
Cash in hand	10,760,334,252	-	-	-	20,178,700,334	30,939,034,586
Balance with other banks & financial institutions	14,822,252,936	245,000,000	250,000,000	1,554,800,000	-	16,872,052,936
Money at call on short notice	-	-	-	-	-	-
Investment	1,572,200,000	6,328,600,000	11,049,567,126	14,952,500,000	42,531,695,079	76,434,562,205
Loans and Advances	41,243,899,996	81,423,398,613	102,456,378,970	154,968,392,991	65,021,641,099	445,113,711,670
Bill Purchased & Discounted	8,516,200,000	6,889,600,000	8,085,584,345	-	-	23,491,384,346
Fixed assets including premises, furniture & fixture	190,500,000	381,000,000	1,714,500,000	9,144,000,000	3,149,410,075	14,579,410,074
Other Assets	983,517,498	1,967,034,997	1,117,834,875	9,073,631,623	7,504,654,386	20,646,673,379
Non banking assets	-	-	-	-	-	-
<b>Total Assets (A)</b>	<b>78,088,904,682</b>	<b>97,234,633,610</b>	<b>124,673,865,316</b>	<b>189,693,324,614</b>	<b>138,386,100,973</b>	<b>628,076,829,196</b>
<b>Liabilities</b>						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	17,893,407,146	32,325,988,370	28,447,297,884	14,854,200,000	10,371,000,000	103,891,893,400
Deposits	53,958,456,634	61,979,247,595	79,152,915,299	124,148,643,905	106,789,177,334	426,028,440,768
Provisions and other liabilities	2,249,117,668	3,406,527,068	13,898,003,408	11,270,331,235	26,375,857,382	57,199,836,761
<b>Total Liabilities (B)</b>	<b>74,100,981,449</b>	<b>97,711,763,033</b>	<b>121,498,216,591</b>	<b>150,273,175,140</b>	<b>143,536,034,716</b>	<b>587,120,170,929</b>
<b>Net Liquidity Gap (A-B)</b>	<b>3,987,923,233</b>	<b>(477,129,423)</b>	<b>3,175,648,725</b>	<b>39,420,149,474</b>	<b>(5,149,933,743)</b>	<b>40,956,658,267</b>



**United Commercial Bank PLC and its Subsidiaries**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2022**

**1. The Bank & its activities**

**1.1 Status of the Bank**

United Commercial Bank PLC ('UCB' or the 'Bank') was incorporated in Bangladesh as a public limited company with limited liability on 26 June 1983 under the 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 224 (2021: 215) branches, 141 (2021: 135) sub branches and 663 (2021: 628) ATMs/CRMs and 314 (2021: 177) agent banking outlets as on 31 December 2022. Out of the above 224 branches, 10 branches provided both Islamic Banking and Conventional Banking facilities complying with the rules of Islamic Shariah and a new branch provided solely Islamic Banking facilities complying with the rules of Islamic Shariah. The Bank is listed with Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited as a publicly traded Company.

The principal place of business and the registered office of the bank is located at Plot – CWS- (A)- 1, Guishan Avenue, Dhaka – 1212.

**1.2 Nature of Business**

The primary objective of the bank is to conduct all kinds of banking businesses in Bangladesh. The Bank offers services for all commercial banking and Islamic banking needs of the customers. The Bank also provides a comprehensive range of financial services including treasury management, transaction services, foreign exchange and structured finance to corporate clients, inland and international remittance facility, governments and financial institutions. In 2020, the Bank started to offer Direct Custody and Clearing (DCC) services to its offshore clients.

**1.3 Off-shore Banking Unit**

Off-shore Banking Unit (the Unit), a separate business unit of United Commercial Bank PLC, governed under the Rules and Guidelines 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. At present there is one unit of off-shore banking operating in Dhaka under the Rules and guidelines of Bangladesh Bank. The principal activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies. Financial Statements of Off-shore Banking also presented separately.

**1.4 Islamic Banking**

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking wing and branch, the Bank extends all types of Islamic Shariah compliant finance like hire purchase shirkatul melk (HPSM), bai- Murabaha, Mushraka, Salam and agency, Ijarah Muntahia Bittamleek (Hire Purchase) etc. and different types of deposits like al-wadeeah, Murabaha etc. Financial statements of Islamic Banking also presented separately.

### **1.5 Agent Banking**

The Bank obtained permission from Bangladesh Bank on 07.02.2017 through letter no. BRPD (p-3)745(17)2017-677 to start the operation of Agent Banking and subsequently started its commercial operation on February 1, 2018. There are 314 agent outlets launched around the country till 31 December 2022. The principal activities of the unit are to provide services that includes - Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

### **1.6 Subsidiary Company**

A subsidiary is an entity in which the bank has control as per shareholding and voting rights are concerned. Control exists when the bank has substantial shareholding (more than 50 percent) in the company, or the power, directly or indirectly, to govern the financial and operating policies of an enterprise as on the date of the reporting. Separate (solo) Financial Statements and Consolidated Financial Statements are prepared for subsidiary investment as per International Accounting Standard (IAS) - 27; 'Separate Financial Statements' and IFRS-10; 'Consolidated Financial Statements'. Interest of the minority is shown as the minority interest which includes share capital of the minority portion as well as profit earned that goes to the non-controlling Interest. However, intergroup transactions, balances and the resulting unrealized profits/(loss) are eliminated on consolidation.

#### **1.6.1 UCB Stock Brokerage Limited**

UCB Stock Brokerage Limited is a subsidiary company of United Commercial Bank PLC. The activities of the company include brokerage service, margin loan etc. The company is carrying out its activities under the license from both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

UCB PLC holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 100 each which is equivalent to 99.999996% of the total shares of the company.

#### **1.6.2 UCB Investment Limited**

UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on 3 August of 2011 under the Companies Act 1994 also, the Company has obtained Merchant Banking license from the Bangladesh Securities and Exchange Commission on 05 October 2020. The principal objective of the company is to carry out full-fledged merchant banking activities in Bangladesh i.e. portfolio management, share transfer agency, fund management to issue in the capital and security market, underwriting, management and distribution of the issue of stock shares, bonds and other securities.

UCB PLC holds 99,999,999 nos. of shares of UCB Investment Limited with face value of Tk. 10 each which is equivalent to 99.99% of total shares of the company.



### 1.6.3 UCB Asset Management Limited

UCB Asset Management Limited (the Company) was incorporated in Bangladesh as a Private Limited Company with limited liability as on the 5th Day of February of 2019, under the Companies Act 1994 and registered with RJSC & F. The authorized capital of the company is BDT 100 Crore divided into 10 (Crore) Ordinary Shares of BDT 10 each. The company is a wholly owned subsidiary of United Commercial Bank PLC (UCB PLC) and has obtained its' licence (BSEC/Asset Manager/2020/46) as an Asset Management Company from Bangladesh Securities & Exchange Commission on February 03, 2020. The registered office of the company located at Plot #CWS(A)-1, Road #34, Gulshan Avenue, Dhaka-1212.

The company was formed aiming to manage portfolio and fund of both individuals and institutions, underwrite the securities, invest pooled funds from clients into a variety of securities and assets, handle high-net-worth individual accounts, and attract large investment from companies sponsoring mutual funds.

UCB PLC holds 99,999,999 nos. of shares of UCB Asset Management Limited with face value of Taka 10 each which is equivalent to 99.9999990% of total shares of the Company.

### 1.6.4 UCB Fintech Company Limited

UCB Fintech Company Limited (hereinafter referred to as "the Company", a subsidiary of United Commercial Bank PLC, was incorporated in Bangladesh on 30 July 2020 as a private company limited by shares under the Companies Act, 1994.

Product and services of UCB Fintech include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services.

UCB PLC holds 299,999,999 nos. of shares of UCB Fintech Company Limited with face value of Taka 10 each which is equivalent to 99.9999996% of total shares of the Company.

### 1.6.5 Summary of shareholding in subsidiaries and associates

Shareholding position in all of its subsidiaries and associates is summarized below:

Name of subsidiaries	Face value per share	Total no. of ordinary shares		No. of ordinary shares held by UCB		Percentage of shareholding by UCB	
		2022	2021	2022	2021	2022	2021
UCB Stock Brokerage Limited	100	25,000,000	25,000,000	24,999,999	24,999,999	99.99%	99.99%
UCB Investment Limited	10	100,000,000	100,000,000	99,999,999	99,999,999	99.99%	99.99%
UCB Asset Management Limited	10	100,000,000	100,000,000	99,999,999	99,999,999	99.99%	99.99%



UCB Fintech Company Limited	10	300,000,000	200,000,000	299,999,999	199,999,999	99.99%	99.99%
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### 1.6.6 UCB Foundation

UCB is a not for profit, non-political, voluntary and charitable Foundation. Environment pollution free through "Go Green Campaign" civil society awareness and other benevolent and CSR activities towards the promotion of the objective of this Foundation. UCB Foundation has been registered under Societies Registration Act, 1860. The registered office of the Foundation shall be situated at South Breeze, plot #08, Gulshan Avenue, Gulshan-1, Gulshan, Dhaka-1212.

The overall affairs of the Foundation shall be managed by an Executive Committee consisting of at least 9 (nine) members but not more than 19 (nineteen) members including ex-officio Executive members and Executive Secretary, who will be designated as follows:

- i) Chairman
- ii) Treasurer
- iii) Executive Member
- iv) Executive Secretary

## 2. Summary of significant accounting policies and basis of preparation of the financial statements

### 2.1 Basis of preparation

Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019, these financial statements for the year ended 31 December 2022 comprise the operations of both the Domestic Banking Unit (DBU) and the Offshore Banking Unit (OBU) and the consolidated financial statements of the group as at and for the year ended 31 December 2022 comprise those of 'the Bank' (parent company) and its subsidiaries.

#### 2.1.1 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASSs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by FRC and in addition to this the Bank complied with the requirements of following laws and regulations from various Government bodies:

- The Bank Company Act, 1991 and amendment thereon;
- The Companies Act, 1994 and amendment thereon;
- Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- Bangladesh Securities and Exchange Rules 2020, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange



- Commission (Public Issue) Rules 2015, Bangladesh Securities And Exchange Commission (Debt Securities) Rules 2021;
- The Income Tax ordinance, 1984 and Income Tax Rules 1984 and amendment thereon;
  - The Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016 and amendment thereon;
  - Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
  - Financial Reporting Act, 2015.

In case of any requirement of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank (BB) differing with those of IFRSs, the requirements of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

**i. Presentation of financial statements**

**IFRS:** As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and noncurrent classification separately in its statement of financial position.

**Bangladesh Bank:** The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of The Bank Company Act, 1991 (amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

**ii. Investment in Equity instrument**

**IFRS:** As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) along with their contractual cash flow characteristics. Based on these factors it would generally fall either under 'at fair value through profit or loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

**Bangladesh Bank:** As per Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost. UCB PLC recognizes investment in shares and securities at cost basis.





iii. **Subsequent measurement of Government securities**

**IFRS:** Debt instruments include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)", "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as Amortised Cost are measured at amortised cost method and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in profit and loss account while changes in fair value of bonds designated as FVOCI is recognised in other reserve as a part of equity. As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

**Bangladesh Bank:** As per DOS Circular no. 05 (26 May 2008) and subsequent clarification in DOS Circular no 05 (28 January 2009), Government securities/bills are classified either into Held for Trading (HFT) or Held to Maturity (HTM). HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iv. **Repo and Reverse Repo transactions**

**IFRS:** As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

**Bangladesh Bank:** As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no.7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.





**v. Provision on loans and advances**

**IFRS:** As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2022, a general provision at 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses loans has to be provided at 5% to 20%, 5% to 50% and 100%, respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0% to 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9: Financial Instruments.

**vi. Recognition of interest in suspense**

**IFRS:** Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, BRPD circular No.03 dated April 21 2019 and BRPD Circular Letter No. 56 (December 10 2020), once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

**vii. Other comprehensive income**

**IFRS:** As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements through BRPD circular no. 14 (25 June 2003) which will strictly be followed by all banks. The templates



of financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single OCI statement. As such the Bank does not prepare an OCI statement. However elements of OCI, if any, are shown in the statements of changes in equity.

**viii. Financial Instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categories, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

**ix. Financial guarantees**

**IFRS:** As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003 financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments) considering the latest BRPD circular letter No. 09 dated 27 May 2019.

**x. Cash and cash equivalent**

**IFRS:** Cash and cash equivalent items should be reported as cash item as per IAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents in the balance sheet. Money at call and on short notice are presented on the face of the balance sheet while treasury bills, Bangladesh Bank bills, prize bonds are shown as investments. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

**xi. Non-banking asset**

**IFRS:** No indication of Non-banking asset is found in any IFRS.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 and BRPD Circular no. 22 dated 20 September 2021, there must exist a face item named Non-banking asset.





**xii. Presentation of intangible asset**

**IFRS:** Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.

**Bangladesh Bank:** Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

**xiii. Cash flow statement**

**IFRS:** Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, cash flows is the mixture of direct and indirect method.

**xiv. Balance with Bangladesh Bank: (Cash Reserve Requirement)**

**IFRS:** Balance with Bangladesh Bank should be treated as other asset as it is not available for the use in day to day operations as per IAS 7.

**Bangladesh Bank:** Balance with Bangladesh Bank is treated as cash and cash equivalents.

**xv. Presentation of intangible asset**

**IFRS:** An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

**Bangladesh Bank:** There is no requirement for regulation of intangible assets in BRPD 14 dated 25 June 2003, hence it is shown in fixed assets.

**xvi. Off-balance sheet items**

**IFRS:** There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

**xvii. Disclosure of appropriation of profit**

**IFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.



**xviii. Loans and advance net of provision**

**IFRS:** As per IFRS 9, Loans and advances should be presented net of provisions.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

**xix. Provision on Financial Guarantees**

**IFRS:** As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

**Bangladesh Bank:** As per BRPD Circular no. 07 dated (21 June 2018) and BRPD Circular no.14 dated (23 September 2012), the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

**xx. Provision for Startup Fund**

**IFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** In compliance with SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, the Bank has created Start-up Fund in first quarter 2021 appropriating BDT 3.17 Crore (1% of net profit of FY 2021 BDT 317.71 Crore). As a continuation of creating Start-up Fund, the bank has also contributed BDT 3.93 Crore (1% of net profit of FY 2022 BDT 393.28 Crore). The objective of this fund is to provide loan facilities to the start-up entrepreneurs for their business and projects.

**2.1.2 Going Concern**

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the Bank as reported by all the rating agencies is "Stable". Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

**2.1.3 Disclosure on BASEL III**

The Basel III accord (an extension of the existing Basel II Framework) is a set of financial reforms that was developed by the Basel Committee on Banking Supervision (BCBS), with the aim of strengthening regulation, supervision, and risk management within the banking industry. Due to the impact of the 2008 Global Financial Crisis on banks, Basel III was introduced to improve the banks' ability to handle



shocks from financial stress and to strengthen their transparency and disclosures as well as liquidity standards.

It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010–2011, and was scheduled to be introduced from 2013 until 2015. However, changes made from April 2013 extended implementation until March 31, 2018. The Basel III requirements were in response to the deficiencies in financial regulation that is revealed by the 2000's financial crisis. Basel III was intended to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. The global capital framework and new capital buffers require financial institutions to hold more capital and higher quality of capital than under current Basel II rules. The new leverage ratio introduces a non-risk-based measure to supplement the risk-based minimum capital requirements. The new liquidity ratios ensure that adequate funding is maintained in case there are other severe banking crises.

### **Key Principles of Basel III**

**Capital Conservation Buffer** is designed to absorb losses during periods of financial and economic stress. Financial institutions will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirement to 7% (4.5% common equity requirement and the 2.5% capital conservation buffer). The capital conservation buffer must be met exclusively with common equity. Financial institutions that do not maintain the capital conservation buffer faces restrictions on pay-outs of dividends, share buybacks, and bonuses.

**Countercyclical Capital Buffer** is a countercyclical buffer within a range of 0% and 2.5% of common equity or other fully loss absorbing capital is implemented according to national circumstances. This buffer serves as an extension to the capital conservation buffer.

**Higher Common Equity Tier 1 (CET1)** constitutes an increase from 2% to 4.5%.

**Minimum Total Capital Ratio** is 10%. Tier 2 capital instruments are harmonized and tier 3 capital is abolished in the Basel III regime. With buffer Banks have to maintain 12.50% capital of Total Risk Weighted Asset of the banks.

**Leverage ratio:** Basel III introduced a minimum "leverage ratio". The leverage ratio was calculated by dividing Tier 1 capital by the bank's average total consolidated assets; the banks were expected to maintain a leverage ratio in excess of 3% under Basel III.

### **Liquidity requirements**

Basel III introduced two required liquidity ratios:

**Liquidity Coverage Ratio (LCR)** ensures that sufficient levels of high-quality liquid assets are available for one-month survival in a severe stress scenario.

**Net Stable Funding Ratio (NSFR)** promotes resilience over long-term time horizons by creating more incentives for financial institutions to fund their activities with more stable sources of funding on an ongoing structural basis.







## 2.2 Basis of measurement

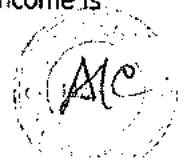
The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per IAS-16 *Property Plant & Equipment* and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.
- Investment in shares of listed companies are valued at market price and unlisted companies at cost or book value of last audited balance sheet, whichever is lower.
- Net asset/(liability) of defined benefit scheme is net of present value of defined benefit obligations, total plan assets and other related items as required by IAS 19.

## 2.3 Basis of consolidation

The consolidated financial statements include the financial statements of United Commercial Bank PLC and its subsidiaries 'UCB Stock Brokerage Limited', 'UCB Investment Ltd', 'UCB Asset Management Limited' and 'UCB Fintech Company Limited'. The Separate (solo) financial statements and consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) - 27: *Separate Financial Statements* and IFRS-10; *Consolidated financial statements*. The consolidated financial statements are prepared to a common financial year Ended 31 December 2022. Basis of consolidation are as follows:

- The consolidated financial statements incorporate the financial statements of the bank and the financial statements of the subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (bank) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.
- Subsidiaries (investees) are entities controlled by the parent (investor). Control exists when the investor has the power over the investee that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.
- All financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statements only when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Items are not offset in the consolidated financial statements unless required or permitted by accounting standards and regulators.
- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.
- Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income is





- attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- **Loss of control:** Upon the loss of control of a subsidiary the group derecognizes the assets (including any goodwill) and liabilities of the subsidiary at carrying amount, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit and loss account. If the group retains any interest in the former/previous/ex subsidiary, such interest is measured at fair value at the date that the control is lost.

## 2.4 Use of estimates and judgments

The preparation of the financial statements requires the 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.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

### i) **Provision for loans and advance**

The Bank assesses its loans and advances for objective evidence of impairment on a regular basis and particularly at year end. Whilst the primary criteria set out in BRPD circular no. 14 dated 23 September 2012 for determining whether a loan is impaired is objective, being based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgment. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgments about a borrower's financial situation and net realisable value of any underlying collateral.

### ii) **Taxation**

The estimation of current tax provision involves making judgments regarding admissibility of certain expenses, estimating the amount of other expenses for tax purposes and applicability of provision of the Finance Act 2022, although return will be submitted for tax based on the Finance Act 2023.

In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable that future taxable profits will be available against which the deferred tax assets may be utilized

### iii) **Post-employment benefits-asset/(liability) from gratuity**

The determination of Bank's asset/(liability) from gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.



#### **iv) Depreciation**

Depreciation is provided on a straight line basis over the estimated useful life of each item of fixed asset. The determination of useful life involves the use of estimates regarding expected use of the assets, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the assets.

#### **v) Provisions for expenses**

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

#### **vi) Lease Liabilities**

The lease liability is initially measured at the present value of the lease payments, discounted at the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the rental assets leased. The lease liability is remeasured when there is a change in future lease payments or the changes in discount rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets and lease liabilities.

### **2.5 Consistency**

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, United Commercial Bank PLC discloses its information consistently from one period to the next. When selecting and applying new accounting policies, changes in accounting policies and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

### **2.6 Foreign Currency Transactions and Translations**

#### **Functional and presentation currency**

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Bank's functional currency. The functional currency of OBU is US Dollar (USD). The financial statements of OBU have been translated to presentation currency (Taka/Tk/BDT) using the exchange rate prevailing at balance sheet date. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

#### **Foreign currency transactions**

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21, 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially

recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the bank are recorded in the Profit and Loss Account.

### Foreign currency translations

Assets and liabilities of OBU have been presented in Taka (which is functional currency of the Bank) using year end standard mid rate of exchange of the Bank and incomes and expenses are translated using monthly average of standard mid rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency.

Foreign currency differences arising on translation are recognised in the profit and loss account except for exchange rate differences on fund deposited with Bangladesh Bank as capital, which is recognised directly in equity.

### 2.7 Cash flow statement

Cash flow statement has been prepared in accordance with International Accounting Standard (IAS) 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

### 2.8 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of changes from the end of last year to the end of current year.

### 2.9 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:

Particulars	Basis of Use
Cash, Balance with other banks and financial institutions, money at call and short notice etc.	Stated maturity/observed behavioral trend
Investments	Residual maturity term
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products)
Fixed assets	Useful life
Other assets	Realization/amortization basis
Borrowings from other banks and financial institutions	Maturity/repayment term
Deposits and other accounts	Maturity and behavioral trend (non-maturity products)
Other long term liability	Maturity term
Provision and other liability	Settlement/adjustment schedule basis

## **2.10 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

### **Accounting policies of subsidiaries**

The financial statements of subsidiaries have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature where applicable. The financial statements of subsidiaries have been prepared using the calendar year ended 31 December which is also same for the Bank.

## **A. ASSETS AND THE BASIS OF THEIR VALUATION**

### **2.10.1 Cash and cash equivalents**

Cash and cash equivalents 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.

### **2.10.2 Investments**

All investment securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discounts are accredited. Accounting treatment for government treasury securities (HFT and HTM) is made as per Bangladesh Bank Circular Ref. BRPD Circular no. 5 dated 26 May 2008 and subsequent clarification DOS circular letter no. 5 dated 28 January 2009.

### **2.10.3 Held to Maturity (HTM)**

Investments which have "fixed or determinable payments" and are intended to be held to maturity are classified as "Held to Maturity". Initially these investments are recorded at cost. Subsequently at each year end, these investments are measured at amortized cost. Any increase or decrease in the value of such investment is recognized in shareholders' equity and profit and loss account respectively.

### **2.10.4 Held for Trading (HFT)**

Investments 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 at cost, investments are revalued at Mark to Market (MTM) on weekly basis and any increase on such valuation is recognized as revaluation gain under the shareholders' equity and any loss is recognized in the profit and loss account.

### 2.10.5 REPO and Reverse REPO

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

Since 01 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. Securities under repo will be excluded from the investment portfolio and hence will not be eligible for SLR purpose. Securities acquired under reverse repo will be eligible for SLR purpose initially at its clean price (in case of coupon bearing security) or at its market value (in case of non-coupon bearing security).

### 2.10.6 Investment in listed/quoted securities

These securities are bought and held primarily for the purpose of selling them in the future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is recognized in the profit and loss account.

### 2.10.7 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of Net Assets Value (NAV) over cost in the Profit & Loss Account, but there is no unrealized gain booking.

### Revaluation

Government Treasury Bills and Bonds (HFT)	At Market value (using marking to market concept)
Government Treasury Bills and Bonds (HTM)	At present value (using marking to market concept)
Prize Bond	At cost
Unquoted Shares	At cost or book value of the last audited balance sheet whichever is lower

### 2.10.8 Investment in subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with IAS 27 "Separate Financial Statements" and IFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of IAS 36 "Impairment of Assets".

### 2.10.9 Loans, Advances and provisions

- Loans and advances are stated at gross amount.
- Loans and advances are broadly classified under the heads of Continuous, Demand, Long Term and Short term Agriculture and Micro Credit. Continuous and Demand Loans are accounted



- under Capitalized method where interest accrues monthly and applied to loan account quarterly. Term loans are accounted under amortized method where repayments consist of no. of EMIs.
- c) Interest on unclassified loans & advances and SMA loans are credited to Interest Income. Interest on Sub- standard and Doubtful Loans and advances are not credited to interest income, it is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest accrual is kept stopped for all Bad & Loss Loans.
- d) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- e) General provisions on unclassified loans and off balance sheet items, specific provisions for classified loans and interest suspense thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017 and BRPD Circular no. 01 dated 20 February 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28, 2020) and BRPD Circular Letter No. 56 (December 10, 2020), BRPD Circular Letter No. 59 (December 30, 2020), BRPD Circular Letter No. 05 (March 24, 2021), BRPD Circular Letter No. 13 (June 27, 2021), BRPD Circular Letter No. 19 (August 26, 2021), BRPD Circular Letter No. 45 (October 04, 2021), BRPD Circular Letter No. 50 (December 14, 2021 and circulars till 2022).

Particulars	Rates
<b>General Provision on</b>	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	0.25%
Unclassified loans to BHS/MBs/SDs against shares etc.	2%
Unclassified loans consumer financing –Housing finance	1%
Unclassified loans consumer financing –Loans for professionals	2%
Unclassified loans consumer financing –Credit card	2%
Unclassified consumer financing others	2%
Unclassified short-term Agricultural and Micro-Credits	1%
Special Mention Account	0.25%-2%
Off-balance sheet exposures	1%
Special general provision-COVID-19	1.5-2%
<b>Specific Provisions on</b>	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/Loss loans and advances	100%
Substandard short term agri credit and, cottage, micro credit & small	5%
Doubtful short term agri credit and micro credit	5%
Doubtful cottage, micro credit & small	20%





- f) 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 filed and pending for more than 03 (three) years as per guidelines of Bangladesh Bank (BRPD circular No.01 dated 06 February 2019).

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. Write-off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

As per BRPD circular no. 14 dated 23 September 2012, BRPD Circular No. 05 dated 29 May 2013, BRPD circular No. 03 dated 21 April 2019 and BRPD Circular Letter No. 56 dated 10 December 2020, for additional special general provision-COVID-19 at 1% also, a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) have to be maintained.

### **2.10.10 Property, Plant and Equipment and Depreciation**

#### **Recognition**

The cost of an item of fixed assets is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

#### **Initial Measurement**

Items of property, plant and equipment that qualify for recognition as an asset is measured initially at its cost. The cost of an item of PPE comprises:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) Any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

#### **Subsequent Measurement**

Subsequently, the Bank has the option to measure an entire class of property, plant and equipment either using cost model or revaluation model.

Fixed assets except land are stated at cost less accumulated depreciation. Land is recognized at cost at the time of acquisition and subsequently measured at revalued amounts which are the fair value at the time of revaluation done by independent professional valuer, and any surplus on revaluation is shown as equity component until the asset is disposed.

#### **Subsequent Expenditure**

The bank recognizes any subsequent expenditure in the carrying amount of an item of property, plant and equipment as a part of the cost only when it is probable that future economic benefits embodied





with the item will flow to the bank due to the subsequent expenditure. However, expenditures incurred after the assets have been put into operation, such as, repairs and maintenance is recognized as revenue expenditure in the period in which it is incurred.

### Depreciation

Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated using the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

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

### Changes in useful life and method of depreciation of the property, plant and equipment

Both changes in useful life of the property, plant and equipment and method of depreciation, i.e. consumption pattern of the assets shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

### Capital work in progress

Property, plant and equipment under construction is recognized and reported under Fixed Assets as per IAS 16 'Property, Plant & Equipment' as Capital work in progress until the construction work is completed and the asset is ready for the intended use. This asset is stated at cost, and depreciation of the asset will be charged from the date of its intended use.

### De-recognition of fixed assets

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de recognition of an item of fixed assets is recorded in profit or loss when the item is de-recognized.

### Revaluation of Property, Plant and Equipment

An item of Property, Plant and Equipment is revalued when fair value of the asset differs materially from its carrying amount. Such revaluation is normally carried out by professionally qualified valuers. Last revaluation of Bank's land property and Building were carried as at 27 December 2012 by Padma

Techno Consult & Survey Ltd. Accordingly, revaluation surplus is included in fixed assets and assets revaluation reserve is recognized under shareholder's equity as per guidelines of IAS-16; Property, Plant and Equipment. Such revaluation reserve will be disposed off upon retirement/de-recognition of the assets.

#### **2.10.11 Accounting under lease operations:**

##### **Assets obtained under Lease Agreements**

International Financial Reporting Standard (IFRS) 16: Leases come into force on 1 January 2019, as adopted by institute of Chartered Accountants of Bangladesh (ICAB). As per IFRS 16 a lease is a contract (or part of a contract) that conveys the right to use an asset for a period of time in exchange for consideration. A contract contains a lease if fulfilment depends on an identified asset and it conveys the right to control the use of that identified asset throughout the period of use. Each lease component should be identified and accounted for separately.

##### **As a lessee**

The Bank recognises a right-of-use (ROU) asset and a lease liability from the initial application date i.e. 01 January 2019 or the commencement date of a lease contract. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the initial application date or commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date or commencement date, discounted at the Bank's weighted average rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

##### **i) Determining whether an arrangement contains a lease**

At inception of an arrangement, the Bank determines whether the arrangement is or contains a lease. At inception or reassessment of an arrangement that contains a lease, the Bank separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair value. If the Bank concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Bank's incremental borrowing rate.

## ii) Leased Asset

Leases of property, plant and equipment that transfer to the Bank substantially all of the risks and the rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases are classified as operating leases and are not recognised in the Bank's statement of financial position.

## iii) Lease Payment

Payments made under operating lease are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 2.10.12 Intangible asset

An intangible asset is to be recognized only if it is probable that future economic benefits attributable to the assets will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of Intangible Assets are guided by International Accounting Standard (IAS)-38; '*Intangible Asset*'. Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Gain or loss arising from derecognition of an Intangible asset is measured as the difference between the net disposal proceed and the carrying amount of that intangibly asset is recognised in profit and loss account. Due to following BRPD circular no. 14 dated 25 June 2003, intangible assets are not disclosed in a separate line rather reported under Fixed Assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of Fixed Asset.

### 2.10.13 Impairment of assets

The carrying amounts of bank's assets are reviewed when as required to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [IAS 36 *Impairment of Assets*]. No such impairment loss has arisen and been recognized during the year ended 31 December 2022.

### 2.10.14 Other Assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not yet been finalized, investment in subsidiaries, fees and other unrealized income receivable, advance for operating and capital expenditure, stocks of stationery & stamps etc. As per

BRPD Circular No. 14 dated 25 June 2003, Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

#### **2.10.15 Receivables**

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

#### **2.10.16 Non-banking assets**

Bangladesh Bank vide BRPD circular no. 14 dated 25 June 2003 required that Non-banking assets should be shown separately in the books of accounts. Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

#### **Recognition of non-banking assets**

Although there is no indication of non-banking assets found in any International Financial Reporting Standards (IFRS), non-banking assets are to be recorded in the books of accounts when all formalities regarding confirmation of ownership have been completed in accordance with the BRPD Circular No. 22 dated 20 September 2021. It means that asset to be recognized during controlling over economic benefits flowing from the asset to the bank is established and its associated cost/value is reliably measured. Therefore, considering practical grounds, non-banking assets are recorded in the books of accounts of UCB PLC when all of the following conditions have been met:

- a) Certification of ownership u/s 33(7) of the 'Artharin Adalat Act 2003' obtained
- b) Registration from the Sub Registry Office completed
- c) DCR & Mutation form the concerned AC Land office completed
- d) Land Rent tax and Municipal tax (if any) Paid
- e) Valuation of the property done
- f) Physical possession obtained

#### **Measurement of the non-banking assets:**

Non-banking Asset is measured at the estimated Forced Sale Value (FSV) as determined by the independent professional valuing firm.

### **B. LIABILITIES AND PROVISIONS**

#### **2.10.17 Borrowings from other banks, financial institutions and agents**

Borrowings from other banks, financial institutions and agents include interest bearing borrowings, bonds etc. which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

#### **2.10.18 Debt securities:**

After global economic turmoil in 2010, the global financial regulators are more concerned with enhancing risk resilience capacity of the banks and introduced more risk sensitive capital adequacy

framework namely Basel III. With the view to strengthening capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, UCB issued the following Subordinated and Perpetual bonds with key features as listed below:

### Subordinated Bond

Name of the Subordinated Bond	Issued Amount	Outstanding Amount	Issue Date	Tenure	Interest Rate	Range of Interest Rate	Redemption of Principal
	(BDT in Million)	As on 31 December 2022 (BDT in Million)					
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	1,400.00	28-Dec-17	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years
UCB 3rd Subordinated Bond (2nd Tranche)	3,500.00	2,100.00	16-May-18	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (1st Tranche)	500.00	300.00	24-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (2nd Tranche)	2,500.00	1,500.00	26-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (3rd Tranche)	100.00	80.00	14-Aug-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (4th Tranche)	1,000.00	800.00	05-Nov-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (5th Tranche)	500.00	400.00	05-Dec-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (6th Tranche)	250.00	250.00	23-Mar-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years



UCB 4th Subordinated Bond (7th Tranche)	100.00	100.00	22-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (8th Tranche)	100.00	100.00	28-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (9th Tranche)	100.00	100.00	15-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (10th Tranche)	1,000.00	1000.00	24-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (11th Tranche)	300.00	300.00	27-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (12th Tranche)	550.00	550.00	29-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (13th Tranche)	1,000.00	1,000.00	30-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 5th Subordinated Bond (1st Tranche)	500.00	500.00	29-Dec-22	7 Years	Base Rate plus 2.0%	7.00%-10.00%	20% in each of last 5 years
UCB 5th Subordinated Bond (2nd Tranche)	1,000.00	1,000.00	29-Dec-22	7 Years	Base Rate plus 2.0%	7.00%-10.00%	20% in each of last 5 years

### Perpetual Bond

Name of the Perpetual Bond	Issued Amount (BDT in Million)	Issue Date	Interest Rate	Range of Interest Rate
UCB 1 <sup>st</sup> Perpetual Bond	4,000.00	25-Apr-21	Base Rate plus 2.0%	6.00%-10.00%



### **2.10.19 Deposits and other accounts**

Deposits and other accounts include current deposits redeemable at call, short term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

### **2.10.20 Other liabilities**

Other liabilities comprise items such as provision for loans and advances/ investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRSs).

### **2.10.21 Dividend payments**

Interim dividend is recognized when it is paid to the shareholders. Final dividend is recognized when it is approved by the shareholders in AGM. The proposed dividend for the year 2022 is 10% (5% cash dividend and 5% stock dividend), therefore, has not been recognized as a liability in the balance sheet in accordance with IAS 10 '*Events after the Reporting Period*'. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

### **2.10.22 Provision for loans and advances**

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular No. 08 dated 2 August 2015, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28 2020) and BRPD Circular Letter No. 56 (December 10 2020 and circulars issued till 2022).

Details are stated in Note 12.

### **2.10.23 Provision for investment in capital market**

For recognition of loss suffered from investment in capital market, provision is to be provided on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio basis.

### **2.10.24 Provision for off-balance sheet exposures**

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, the Bank has been maintaining provision as per the Bangladesh Bank guideline/Circulars against off-balance sheet exposures.

#### **2.10.25 Provision for other assets**

Provision for other assets is made as per the guidelines mentioned in the BRPD Circular No. 04 dated 12 April 2022 i.e. 100% provision is required on other assets which are outstanding for one year or more.

#### **2.10.26 Provision for Nostro accounts**

Provision for unsettled transactions on nostro accounts is made in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005. On the reporting date, UCB PLC has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

#### **2.10.27 Provision for liabilities and accrued expenses**

In compliance with IAS 37, provisions for other liabilities 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.

#### **2.10.28 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 International Accounting Standard-19, "Employees Benefits". Various types retirement benefit schemes of the bank are as follows:

##### **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 Trustee consisting 03 (three) members of the Bank. All confirmed employees of the Bank are contributing 10-20% of their basic salary as subscription to the fund. The bank also contributes equal amount of the employees' contribution (maximum 10%). Interest earned from the investments is credited to the members' account on half yearly basis.

##### **Gratuity fund**

Gratuity benefits are given to the employees of the bank in accordance with the approved gratuity fund rules. The 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 Trustee 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 and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.





The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

### **Welfare fund**

Employees' Welfare fund was established in June 18, 2009. The UCB PLC policy on Employees' Welfare Fund, 2009, governs the fund and the day-to-day affairs are run by a duly constituted Board of Trustee. The fund is held and administered by a Board of Trustee and invested according to the rules of the Fund framed as per applicable laws of Bangladesh.

### **Workers' Profit Participation Fund (WPPF)**

Consistent with widely accepted industry practice and in accordance with section 11(1) of the Bank Company Act, 1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

## **2.10.29 Taxation**

Income tax represented the sum of the current Tax and deferred tax payable for the year under reporting.

### **i. Current Tax**

Current tax is the amount of income taxes payable (recoverable) in respect to the taxable profit (tax loss) for a period. Provision for current income tax has been made as per the prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12, "Income Taxes". Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not yet been finalized. On the other hand, the tax provision (as estimated as per IAS-12; Income Taxes, provision of latest Finance Act, related SROs/guidelines etc.) are recognized as tax liability under the group head of other liability for the year/years for which assessment has not yet been finalized.

### **ii. Deferred Tax**

Deferred tax liabilities are the amount of income taxes payable in future periods in respect to taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or at the balance

sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12, "Income taxes".

## C. CAPITAL / SHAREHOLDERS' EQUITY

### 2.10.30 Capital

#### (a) 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.

#### (b) Paid-up capital

Paid-up Capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary share 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.

### 2.10.31 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act, 1991 (and amendments thereon).

### 2.10.32 Asset revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 '*Property, Plant and Equipment*'. The Bank also follows the assets revaluation guidelines issued by BSEC on 18 August 2013.

### 2.10.33 Reserve for Amortization/ revaluation of securities

When a Financial Asset categorized under HTM or HFT and subsequent value of the asset is increased as a result of amortization of assets or mark to market revaluation, the net increased amount (for HTM increase or decrease of book value and for HFT loss to P&L but gain to revaluation reserve through P&L) is credited directly to equity under the heading of reserve for amortization/ revaluation of securities as per Bangladesh Bank DOS Circular Letter No. 05 dated 26 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, DOS circular no. 06, dated 15 July 2010.

### 2.10.34 Retained Earnings

The surplus amount after appropriation of yearly profit is kept in Retained Earnings.

### **2.10.35 Share premium**

The Share premium represents the excess amount received by the bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilized as per the provision of Section 57 of the Companies Act 1994.

### **2.10.36 Contingent asset and contingent liability**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and on the other hand a contingent liability is a possible obligation that arises from past events and whose existence will also be confirmed only with the occurrence or non-occurrence of one or more uncertain future events. Contingent asset and liability is not recognized rather disclosed in the financial statements.

Bank also undertakes forward rate agreements and transaction of similar financial instruments and derivatives. Such activities are undertaken in line with Bangladesh Bank guidelines and an appropriate provision has been made against such contingent items.

### **2.10.37 Accounting of Derivative Financial Instruments**

#### **Derivatives**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Derivative is a financial instrument meeting all of the following three features:

1. whose value changes in response to the change in price of an underlying security, commodity, currency, index or other financial instruments;
2. where the initial net investment is zero or is small in relation to the value of underlying security or index;
3. that is settled at a future date.

Derivatives are classified as held for trading (unless they are hedging instruments) and accordingly, measured at fair value. Any changes in fair value is recorded in profit and loss account.

#### **Embedded derivatives**

Certain contracts that are not themselves derivatives (and may not be financial instruments) include derivative contracts that are 'embedded' within. An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract. Embedded derivative causes some or all of the cash flows of the host contract to be modified. Besides, embedded derivative cannot be transferred to a third party independently of the instrument. The basic rule for accounting for an embedded derivative is that it should be separated from its host contract and accounted for as a derivative, i.e., measured at fair value and any changes in fair value recognized in profit and loss account. Separation of embedded derivative from the host contract is made only when the following conditions are met:

The economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract.



1. The embedded derivative would meet the definition of a derivative if separated from the host contract.
2. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit and loss.

## **D. REVENUE RECOGNITION**

### **2.10.38 Interest income**

Interest on unclassified (Standard and SMA) loans and advances is accounted for as income on accrual basis, interest on classified loans and advances (SS and DF only) is credited to interest suspense account, with actual receipt of interest there from credited to Income as and when received as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December 2012, BRPD 16 dated 18 November 2014 and BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 56 dated December 10, 2020 and BRPD Circular Letter No. 53 dated December 30, 2021 and circulars till 2022 of Bangladesh Bank. Interest is accrued on a daily basis and applied to customer accounts every month, quarter and at maturity depending on the product offerings. In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard loans and doubtful loans are credited to Interest Suspense Account which is included within Other liabilities. Interest from loans and advances ceases to be accrued when they are classified as bad / loss.

### **2.10.39 Fees and commission income**

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

### **2.10.40 Interest income from investments**

Interest income from investments in Government and other securities, debentures and bonds are accounted for on accrual basis. Investment income includes interest income, capital gain, and revaluation loss on government securities.

### **2.10.41 Income from exchange**

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of Non-Monetary items.

### **2.10.42 Dividend income**

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

### **2.10.43 Interest paid on borrowings and deposits**

Interest expenses are recognized on accrual basis taking into account daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors' account on half yearly basis. No interest is applicable on the 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'.

Other expenses are also recognized and recorded on accrual basis.

#### **2.10.44 Management and other expenses**

Expenses incurred by the Bank are recognized on actual and accrual basis.

### **E. OTHERS**

#### **2.10.45 Materiality and aggregation**

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature have also been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

#### **2.10.46 Offsetting**

The balance sheet presents the net amount of financial assets and liabilities when there is a legally enforceable right to offset the recognized amounts and the intention is to settle them on a net basis or simultaneously realize the asset and settle the liability. The Bank presents its advance tax paid and provision for tax on a net basis under liability since the tax liability amount is higher than the advance tax. Similarly, the Bank presents its Deferred Tax (DT) assets and liabilities on a net basis under the asset section, as the DT asset amount is higher than the DT liability. The net defined benefit obligation is shown under the liability section because the defined benefit obligation is higher than the fair value of plan assets. Finally, card revenues and expenses earned and incurred on a shared basis that are directly attributable are presented on a net off basis.

#### **2.10.47 Earnings Per Share (EPS)**

The company calculates Earnings Per Share (EPS) in accordance with IAS 33, "*Earnings Per Share*" which has been shown on the face of the Profit and Loss Account. Earnings per share (EPS) 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 39 to the financial statements.

#### **Basic Earnings Per Share**

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

#### **Weighted average number of ordinary shares outstanding during the year**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year. The total number of shares issued in current reporting period has been multiplied by



a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

### Diluted Earnings Per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, diluted earnings per share calculated during the financial year 2022.

### 2.10.48 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations among related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in notes 47.1 to 47.8.

### 2.10.49 Reconciliation of books and account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

### 2.10.50 Events after the reporting period

Where necessary, all the material events after the balance sheet date have been considered and appropriate adjustment/ disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Period'.

Only material event after the balance sheet date is: The Board of Directors recommended 10% dividend (5% cash dividend and 5% stock dividend) for the year 2022 in its meeting no. 481 held on 25 April 2023.

### 2.10.51 Credit rating

ECRL has rated the Bank based on December 31, 2021 with "AA"(pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was April 24, 2022.

Year	Long Term Rating	Short Term Rating
2022	AA	ST-2
2021	AA	ST-2
2022	AA	ST-2

The outlook of the rating is Stable. The rating reflects the strengths of the company which is backed by its strong management, good liquidity position and satisfactory capital base as well as branch coverage throughout the country.

### 2.10.52 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by FRC. While preparing the financial statements, UCB applied all the applicable IASs and IFRSs as adopted by FRC. Details are given below:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the reporting period	10	Applied
Income Taxes	12	Applied
Property Plant and Equipment	16	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	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A **
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
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
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
First time adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contract	4	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: Disclosure	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in other entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory deferral accounts	14	N/A
Revenue from contracts with customers	15	Applied
Leases	16	Applied

\* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer below for such recognition and measurement differences that are most relevant and material to the Bank and the Group.

\*\* This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

\*\*\* The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with IAS 34.

N/A= Not Applicable

### **New accounting standards not yet adopted**

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards have been considered. However, these amendments have no material impact on the financial statements of the Bank.

A number of standards and amendments to standards are effective for annual periods beginning after 01 January 2022 and earlier application is permitted. However, the Bank did not apply earlier the following new standard in preparing these financial statements.

### **IFRS 17 Insurance Contracts**

IFRS 17 was issued in May 2017 and to be applied to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed the potential impact of IFRS 17 on its financial statements. There are no other







standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

### 2.10.53 Operating segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has Nine reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank are periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segments' Name	Description
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. market dealings, investing in derivatives including forwards, futures and swaps.
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.
Offshore Banking	This unit aims to provide all kinds of commercial banking services to its customers in freely convertible currencies. Presently the Bank has one unit in Dhaka.
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs.
Mobile Financial Services	Mobile Financial Services came up with the aim to cover a large number of people under banking channel though mobile network facilitating convenient cash in/out, bill payment, POS purchase etc.
Agent Banking	UCB Agent Banking aims to promote full-fledged banking services to geographically dispersed and financially excluded areas. It's looking forward to offer cashless transaction to all class of people in near future.

### 2.10.54 Risk Management

In banking organization, risk is the possible outcome of an action or event which could bring up an 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 of an organization may be exposed depending upon a number of factors such as its size, complexity in business activities, volume etc. Initially Bangladesh Bank had 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 PLC and its status are discussed below.

BRPD circulars no.17 dated 07 October 2003, BRPD circular no. 04 dated 05 March 2007 and DOS circular no. 2 dated 15 February 2012 require banks to put in place an effective risk management system. The risk management system of the Bank covers the following six broad risk areas:

- Credit Risk
- Foreign exchange risk
- Asset Liability Management Risk
- Internal Control & Compliance Risk
- Money Laundering Risk
- Information & Communication Risk
- Technology Security Risk

### **Credit Risk Management**

Credit risk is most simply defined as the potential risk where a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long term success of any banking organization.

Both on-balance sheet and off-balance sheet activities like guarantee has impact on credit risk. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank's dealing with households, small or medium-sized enterprises (SMEs), corporate clients, other banks and financial institutions, or a sovereign. The assessment of credit risk involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

Our credit risk management function has been kept independent of business origination functions to establish better internal control and to reduce conflict of interest. The Chief Risk Officer and the Head of Credit Risk Management have clear responsibilities for management of credit risk. The final authority and responsibility for all activities that expose the bank to credit risk rests with the Board of Directors. The Board, however, has delegated authority to the Managing Director and CEO to re-delegate authorities to other officers of the credit risk management division. The Board also sets credit policies and delegates authority to the management for setting procedures, which together has structured the credit risk management framework in the bank.

The prime objective of the risk management is that the Bank undertakes well calculated business risks to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a risk management committee to overview regular monitoring of those critical risk areas.



## **Foreign Exchange Risk Management**

Foreign exchange risk is the risk that changes an investment's value due to changes in currency exchange rates. This risk usually affects businesses that export and/or import but also affect investors making international investments. Financial risk management is the practice of creating economic value in a firm by using financial instruments to manage exposure to risk. The most common cause of foreign exchange (FX) risk arises from making overseas payments for imports that are priced in a foreign currency and receiving foreign currency as payment against exports. Exposure to foreign exchange risk can also arise from foreign currency borrowing and deposits, overseas subsidiaries, assets located overseas.

UCB has developed a Foreign Exchange Risk Management policy in line with the Bangladesh Bank foreign exchange guidelines to minimize different types of risks associated with foreign exchange transactions. In this guideline treasury functions are clearly demarcated between treasury front office, mid office and back office. The front office is involved only in dealing activities and the back office is responsible for all related support and monitoring functions on the other hand, mid Office will be responsible to monitor market risk, liquidity risk and operational risks at treasury. Treasury Front Office' 'Treasury Mid Office and 'Treasury Back Office' have separate and independent reporting lines to ensure segregation of duties and accountabilities.

The Bank has also developed different strategies to handle the foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank. Treasury department is vested with the responsibility to measure and minimize the foreign exchange risk associated with bank. To assess the degree of the risk associates with foreign exchange position bank computes VaR (Value at Risk) on its foreign exchange position on daily basis. To deal smoothly the dealers have various limits with triggers such as counterparty limit, stop loss limit, intraday limit, per deal limit etc.

Dealing room is equipped with Reuter's information and dealing system, a voice recorder for recording deals taking place over the telephone, television with financial news channels. Before entering into any deal with a counter party, a dealer ensures that they have knowledge about the counter party's dealing style, product mix and assess whether the customer is dealing in an appropriate manner.

## **Asset Liability Management Risk**

ALM is an integral part of the financial management process of any bank. It is concerned with strategic balance sheet management involving risks caused by changes in the interest rates, exchange rates and the liquidity position of the bank.

The Asset Liability Management Committee (ALCO) of UCB headed by the Managing Director of the Bank meets at least once in every month to look after the financial market activities, manage liquidity risk, interest rate risk and FX or currency risk. Asset Liability Management (ALM) desk of the Treasury is primarily responsible for management of liquidity risk on a daily basis by appropriate coordination of funding activities. Asset liability Committee (ALCO) reviews the country's overall economic position, market outlook (local and global) and Bank's liquidity position. A quarterly projection of fund flows is reviewed in ALCO meeting regularly. ALCO also examines key ratios such as Maximum Cumulative Outflow, Advance Deposit Ratio, Capital Adequacy Ratio, Liquidity Coverage Ratio (LCR), Net Stable

Funding Ratio (NSFR), Leverage ratio etc. ALCO also monitors concentration of deposits of large institutional depositors which is volatile in nature.

In addition to the above ratios ALCO also analyses following statements to measure and monitor liquidity risk, interest rate risk and FX or currency risk:

<b>Risks</b>	<b>Statement</b>
Liquidity Risk	<ul style="list-style-type: none"> <li>• Structural liquidity profile</li> <li>• Dynamic liquidity profile</li> <li>• Key Management Ratios</li> <li>• Cash flow projection</li> </ul>
Interest Rate Risk	<ul style="list-style-type: none"> <li>• Traditional Gap Analysis (up to 1 Year)</li> <li>• Traditional Gap Analysis (Total A-L)</li> <li>• Duration Gap Analysis</li> <li>• Balance Sheet VaR</li> <li>• Stress Testing</li> </ul>
Currency Risk	<ul style="list-style-type: none"> <li>• Currency wise Exposure</li> <li>• Value at Risk (VaR)</li> </ul>

### **Internal Control and Compliance Risk**

Internal Control is a process, effected by a bank's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. An organization deploy many layers of defense. In order to ensure, there are enough controls to manage the adverse risk of any major setback. The first layer of defense is the operational management. The second layer of defense is the control function such as internal control, risk management and compliance. The third layer of defense is the internal and external audit function.

A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long –term profitability target, and maintain reliable financial and managerial reporting. Such a system is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting and
- Compliance with applicable laws, regulations, and internal policies.

UCB PLC develops and maintains a robust internal control framework comprising the following internal control features:

- Management oversight and the control culture
- Risk recognition and assessment

Control activities and segregation of duties

- Information and communication
- Monitoring activities and correcting deficiencies



Internal Control & Compliance Division (ICCD) under guidance of Board & Senior Management has been working on the issue in light of Bangladesh Bank guidelines. Audit function is now totally independent with reporting line of 'Head of Audit' to Audit Committee of Board along with administrative reporting line to 'Head of ICCD'. Competent authority of the bank has taken various steps to strengthen internal audit as well as compliance activities for ensuring a standard compliance culture within the organization towards mitigating Internal Control & Compliance Risks.

The key issues that have been established for effective internal control of UCB PLC are as follows:

- i. ICCD of UCB is working in light of guideline on Internal Control & Compliance Guideline of UCB.
- ii. ICCD arranges awareness Building workshop regarding compliance culture in different zone.
- iii. The internal Audit department of the Bank checks for compliance with policies and procedures and the effectiveness of internal control systems on an ongoing basis.
- iv. Compliance inspection team of ICCD carried out compliance inspection regarding authenticity/accuracy of RBIA compliance and miss reporting.
- v. In assessing the internal control system UCB continued to review of different control tools i.e. QOR, LDCL, DCFCL, Internal audit checklist and Risk rating.
- vi. ICCD prepare Health Report of UCB on Annual basis.
- vii. Self-Assessment of Anti-Fraud Internal Controls is carried out on semi-annual basis as per DOS circular letter #10 dated 9 May 2017 of BB.

Effective and efficient internal control of UCB PLC secure the interest of depositors and stakeholders through establishing the following internal control functions:

- Compliance
- Information Security
- Internal Audit
- Risk Management

It helps to reinforce the 3 (three) types of control:

**Preventive** - creation of process control environment,

**Corrective** - Control Procedures in business processes/operation and

**Detective** - Post facto controls.

### Three line of defense

UCB PLC uses a lines of defense model as a key component of its Enterprise Risk Management (ERM) Framework to manage its risks. The lines of defense model bring together risk-taking, risk oversight, and risk assurance under one umbrella and provides an avenue for risk accountability of the first line of defense, a construct for effective challenge by IRM and ICRM ("second line of defense") and empowers independent risk assurance by Internal Audit ("third line of defense"). In addition, the lines of defense model include organizational units tasked with supporting a strong control environment ("enterprise support functions").

The first, second and third lines of defense, along with enterprise support functions, have distinct roles and responsibilities and are empowered to perform their relevant risk management processes and

*Atc*

responsibilities outlined in the ERM Framework and supporting suite of policy documents in order to manage Citi's risks in a consistent and effective manner.

### **Money Laundering Risk**

Financial institutions across the globe are working hard to fight financial crime driven by demands to protect assets and maintain regulatory compliance. The areas of specific focus are those of Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF). Money laundering is the process of providing legitimate appearance to the illegally gained revenue. And terrorist financing process involves collecting the funds intended for use in supporting the terrorist organization from a variety of sources and using the funds as needed to further the terrorist organization's goals. Both Money Laundering and Terrorist Financing have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth.

Regulators expect functions in the Bank to be standardized on a global level and across business lines. The businesses themselves need consistency and efficiency. One of the best ways to satisfy these expectations is to centralize functions. This is an important first step in sharing and harmonizing skills throughout the organization.

UCB has already gone a long way in the path of centralizations of its functions. In 2018, new Anti-Money Laundering and Anti-Terrorist Financing Division has been formed. As instructed by BFIU, Deputy CAMLCO is heading this Division. The Division has been manned with qualified resources to ensure high level of AML and ATF compliance across the Bank.

AML & ATF Division has arranged a number of training programs on prevention of money laundering and terrorist financing for the Executives/Officers of the Bank through-out 2022 to develop their professional skill and ensure better compliance.

A total number of 21,317 participants were covered through e-learning & Training programme). Total 257 sessions were arranged by the LDC through eLearning module and Training facilities.

In line with international initiatives and standards, the Regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). UCB has also prepared its own policy on "Prevention of Trade Based Money Laundering" on September 29, 2020 based on the BFIU guidelines on the same.

As part of Alternative Learning Channel, in 2022 LDC has partnered with LinkedIn & ensured upskilling of 50 officials to be equipped with the international business and leadership practices, refined critical thinking skills, improved virtual communication, flexibility and self-efficacy learning to maximize self-efficacy. Likewise, licenses for the UCB SMT of a Premium Learning Solution Harvard Manage Mentor was attained.

### **Fraud and Forgeries Risk**

Fraud is deliberate deception to secure unfair or unlawful gain. UCB has been relentlessly striving for effective anti-fraud control mechanism to be in place and are working properly so that attempts to make fraud and forgeries can be identified at the initiation, escalated to the appropriate level of management and necessary corrective measures are undertaken accordingly. Moreover, as a part of



practicing compliant culture, the Bank reported all instances of fraud and forgeries detected to the central bank on timely manner.

### **Information Communication Technology Risk**

In the recent years, banking industry has been reshaped significantly in terms of its operational processes, service delivery channels, market strategies including targeting, segmenting, positioning / penetrating and with the wide varieties of product & services catered for individual customer needs mostly. Among all other pivotal factors, 'Information and Communication Technology' (ICT) has been regarded as the core to bring such momentous transformation into successful reality. Consequently, the importance of information security for the banks has gained much importance, and it is of the critical essence for us to ensure that the ICT risks are being properly identified and measured, and adequate mitigation strategies are in place.

ICT Risk management is a systematic approach for the identification, assessment and management of information security related risks in Bank. It encompasses not only the negative impacts of operations and service delivery which can bring destruction or reduction of the value of the Bank, but also the risk associated with opportunities losses to explore the technological benefits with adverse business impact.

UCB regarded 'Effective Risk Management Process' as a vital constituent of a thriving IT security program. Therefore, we developed our ICT risk management process in a way to aid the bank in achieving the new-fangled business changes, potential investment in information technology system, mitigating existing and imminent ICT threats.

The ICT Policy of the Bank has recently been revised and restructured to comply with the recent technology, risk management trends and Bangladesh Bank latest ICT guideline. The Business Continuity Plan, Disaster Recovery Plan and Information Security Management Policy have been republished after the revision. Moreover, UCB has developed ICT Risks Management Policy and approved by board, which covered all areas of IT risks according to Bangladesh Bank risks grading guideline.

UCB has the following footprints on reducing ICT risks including fraud prevention which will eventually ensure our sustainable banking operation in the foreseeable future:

- Vulnerability Assessment and Penetration Testing (VA/PT) Solution Introduced.
- Optimization of SWIFT System has been successfully completed.
- Internet Banking Solution with two factor authenticator (2FA) mechanisms and OTP.
- Anti-Money Laundering (AML) Solution Implemented.
- National Identity Card (NID) Verification System Introduced for avoiding duplicated NID use in Customer Account Opening.
- Two Factor Authentication (2FA), SMS, E-mail alerts for Credit card transactions.
- Anti-Skimming devices have installed in all UCB ATM for protecting Card Counterfeit.
- EMV standard solution (Chip Based) have been implemented that can reduce optimum level of card fraudulent activities (Skimming, Duplicate card, etc).
- Duel control mechanism: Bank has introduced maker checker roles in FCUBS & card management software which results internal user cannot process any CBS and credit card related tasks by one person.
- Real Time Automated Fraud Management Solution: IT has the capability to monitor fraudulent transaction based on defined rules. This solution can identify and manage risks properly.





- Call Centre Solution has been implemented as a result: Customers who are calling UCB call center for any emergency help (card activation, deactivation, lost, transactions details etc) will be served accordingly which helps to reduce risk and improve customer services.
- Human Resource Management Information System (HRMIS) Solution has been implemented. So to maintain and control HR related issues faster and accurately (Employee screening, recruitment, promotions, benefits, retirement, etc) which also reduce the employee risks.
- Optimization of CORE Banking Software and Database.
- ICT Risks Management Policy, Process up gradation as per the latest Bangladesh Bank ICT guideline. It can reduce Regularity & Compliance related risks.
- Improvement in ICT Awareness Risk: ITD has continuously conducting ICT awareness related training for employee which are aligned with Learning and Development Center.

### **2.10.55 Internal Audit**

The Bank has established an independent internal audit function for conducting risk based internal audit on various business and operation areas of the Bank on continuous basis.

### **2.10.56 Interest rate Risk**

Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities as far as Interest rate risk is concern. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and the Bank's Markets Treasury team actively manages the Balance Sheet gap to reduce the risk.

### **2.10.57 Operational Risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defence, recognised ownership of the risk by the businesses and independent risk management oversight. The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank's reputation with overall cost effectiveness and innovation. In all cases, the bank's policy requires compliance with all applicable legal and regulatory requirements.

### **2.10.58 Operating Environment**

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity price, strengthening of USD, etc. Most of these events also had significant impact in the local economic environment affecting the Bank's operation. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various







directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macroeconomic situation and factor these issues into the decision making process. However, the long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

#### **2.10.59 Offsetting**

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

#### **2.10.60 Audit Committee**

According to BRPD Circular No. 12 (23 December 2002), all banks are advised to constitute an audit committee comprising of member of the board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a branch of a foreign bank, does not have a local board of directors from whom to select an Audit Committee but there is a Business Risk, Compliance and Control Committee (BRCC) where all risk issues are discussed, action points set to mitigate risks identified and documented. However, the Bank obtained formal dispensation from the Banking Regulation and Policy Department of Bangladesh Bank as regards to the formation of the committee as suggested in the BRPD Circular No 12 dated 23 December 2002.

#### **2.10.61 Standard issued but not yet effective**

The following new standards and amendments to standards are effective for annual periods beginning after 01 January 2022 and earlier application is permitted, but the Bank has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).



## **2.11 General**

### **Functional and presentation currency**

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

### **Comparative information**

Comparative information in respect of the previous year has been presented from the audited financial statements for the year ended 31 December 2022. Figures of previous year have been rearranged whenever necessary to confirm the current year/period presentation.

### **Reporting period**

These financial statements cover the period from 01 January 2022 to 31 December 2022.

### **Approval of financial statements**

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 25 April 2023.



	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>3 Cash</b>	<b>30,939,723,526</b>	<b>25,380,748,231</b>	<b>30,939,034,586</b>	<b>25,380,179,538</b>
<b>3.1 Cash in hand</b>				
Local currency	7,282,632,080	5,754,712,719	7,281,943,140	5,754,144,026
Cash in ATM	1,754,993,500	1,694,618,000	1,754,993,500	1,694,618,000
Foreign currency	63,169,875	49,278,435	63,169,875	49,278,435
	<b>9,100,795,455</b>	<b>7,498,609,154</b>	<b>9,100,106,515</b>	<b>7,498,040,461</b>
<b>3.2 Balance with Bangladesh Bank and its agent Bank(s)</b>				
Local currency	20,178,794,329	16,938,530,397	20,178,794,329	16,938,530,397
Foreign currency	1,660,133,742	943,608,680	1,660,133,742	943,608,680
	<b>21,838,928,071</b>	<b>17,882,139,077</b>	<b>21,838,928,071</b>	<b>17,882,139,077</b>
<b>Total Cash in hand including balance with Bangladesh Bank &amp; its agent Bank's</b>	<b>30,939,723,526</b>	<b>25,380,748,231</b>	<b>30,939,034,586</b>	<b>25,380,179,538</b>
<b>3.2.1 Balance with Bangladesh Bank</b>				
Local currency	20,178,700,334	16,938,487,415	20,178,700,334	16,938,487,415
Foreign currency	1,660,133,742	943,608,680	1,660,133,742	943,608,680
	<b>21,838,834,076</b>	<b>17,882,096,096</b>	<b>21,838,834,076</b>	<b>17,882,096,096</b>
* The above balance represents amount as per Bank Book. The differences due to reconciling items with Bangladesh Bank are subsequently adjusted.				
<b>3.2.2 Balance with Sonali Bank (as agent of Bangladesh Bank)</b>				
Local currency	93,995	42,982	93,995	42,982
Foreign currency				
	<b>93,995</b>	<b>42,982</b>	<b>93,995</b>	<b>42,982</b>
<b>3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>				
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Company Act, 1991 and amendments thereon and of instructions contained in DOS Circular No. 01 & 26 dated 19 January 2014 & 19 August 2019 respectively, MPD circular No. 03 dated 09 April 2020 respectively and BRPD Circular letter No. 31 dated 18 June 2020 issued by Bangladesh Bank.				
The Cash Reserve Requirement (CRR) of the Bank calculated by-weekly basis @ 4.00% on average demand and time liabilities (ATDTL) and maintained, 3.50% on daily minimum basis with Bangladesh Bank in current account and @ 13.00% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Cash in Hand, balance with Sonali Bank (as agent Bank), Treasury Bills, Treasury Bonds, Bangladesh Govt. Sukuk Bond, Prize Bond & excess of CRR held. In year end position of CRR & SLR maintained by UCB clearly reflects that, both the reserve are excess over the requirement. Details of reserves maintained by the bank as at 31 December 2022 are as follows:				
<b>3.3.1 Cash Reserve Requirement (CRR)</b>				
<b>A. Conventional and Offshore Banking</b>				
Average total demand and time liabilities				
DBU			436,816,139,250	389,701,927,000
OBU			14,356,512,568	6,818,267,369
Total ATDTL of Conventional and Offshore Banking			<b>451,172,651,818</b>	<b>396,520,194,369</b>
<b>i) CRR maintenance on daily minimum basis</b>				
DBU (3.5% of ATDTL)			15,288,564,874	13,639,567,445
OBU (1.5% of ATDTL)			215,347,689	102,274,011
Required reserve			<b>15,503,912,562</b>	<b>13,741,841,456</b>
Actual reserve maintained			18,485,340,914	17,160,492,479
Surplus			<b>2,981,428,352</b>	<b>3,418,651,023</b>
<b>ii) CRR maintenance on bi-weekly average basis</b>				
DBU (4% of ATDTL)			17,472,645,570	15,588,077,080
OBU (2% of ATDTL)			287,130,251,37	136,365,347
Required reserve			<b>17,759,775,821</b>	<b>15,724,442,427</b>
Actual reserve maintained			18,485,340,914	17,160,492,479
Surplus			<b>725,565,093</b>	<b>1,436,050,051</b>
<b>B. Islamic Banking</b>				
Average total demand and time liabilities				
DBU			7,853,620,000	1,681,107,000
OBU				
Total ATDTL of Islamic Banking			<b>7,853,620,000</b>	<b>1,681,107,000</b>
<b>i) CRR maintenance on daily minimum basis</b>				
DBU (3.5% of ATDTL)			274,876,700	58,838,745
OBU (1.5% of ATDTL)				
Required reserve			<b>274,876,700</b>	<b>58,838,745</b>
Actual reserve maintained			386,240,766	153,614,954
Surplus			<b>111,364,066</b>	<b>94,776,209</b>
<b>ii) CRR maintenance on bi-weekly average basis</b>				
DBU (4% of ATDTL)			314,144,800	67,244,280
OBU (2% of ATDTL)				
Required reserve			<b>314,144,800</b>	<b>67,244,280</b>
Actual reserve maintained			386,240,766	153,614,954
Surplus			<b>72,095,966</b>	<b>86,370,674</b>





	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>3.3.2 Statutory Liquidity Ratio (SLR)</b>				
<b>A. Conventional and Offshore Banking:</b>				
			56,786,098,103	50,661,250,510
DBU (13% of ATDTL)			1,866,316,634	886,174,758
OBU (13% of ATDTL)				
Required reserve			<u>58,652,414,736</u>	<u>51,547,425,268</u>
Actual reserve maintained			75,926,833,196	81,995,501,653
Surplus			<u>17,274,418,460</u>	<u>30,447,876,385</u>
<b>B. Islamic Banking:</b>				
			431,949,100	92,460,885
DBU (5.5% of ATDTL)				
OBU (5.5% of ATDTL)				
Required reserve			<u>431,949,100</u>	<u>92,460,885</u>
Actual reserve maintained			653,057,892	385,013,921
Surplus			<u>221,108,792</u>	<u>292,553,036</u>
<b>3.3.3 Held for Statutory Liquidity Ratio</b>				
Cash in hand (note- 3.1)			9,100,106,515	7,498,040,461
Balance with Sonali Bank (agent Bank) (note-3.2.2)			93,995	42,982
Govt. Securities (Treasury Bills) (note:6.a)			7,854,765,489	16,454,437,834
Govt. Treasury Bond (HTM) (note : 6.1)			56,191,625,790	56,180,698,409
Govt. Treasury Bond (HFT) (note : 6.1)			-	-
Reverse Repo with other Bank (note : 6.1)			-	916,517,100
Bangladesh Bank Bills (note : 6.a)			-	916,517,100
Stock of Prize Bond (note : 6.1)			660,003,800	111,334,001
Excess Reserve of CRR (note : 3.3.1)			797,661,059	1,096,897,440
			<u>74,604,256,648</u>	<u>83,174,485,327</u>
<b>4 Balance with other banks and financial institutions</b>				
In Bangladesh (note - 4.1)	4,509,386,657	19,568,097,037	3,405,505,992	18,344,218,194
Outside Bangladesh (Annexure-A)	13,466,546,944	1,065,031,784	13,466,546,944	1,065,031,784
	<u>17,975,933,601</u>	<u>20,633,128,821</u>	<u>16,872,052,936</u>	<u>19,409,249,978</u>
<b>4.1 In Bangladesh</b>				
<b>A. Current account and others</b>				
Janata Bank Limited.			51,333,766	48,214,344
Agrani Bank Limited.			24,134,076	591,455
Rupali Bank Limited.			23,357	25,716
Sonali Bank Limited.			1,278,684,551	1,612,325,609
Standard Chartered Bank			1,427,545	6,061,070
NRB Bank Limited (Islamic Banking)			51,187	450,000,000
Shahjalal Islami Bank Limited (Islamic Banking)			51,511	-
			<u>1,355,705,992</u>	<u>2,117,218,194</u>
<b>B. Fixed Deposits</b>				
<b>Bank</b>				
NCC Bank Limited			-	1,500,000,000
Dhaka Bank Limited			-	1,900,000,000
Mechina Bank Limited			-	600,000,000
Modhumati Bank Limited			-	600,000,000
Southeast Bank Limited			-	1,000,000,000
Mercantile Bank Limited			-	1,600,000,000
Mutual Trust Bank Limited			-	1,100,000,000
Shahjalal Islami Bank Limited			-	343,200,000
Midland Bank Limited			-	750,000,000
Premier Bank Limited			-	1,200,000,000
Pubali Bank Limited			-	429,000,000
Bank al Falah Limited			-	308,000,000
Jamuna Bank Limited			-	1,300,000,000
NRB Commercial Bank Limited			-	450,000,000
				<u>13,072,200,000</u>
<b>NBFI</b>				
International Leasing			400,000,000	400,000,000
Peoples Leasing & Finance Services			4,800,000	4,800,000
Aviva Finance Limited			650,000,000	650,000,000
Phoenix Finance and Investment Limited			500,000,000	500,000,000
ICB			-	450,000,000
Lanka Bangla Finance Limited			-	150,000,000
Uttara Finance & Investment Limited			250,000,000	250,000,000
Meridian Finance & Investment Limited			245,000,000	250,000,000
			<u>2,049,800,000</u>	<u>2,654,800,000</u>
<b>Islamic Banking</b>				
Exim Bank Limited			-	500,000,000
<b>Total Fixed Deposits</b>			<u>2,049,800,000</u>	<u>16,227,000,000</u>
<b>Total (A+B)</b>			<u>3,405,505,992</u>	<u>18,344,218,194</u>



	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>4.2 Maturity grouping of balance with other banks &amp; financial institutions</b>				
On demand			1,355,603,294	1,667,218,194
Upto three months			13,711,649,642	15,637,231,784
More than three months but less than six months			250,000,000	650,000,000
More than six months but less than one year				650,000,000
More than one year but less than five years			1,554,800,000	804,800,000
			<b>16,872,052,936</b>	<b>19,409,249,978</b>
<b>5 Money at call on short notice</b>				
Modhumoti Bank Limited			-	250,000,000
Industrial Promotion & Development			-	290,000,000
IDLC Finance Limited			-	600,000,000
Lanka Bangla Finance Limited			-	220,000,000
Della Brac Housing Finance Corporate			-	500,000,000
South Bangla Agriculture & Commerce Bank Ltd			-	890,000,000
ICB Bank Limited			-	450,000,000
				<b>3,200,000,000</b>
<b>6 Investments</b>				
Government Securities	65,222,002,585	73,662,987,344	64,706,395,079	73,662,987,344
Other Investments	13,788,191,877	9,384,007,750	11,728,167,126	7,724,622,156
	<b>79,010,194,462</b>	<b>83,046,995,094</b>	<b>76,434,562,205</b>	<b>81,387,609,500</b>

a) Government Securities

Treasury Bills

28 days Treasury bills  
91 days Treasury bills  
182 days Treasury bills  
364 days Treasury bills

	5,914,696,000	
	1,940,069,489	16,454,437,834
	<b>7,854,765,489</b>	<b>16,454,437,834</b>

Government Bonds

Prize Bonds  
Reverse Repo with other Bank  
Government Bonds

	8,713,800	7,794,000
		916,517,100
	56,842,915,790	56,284,238,410
	<b>56,851,629,590</b>	<b>57,200,549,510</b>
	<b>64,706,395,079</b>	<b>73,662,987,344</b>

Total Government Securities

b) Other Investments

Shares in listed companies  
Shares in non-listed companies  
Sub-ordinated Bond  
Perpetual Muadarba Bond (Islamic)  
Perpetual Bond Investment  
Total other Investments  
Total Investments (a+b)

	5,116,345,610	4,725,700,603
	731,821,517	198,921,553
	3,600,000,000	2,800,000,000
	230,000,000	
	2,050,000,000	
	<b>11,728,167,126</b>	<b>7,724,622,156</b>
	<b>76,434,562,205</b>	<b>81,387,609,500</b>

6.1 Government Securities are Classified as per Bangladesh Bank Circular

Treasury Bond - HTM  
Treasury Bond - HFT  
Treasury Bills - HTM  
Treasury Bills - HFT  
Bangladesh Bank Bills - HTM  
Bangladesh Bank Bills - HFT  
Reverse Repo with other Bank  
Other Securities ( Sukuk Bond & Prize Bond )

	56,191,625,790	56,180,698,409
	1,940,069,489	16,454,437,834
	5,914,696,000	
		916,517,100
	660,003,800	111,334,001
	<b>64,706,395,079</b>	<b>73,662,987,344</b>

6.2 Maturity grouping of Investments

On demand  
Up to three months  
More than three months but less than one year  
More than one year but less than five years  
Over five years

		103,540,000
	7,900,800,000	17,878,727,893
	11,049,567,126	7,258,238,668
	14,952,500,000	17,238,083,760
	42,531,695,079	38,909,019,178
	<b>76,434,562,205</b>	<b>81,387,609,500</b>

6.3 Other Investments

A) Shares in listed companies other than BB Scheme

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Square Pharmaceuticals Ltd.			300,411,074
Grameenphone Ltd.			233,275,524
Brac Bank Ltd.	271,968,210	310,611,136	233,275,524
MARICO	416,845,122	441,019,972	351,581,509
National Housing Fin. and Inv. Ltd.	29,058,000	29,175,635	93,583,768
Titas Gas Transmission & dist. Co. Ltd.	235,569,083	44,648,231	44,648,491
Unique Hotel & Resorts Limited			38,233,177
ACI Limited			79,999,980
Berger PBL			149,200,926
	63,591,502	66,081,678	42,557,144

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021	Cost Price as on 31.12.2021
Square Textile Limited	-	-	-	95,713,543
Shasha Denlms Limited	83,636,847	147,310,199	147,310,426	147,310,426
Eastern Bank Ltd.	-	-	-	87,147,710
The City Bank Limited	293,233,021	350,553,352	343,341,231	343,341,231
United Power Generation & Distribution Company Limited	58,870,666	67,031,572	67,031,572	93,508,162
Navana CNG Limited	-	-	-	25,508,613
Singer Bangladesh Limited	-	-	-	-
IFAD Autos Limited	29,117,951	69,778,759	69,778,710	69,778,710
BATBC	380,342,481	397,313,219	289,967,315	289,967,315
Reneta	313,036,837	278,655,682	248,681,224	248,681,224
Genex Infosys Limited	552,891,987	1,051,524,110	1,051,524,336	1,051,524,336
Runner Automobiles	158,432,173	140,288,089	145,800,000	145,800,000
Delta Life Insurance Company Limited	834,791,549	902,261,664	-	-
OLYMPIC	28,807,432	30,609,615	-	-
Perpetual Mudarba Bond (Islamic)	230,000,000	230,000,000	-	-
<b>Sub Total (A)</b>	<b>3,980,192,861</b>	<b>4,556,862,912</b>	<b>4,556,862,912</b>	<b>3,931,772,863</b>

**B) Shares in listed companies as per BS Scheme (Dos circular No. 01 dated 10 February 2020)**

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Grameenphone Ltd.	300,619,326	322,396,500	322,396,500
Brac Bank Ltd.	288,621,295	312,895,470	310,435,023
BATBC	21,367,328	24,975,148	-
Square Pharmaceuticals Ltd.	130,719,666	129,215,580	94,154,610
Singer Bangladesh Limited	-	-	66,941,608
<b>Sub Total (B)</b>	<b>741,327,614</b>	<b>789,482,698</b>	<b>793,927,740</b>

**C) Shares in non-listed companies**

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Karmasangsthan Bank	10,000,000	10,000,000	10,000,000
Central Depository (BD) Ltd	6,277,770	6,277,770	6,277,770
Prime Finance 1st Unit Fund	15,000,000	15,000,000	15,000,000
Eneroles Power Corporation	58,800,000	58,800,000	78,400,000
Fiber shine	10,000,000	10,000,000	10,000,000
UCB Asset Management Limited Mutual Fund	-	-	30,000,000
ICB AMC L2ND NRBUF	30,415,000	40,985,125	40,985,151
SWIFT	8,258,622	8,258,622	8,258,622
UCB TAQWA GF	52,447,500	52,500,000	-
UCB AML FMF	32,340,000	30,000,000	-
Fair electronics Ltd	500,000,000	500,000,000	-
<b>Sub total (C)</b>	<b>723,538,892</b>	<b>731,821,517</b>	<b>198,921,553</b>
<b>Total (A + B + C)</b>	<b>5,445,059,367</b>	<b>6,078,167,127</b>	<b>4,924,622,156</b>

**6.3 (a) Cost and market value of investment as on 31 December 2022**

**Government securities:**

Name of the Securities	Cost Price	Market Value/ Amortised Cost	Market Value/ Amortised Cost
Treasury Bills ( Govt. Securities)	7,777,106,500	7,854,765,489	46,454,437,834
Govt. Treasury Bond (HTM)	57,462,967,049	56,191,625,790	56,180,688,410
Others	-	-	916,517,100
Banladesh Govt Investment Sukuk	651,290,000	651,290,000	103,540,000
Stock of Prize Bond	8,713,800	8,713,800	7,794,000
	<b>65,900,077,349</b>	<b>64,706,395,079</b>	<b>103,862,987,344</b>

**Investment in Shares, Bond & Debenture:**

Name of the Securities	Market Value/ Amortised Cost	Cost Price	Cost Price
Quoted Shares	4,721,520,475	5,346,345,609	4,725,700,603
Un-Quoted Shares	723,538,892	731,821,517	198,921,553
	<b>5,445,059,367</b>	<b>6,078,167,127</b>	<b>4,924,622,156</b>

**6.4 (a) Disclosure regarding outstanding Reverse Repo on 31 December 2022.**

Sl. No	Counter party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1				
2				
<b>Total</b>				

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

6.4 (b) Disclosure regarding overall transaction of Repo and Reverse Repo

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
<b>Securities sold under repo</b>			
1) With Bangladesh Bank			
2) With Bank & FIS	429,137,634	701,075,615	565,106,624
<b>Securities Purchased under reverse repo</b>			
1) from Bangladesh Bank			
2) from Other Bank & Financial Ins.	393,512,000	10,280,512,419	2,606,213,639

**7 Loans and Advances** 474,639,746,248 408,309,815,649 468,605,096,016 402,481,735,743

7.1 Maturity grouping of Loans & Advances (Including bills purchased and discounted)

	31.12.2022	31.12.2021	31.12.2022	31.12.2021
On demand	6,139,100,000	36,153,280,974	6,139,100,000	36,153,280,974
Not more than three months	131,933,998,608	60,933,570,614	131,933,998,608	60,933,570,614
More than three months but less than one year	116,574,611,326	116,137,456,288	110,541,963,315	110,309,376,383
More than one year but less than five years	154,968,392,991	140,170,671,641	154,968,392,991	140,170,671,641
More than five years	65,023,643,322	54,914,836,132	65,021,641,101	54,914,836,131
	<u>474,639,746,248</u>	<u>408,309,815,649</u>	<u>468,605,096,016</u>	<u>402,481,735,743</u>

7.2 Loans & Advances

i) Loans, Cash credit & overdraft etc

a) Within Bangladesh

	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loan	361,250,884,868	297,246,966,037	355,216,234,636	291,418,886,132
Cash credits	25,417,990,838	24,756,450,792	25,417,990,838	24,756,450,792
Overdrafts	64,479,486,196	59,750,987,341	64,479,486,196	59,750,987,341

b) Outside Bangladesh

	<u>451,148,361,902</u>	<u>381,754,404,170</u>	<u>445,113,711,670</u>	<u>375,926,324,265</u>
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ii) Bills Purchased & Discounted (note : 7.13)

a) Payable Inside Bangladesh  
Inland Bills Purchased

	<u>2,789,390,117</u>	<u>2,595,591,213</u>	<u>2,789,390,117</u>	<u>2,595,591,213</u>
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b) Payable outside Bangladesh  
Foreign bills purchased & discounted

	<u>20,701,994,229</u>	<u>23,959,820,265</u>	<u>20,701,994,229</u>	<u>23,959,820,265</u>
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	<u>23,491,384,346</u>	<u>26,555,411,478</u>	<u>23,491,384,346</u>	<u>26,555,411,478</u>
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7.3 Net Loans & Advances

Gross Loans & Advances (note- 7.2)

			<u>468,605,096,016</u>	<u>402,481,735,743</u>
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Less : Non Performing Loans & Advances (note- 7.10 b)  
Interest suspense (note- 12.4)  
Provision for Loans & Advances (note- 7.11)

	28,077,685,496	17,737,290,395
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	15,162,207,211	13,540,853,401
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	19,208,242,209	16,584,382,139
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	<u>62,448,134,916</u>	<u>47,862,525,935</u>
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	<u>406,156,961,100</u>	<u>354,619,209,808</u>
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7.4 Loans & Advances according to significant concentration

- a) Advances to the companies or firms in which the Directors of the Bank are interested  
b) Advances to Chief Executive and other senior executives  
c) Advances to customers group

Commercial Lending

Import Finance	49,826,309,073	45,575,816,391
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Export Finance	25,641,240,760	24,235,864,805
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House Building Loan	2,960,249,215	3,358,188,461
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Transport Loan	25,025,888,198	23,753,409,182
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Retail Loan	3,766,590,422	3,715,012,679
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Staff Loan	17,628,933,616	15,388,734,073
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Industrial Loan	5,310,392,251	4,672,954,406
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Agricultural Loan	282,530,411,628	234,010,658,474
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Others	6,272,720,919	4,766,106,487
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Total Loans & Advances

	<u>49,642,359,934</u>	<u>43,004,990,786</u>
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	<u>468,605,096,016</u>	<u>402,481,735,743</u>
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7.5 Industry wise Loans and Advances

RMG & Accessories

Textile Industries	84,079,761,237	85,745,065,804
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Agriculture	32,456,282,644	24,789,611,096
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Food Products & Processing	6,272,720,919	4,766,106,487
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Jute Industries	18,416,246,261	15,604,962,054
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Leather & Leather Products	227,457,203	219,726,904
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Paper & Paper Products Industries	1,345,234,575	1,283,409,827
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Wood & Wooden Products	6,880,541,819	7,443,876,678
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Chemical & Chemical Products	2,229,491,533	2,822,102,309
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	<u>9,846,114,838</u>	<u>6,541,225,453</u>
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Consolidated		United Commercial Bank PLC	
31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
Cement Industries		14,806,113,247	10,458,041,616
Brick Field, Auto Bricks, Tiles		2,330,461,103	1,503,664,468
Engineering, Basic Metal & Products		16,818,759,987	11,559,966,845
Ship Re-cycling		11,943,009,041	7,011,565,533
Ship Manufacturing		1,850,623,547	2,320,056,667
Educational Institute, Hotel, Restaurant		5,839,267,577	3,169,071,431
Telecommunication		2,442,455,755	2,441,694,716
Transport & Communication		3,766,590,422	3,715,012,679
Diagnostic/Medical/Clinic		3,849,136,870	3,641,814,854
Housing Industry		25,025,888,198	23,753,409,182
Construction (Other than Housing)		38,105,193,198	34,831,450,370
Electronics Media		335,270,270	342,143,301
Power & Energy		10,870,069,620	9,960,279,417
Commercial Trade Financing		78,427,799,048	73,169,869,658
Glass & Glassware Product Industries		518,954,390	273,075,916
Tea Manufacturing		421,550,403	702,871,809
Others		89,500,102,311	64,411,660,672
		<b>468,605,096,016</b>	<b>402,481,735,743</b>

#### 7.5.1 Cluster base CMSME Financing

In compliance with Bangladesh Bank SMESPD circular no. 05 dated 14 August 2022, the bank has already adopted cluster financing policy for CMSME loan. As per policy defined cluster wise outstanding as on 31 December 2022 was;

Classification	Amount in Taka
High priority cluster financing	
Ready Made Garments (RMG), Knitwear, Design & Personal Wear Clusters	673,100,000
Others	
Powerloom	249,468,000

#### 7.6 Geographical Location wise Loans & Advances

##### Urban branches

Dhaka	350,084,446,298	292,940,857,981
Chattogram	86,437,455,603	80,077,067,434
Sylhet	1,871,611,420	1,594,613,324
Rajshahi	6,088,025,262	5,989,399,541
Rangpur	772,869,696	735,352,710
Khulna	8,021,722,727	7,875,736,669
Barisal	746,470,338	617,874,890
Mymensingh	691,967,067	
	<b>454,714,868,411</b>	<b>389,830,902,548</b>

##### Rural branches

Dhaka	9,312,581,425	8,977,936,526
Chattogram	3,231,316,216	2,950,685,129
Sylhet	399,066,212	299,176,794
Rajshahi	281,878,134	267,744,920
Rangpur	126,066,293	59,217,920
Khulna	283,455,211	84,670,835
Barisal	54,696,361	11,401,072
Mymensingh	201,447,753	
	<b>13,890,527,605</b>	<b>12,650,833,196</b>
	<b>468,605,096,016</b>	<b>402,481,735,743</b>

#### 7.7 Sector - wise Loans and Advances

Government & autonomous	95,465,147	86,060,433
Co-operative sector	22,212,723	-
Other public sector	-	-
Private sector	468,487,418,146	402,395,675,310
	<b>468,605,096,016</b>	<b>402,481,735,743</b>

#### 7.8 Details of large Loans and Advances

Number of clients which sanctioned amount of loans exceeding 10% of total capital of the Bank with outstanding and classified amount.

Total Capital of the Bank (Taka in Crore)	5,267	5,276
Outstanding Advances (note : 7.8.1)	24,298	24,409
Number of customers	40	41
Classified amount	-	-
Measures taken for recovery	-	-





Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

**7.8.1 Detail of information on Advances more than 10% of Bank's total Capital as on 31 December 2022**

Name of the Borrower	Outstanding as on 31 December 2022			(Figura in crore)
	Funded	Non-Funded	Total	31 December 2021
Four H Group	1,164.49	339.54	1,504.04	1,971.82
Mondol Group	679.00	922.32	1,601.32	1,806.91
Micro Fibre Group	479.61	463.45	943.06	1,552.40
Mostafa-Hakim Group	688.55	470.46	1,159.01	1,179.06
Bashundara Group	1,117.88	51.85	1,169.73	1,124.45
Toma Group	515.53	663.22	1,178.75	926.71
BSM Group	565.13	185.24	750.38	913.07
GPH Group	350.71	513.03	863.74	880.85
Metro (Panam) Group	332.43	367.28	699.71	802.08
Adul Khair group	41.69	625.31	667.00	737.63
N.R. Group	570.97	207.93	778.91	699.80
DIRD Group	614.86	68.40	683.27	620.00
Pran Group	389.63	361.77	751.40	576.01
B Trac Group	131.34	281.67	413.01	568.07
City Group	244.51	596.60	841.11	556.87
Habib Group	-	-	-	554.11
Kabir Group	338.62	148.72	487.34	532.55
AWR Group	495.94	26.63	522.57	526.99
LIZ GROUP	436.27	143.89	580.16	503.48
Confidence Group	136.56	288.53	425.10	483.61
Baraka Patenqa Group	172.72	678.72	851.44	481.60
New Asia Group	-	-	-	476.37
Multi Tradina Group	144.46	310.63	455.10	470.76
Tahseen Group	-	-	-	429.00
Wahid Group	-	-	-	397.45
APS Group	283.37	95.02	378.39	393.71
Max Group	269.25	225.84	495.09	387.65
Mir Akhter Hossain	-	-	-	386.19
Thermax Group	250.38	233.65	484.03	385.53
M.M Knitwear Group	272.38	141.81	414.19	393.91
Anwar Group	380.32	140.06	520.37	377.43
BSRM Group	0.13	315.25	315.38	361.26
Orien Group	366.60	0.89	367.49	344.20
Fair Group	-	-	-	340.19
Baishakhi Group	321.02	121.88	442.90	323.97
Energovac Group	213.76	105.46	319.22	283.66
Bashundara Oil	256.93	-	256.93	249.21
Ideal Electrical Group	-	-	-	213.23
Medhna Group	53.94	159.26	213.20	126.84
Spectra Group	122.31	159.31	281.62	110.08
Summit Group	35.78	162.37	198.15	60.75
Walton Group	152.35	48.39	200.74	-
Rupayan Group	611.17	-	611.17	-
Bulk Trade Group	99.39	442.76	542.15	-
Western Engineering (pvt) Ltd.	446.99	62.01	509.00	-
KDS Group	0.09	25.43	25.51	-
Universal Denims Group Total	128.46	267.76	396.23	-
<b>Total</b>	<b>13,875.52</b>	<b>10,422.39</b>	<b>24,297.91</b>	<b>24,499.44</b>

**7.9 Disclosure of Particulars of Advances**

i) Loans considered good in respect of which the banking company is fully & partly secured.	362,686,830,278	312,160,979,738
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	41,731,110,548	50,116,384,546
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	64,187,155,189	40,204,371,460
iv) Loans adversely classified, provision not maintained there against.		
	<b>468,605,096,016</b>	<b>402,481,735,743</b>
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	5,310,392,251	4,672,954,406
vi) Loans due from 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		
vii) 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	5,310,392,251	4,672,954,406
viii) 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		

Ac



	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
x) Amount of classified loans on which interest has not been charged:			26,129,730,824	15,991,408,571
a) (Decrease)/ Increase in provision			2,623,860,070	3,938,483,126
b) Amount realized against loan previously written off			236,944,194	102,577,518
c) Amount of provision kept against loan classified as Bad /Loss on the balance sheet date			10,002,939,434	6,081,831,019
d) Interest credited to the interest suspense account.			5,960,421,558	4,342,188,321
xi) Cumulative amount of the written off loan			17,855,427,756	13,859,886,709
xii) Amount written off during the year			4,232,485,241	533,992,311
Principal Written off			3,079,326,167	426,893,663
Interest suspense written off			1,153,159,074	107,098,648
xiii) Amount of written off loan for which law suit filed			20,066,138,050	15,833,652,809

7.10 Classification of Loans & Advances

a) Unclassified

Standard (SMA)	10,219,511,122	14,047,422,407
Standard	428,533,305,899	366,080,880,748
SMA-Special RSDL (BRPD-5)	1,774,593,498	4,616,142,194
	<b>440,527,410,518</b>	<b>384,744,445,349</b>

b) Classified

Sub - Standard	1,605,752,460	283,803,106
Doubtful	342,202,212	125,119,718
Bad & Loss	26,129,730,824	17,328,367,571
	<b>28,077,685,496</b>	<b>17,737,290,395</b>

\* Segment-wise Non Performing Loans & Advances

	Sub Standard	Doubtful	Bad & Loss		
Corporate	740,526,657	47,094,338	18,221,335,624	19,008,956,619	10,318,078,253
Retail	195,004,579	192,893,639	535,104,834	923,003,053	571,643,882
SME	670,221,224	102,214,234	7,373,290,366	8,145,725,824	6,847,568,260
	<b>1,605,752,460</b>	<b>342,202,212</b>	<b>26,129,730,824</b>	<b>28,077,685,496</b>	<b>17,737,290,395</b>

7.11 Particulars of required provision for Loans & Advances

Particulars	Base for Provision	Rate of Provision	Provision required	
<b>General Provision (a)</b>				
Special Mention Account	9,523,815,500	0.25% - 5%	56,229,837	128,058,149
Small & Medium Enterprise	96,772,202,082	0.25%	241,930,574	222,916,699
Consumer Fin.- Credit Card	3,301,271,244	2%	57,636,578	50,987,223
Consumer Fin-House Finance	4,996,859,370	1%	49,833,006	31,830,300
Consumer Fin - Professional	407,966,921	2%	8,159,351	7,409,032
Consumer Fin-Others	5,325,630,234	5%	106,714,025	103,259,852
Short Term Agri & Micro Credit	8,220,887,134	1%	82,208,766	39,509,401
Loan to BFs/MBs/SDs against share	2,069,286,260	2%	40,678,504	40,974,100
Standard loans & advances	307,440,683,110	1%	3,728,137,881	4,297,095,244
Special General Provision- COVID-19		1%	1,630,000,000	1,540,000,000
	<b>438,058,601,856</b>		<b>6,001,528,522</b>	<b>6,462,040,000</b>

Particulars	Base for Provision	Rate of Provision	Provision required	
<b>Specific Provision (b)</b>				
Sub - Standard	1,065,316,939	20% & 5%	1,74,653,880	47,923,031
Doubtful	247,568,943	50% & 5%	1,08,230,929	9,736,950
Bad & Loss	10,002,939,432	100%	10,002,939,434	6,081,831,019
SMA-Special RSDL (BRPD-5)	1,319,882,198		504,066,419	1,411,704,980
Bangladesh Bank Directives			2,416,823,025	2,415,465,663
Provision against special accounts				155,680,496
	<b>12,635,707,512</b>		<b>13,206,713,687</b>	<b>10,122,342,139</b>

Total provision required for Loans & Advances (A+B)

Advances (A+B)

Total provision held for Loans & Advances

Excess/(Short) Provision

19,208,242,209

16,584,382,139

19,208,242,209

16,584,382,139





Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

**7.12 Suit filed by different branches against defaulted borrowers during the year**

( Branch wise details )

Aprabad branch		927,262,260	314,868,306
Feni branch			7,379,576
Jessore branch			771,279
Naogaon branch			2,150,728
Comilla branch			42,122,885
Sylhet branch			
Brahmanbaria branch	215,648,483		
Gazipur Chowrasta branch			15,664,140
Gulshan Branch	16,118,474		
Kamrangchhar branch	35,304,614		
Kanaipur branch	6,702,494		
Mirpur Road branch	2,782,916		45,394,599
Narayanganj	738,716,180		
Rajshahi Branch			13,357,560
Chittagong Medical Collage Br			65,564,918
Dinajpur Branch			25,394,446
Mymensingh branch			54,662,680
Station Road branch	2,212,289		4,769,538
Jhawtala Branch	11,967,350		67,555,552
O.R Nazam Road branch			23,627,440
Principal branch	3,216,047		540,865,121
Mohammadpur branch	65,845,149		42,831,306
Corporate Branch			692,407
Chaumuhani	244,295,196		
Anwara Br.	73,515,661		
Kadamtali branch	8,858,802		
Islampur Branch			664,510,887
Pragati Sarani Branch	4,245,486		
Sherpur (Mymensingh)	16,234,812		
Khatunganj Br.			6,192,548
Bahaddarhat	860,463,168		
Mouvlbazar Dhaka	14,693,341		
Anderkilla branch	5,067,670		
Bijaynagar Branch			37,022,858
Foreign Exchange	32,569,771		
Narsingdi Br.	149,250,108		
Chapai nababgonj	46,523,143		
			52,977,624
		<b>3,481,493,416</b>	<b>2,038,376,396</b>

**7.13 Bills purchased and discounted**

- a) Payable in Bangladesh  
b) Payable outside Bangladesh

2,789,390,117	2,595,591,213
20,701,994,229	23,959,820,265
<b>23,491,384,346</b>	<b>26,555,411,478</b>

**7.13.1 Maturity grouping of bills purchased and discounted**

- Payable within one month  
Over one month but less than three months  
Over three months but less than six months  
Six months or more

8,516,200,000	1,320,231,986
6,889,600,000	1,456,612,954
330,948,534	481,775,440
7,754,635,812	23,296,791,098
<b>23,491,384,346</b>	<b>26,555,411,478</b>

**7.14 Compliance status of BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021**

As per BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021, in order to validate financial statements for credit approval/renewal for the clients under relationship of Corporate Banking, the Bank has verified DVC mentioned in audited financials with DVS (Document Verification System) developed by ICAB (Institute of Chartered Accountants of Bangladesh) for all the possible cases and has preserved with loan file accordingly.

**8. Fixed assets including premises, furniture & fixture**

Land	6,282,956,179	6,282,956,179	4,395,054,283	4,395,054,283
Building	2,663,726,008	2,590,073,665	2,623,253,671	2,559,698,670
Furniture and fixtures	2,792,390,685	2,416,633,155	2,693,736,543	2,373,267,236
Office equipments	2,764,213,030	2,627,977,340	2,713,985,040	2,605,760,758
Computer & equipments	2,506,826,435	1,932,157,232	2,190,846,756	1,687,141,874
Vehicles	642,675,822	513,876,823	610,872,113	500,450,963
Capital Expenditure Work in Progress	724,573,408	864,787,580	580,762,044	759,111,835
	<b>18,377,361,567</b>	<b>17,228,461,974</b>	<b>15,808,511,450</b>	<b>14,880,485,569</b>
<b>Intangible assets</b>				
Computer software	1,864,123,891	1,447,385,833	1,848,510,666	1,439,719,788
<b>Lease Asset</b>				
Right of Use assets (ROU) as per IFRS 16	5,590,566,138	5,590,566,138	5,590,566,138	5,590,566,138
	<b>25,832,051,596</b>	<b>24,266,413,945</b>	<b>23,247,588,254</b>	<b>21,910,771,495</b>
Less: Accumulated depreciation and amortization	8,805,540,602	7,248,217,464	8,668,178,180	7,189,579,929
<b>Written down value at the end of the year</b>	<b>17,026,510,994</b>	<b>17,018,196,481</b>	<b>14,579,410,074</b>	<b>14,721,191,566</b>

A schedule of Fixed assets is given in Annexure - B





9. Other assets

Investment in share of subsidiary companies.  
Receivable from Subsidiary Company  
Stock of Stationery & Stamps  
Account with Stock Broker  
Advance Payment  
Advance Deposit  
Suspense Account (note - 9.1)  
Advance Income Tax Paid (note - 9.2)  
Interest Receivable  
Income Receivable  
Head Office General Account (note - 9.3)  
Deferred Tax Asset (note - 9.4)  
Others (note - 9.5)

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka
-	-	7,499,999,870	5,499,999,980
-	-	110	3,288,579
72,649,049	45,574,840	72,649,049	45,574,840
282,494,602	707,191,708	282,494,602	707,191,708
2,659,369,280	2,860,412,586	2,091,229,330	2,252,650,397
4,654,406	6,247,730	4,654,406	6,247,730
1,703,851,746	1,581,570,216	1,703,851,746	2,581,570,216
1,529,764,179	1,118,597,021	1,529,764,179	1,118,597,021
1,973,706,061	2,271,639,682	1,973,706,061	2,271,639,682
16,984,457	15,014,126	16,984,457	15,014,126
140,471	2,659,186	140,471	2,659,186
5,469,685,031	4,226,106,925	5,470,180,663	4,228,862,137
1,514,055	949,554	1,018,435	949,554
<b>12,714,813,337</b>	<b>12,835,963,574</b>	<b>20,646,673,379</b>	<b>18,734,243,157</b>

9.1 Suspense accounts

Advance against expenses  
Advance against Foreign Remittance Settlement  
Claims on Sanchaypatra  
Interest on sanchaypatra  
Excise duty  
Protested bill  
Sundry receivable ATM  
Card suspense  
UBS Required Suspense Account  
Cash in Excess/(Short) ATM

752,608,255	1,852,123,400
85,289,523	13,036,099
75,016,553	255,271,070
23,507,571	42,284,507
-	1,650,900
97,020,471	97,013,874
404,741,922	241,741,913
107,753,321	77,855,953
157,037,330	-
876,800	592,500
<b>1,703,851,746</b>	<b>2,581,570,216</b>

9.2 Advance income tax

Opening balance  
Add: Advance Tax paid during the year  
Less: Advance Tax adjustment with tax Provision

1,118,597,021	1,293,168,266
4,392,182,336	3,285,957,690
(3,981,015,178)	(3,460,528,944)
<b>1,529,764,179</b>	<b>1,118,597,021</b>

9.2.1 Advance income tax paid

A) Assessment year wise break up is as follows:

2012-2013  
2013-2014  
2017-2018  
2018-2019  
2020-2021  
2021-2022  
2022-2023  
2023-2024

2,300,895,593	2,300,895,593
1,801,862,346	1,801,862,346
2,912,485,430	2,524,701,311
2,381,403,375	2,381,403,375
2,127,302,249	2,077,302,249
2,274,983,810	2,248,133,810
3,516,381,057	1,118,597,023
1,529,764,181	-
18,845,078,041	14,452,895,707
(17,315,313,862)	(13,334,298,686)
<b>1,529,764,179</b>	<b>1,118,597,021</b>

Less: Advance Tax Adjusted with tax provision up to the year 2022

9.3 Head Office General Account

This is made up as follows:

Due from branches  
Due to branches

178,644,215,303	171,732,467,223
178,644,074,832	171,729,808,036
<b>140,471</b>	<b>2,659,186</b>

9.4 Deferred Tax Asset

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS 12: Income Taxes. Deferred tax assets and liabilities for financial statements are attributable to the following:

Balance as at 31 December 2021

Deferred Tax Asset (a)

Deferred Tax Liability (b)

Net Deferred Tax Asset

as at 31 December

4,375,162,627

(146,300,490)

**4,228,862,137**

Balance as at 31 December 2022

Deferred Tax Asset (a)

Deferred Tax Liability (b)

Net Deferred Tax Asset

as at 31 December

5,569,599,009

(99,418,346)

**5,470,180,663**





United Commercial Bank PLC					
31.12.2022					
Taka					
31.12.2021					
Taka					
Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable Rate	Deferred Tax Asset/(Liability)
Opening provision(Specific)	11,604,682,158	-	11,604,682,158	37.50%	4,351,755,809
Provision made during the year (Specific)	6,163,562,757	3,079,191,210	3,084,371,547	37.50%	1,156,639,330
Opening provision (Dilution of Investment)	-	-	-	10.00%	-
Provision made during the year (Dilution of Deferred tax asset (a))	612,038,691	-	612,038,691	10.00%	61,203,869
					<b>5,569,599,009</b>
Property, Plant and Equipme Deferred tax liabilities (b)	5,823,981,638	5,558,866,050	(265,115,588)	37.50%	(99,418,346)
					<b>(99,418,346)</b>
<b>9.5 Others</b>					
Other Receivable					1,018,435
					949,554
					<b>1,018,435</b>
<b>9.6 Income generating other assets</b>					
<i>Investment in share of subsidiary companies</i>					
UCB Stock Brokerage Limited					2,499,999,900
UCB Investment Limited					999,999,990
UCB Asset Management Limited					999,999,990
UCB Fintech Company Limited					999,999,990
					1,000,000,000
					<b>7,499,999,870</b>
					<b>5,499,999,980</b>
<b>9.7 Non-income generating other assets</b>					
Stock of Stationery & Stamps					72,649,049
Receivable from subsidiary companies					110
Account with Stock Broker					282,494,602
Advance Payment					2,091,229,330
Advance Deposit					4,654,406
Advance Income Tax Paid					1,529,764,179
Suspense Account					1,703,851,746
Head Office General Account					140,471
Deferred Tax Asset					5,470,180,663
Interest receivable					1,973,706,061
Income receivable					16,984,457
Others					1,018,435
					45,574,840
					3,288,579
					707,191,708
					2,252,650,397
					6,247,730
					1,118,597,021
					2,581,570,216
					2,659,186
					4,228,862,137
					2,271,639,682
					15,014,126
					949,554
					<b>13,146,673,509</b>
					<b>13,234,245,177</b>

AC



	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>10 Borrowings from other banks, financial institutions and agents</b>				
In Bangladesh (note - 10.1)	97,248,832,136	79,486,038,324	94,100,984,952	75,879,235,181
Out Side Bangladesh (note - 10.2)	9,790,908,448	9,924,399,071	9,790,908,448	9,924,399,071
	<b>107,039,740,584</b>	<b>89,410,437,395</b>	<b>103,891,893,400</b>	<b>85,803,634,252</b>
<b>10.1 In Bangladesh</b>				
UCBL Subordinated Bond (note - 10.1.1)			11,480,000,000	13,300,000,000
UCBL Perpetual Bond			4,000,000,000	4,000,000,000
Bangladesh Bank IPFF Fund			5,548,003,952	4,780,948,537
EOF Borrowings from Bangladesh Bank			50,131,431,273	43,048,570,624
Borrowing from Bangladesh Bank Refinancing scheme			12,145,037,187	10,320,716,020
CBU Term Borrowing, Bank			1,053,585,540	429,000,000
Borrowing from Bank & NBFK (Short Term Borrowing)			6,032,927,000	-
Money at Call on Short Notice			3,710,000,000	-
			<b>94,100,984,952</b>	<b>75,879,235,181</b>
<b>10.1.1 UCBL Subordinated Bond</b>				
UCBL 2nd Subordinated Bond			-	1,000,000,000
UCBL 3rd Subordinated Bond			3,500,000,000	4,900,000,000
UCBL 4th Subordinated Bond			6,480,000,000	7,400,000,000
UCBL 5th Subordinated Bond			1,500,000,000	-
			<b>11,480,000,000</b>	<b>13,300,000,000</b>
<b>10.2 Out Side Bangladesh</b>				
PROPARCO			-	122,571,423
DBS Bank Limited			-	1,716,800,000
Standard Chartered Bank			-	858,000,000
National Bank of Ras Al-Khaimah, UA			4,235,000,700	2,337,227,648
Emirates Islamic Bank			663,139,134	343,200,000
Commercial Bank of Qatar			-	-
Abu Dhabi Commercial Bank			-	2,574,000,000
CAIXA BANK SPAIN			1,611,366,120	-
STATE BANK OF INDIA HONG KONG			206,585,400	-
United Bank Limited-LAE			723,048,900	-
ICICI Bank Ltd., India			-	429,000,000
Bank Muscat International			1,142,805,100	1,544,400,000
Emirates NBD Bank PJSC-LIAE			1,008,963,094	-
			<b>9,790,908,448</b>	<b>9,924,399,071</b>
<b>10.3 Security against borrowings from other banks, financial institutions and agents</b>				
Secured			103,891,893,400	85,803,634,252
Unsecured			-	-
			<b>103,891,893,400</b>	<b>85,803,634,252</b>
<b>10.4 Maturity Grouping of Borrowings from other banks, financial institutions &amp; agent</b>				
Payable on demand			3,710,000,000	-
Payable within one month			14,183,407,146	4,642,509,586
Over one month but within six months			56,390,590,639	49,836,743,129
Over six month but within one year			4,382,695,615	8,555,580,697
Over one year but within five years			14,854,200,000	15,174,871,980
Over five years but within ten years			10,371,000,000	7,593,928,860
			<b>103,891,893,400</b>	<b>85,803,634,252</b>
<b>11 Deposits and other accounts</b>				
Inter Bank deposits	5,318,259,349	3,519,459,448	5,318,259,349	3,519,459,448
Other deposits	419,365,157,625	383,504,369,015	420,716,181,419	385,381,264,536
	<b>424,683,416,974</b>	<b>387,023,828,463</b>	<b>426,028,440,768</b>	<b>389,900,723,984</b>
<b>a. Current accounts &amp; other accounts</b>				
Current deposits	52,518,987,419	48,827,732,278	53,864,011,213	51,704,627,799
Foreign currency deposits	3,725,788,414	2,389,666,375	3,725,788,414	2,389,666,375
Sundry deposits (note - 11.1)	36,722,745,385	27,128,769,687	36,722,745,385	27,128,769,687
	<b>92,967,521,218</b>	<b>78,346,168,340</b>	<b>94,312,545,012</b>	<b>81,223,063,861</b>
<b>b. Bills Payable</b>				
Pay order	7,009,297,398	8,838,542,084	7,009,297,398	8,838,542,084
Demand draft payable	6,724,085	6,726,285	6,724,085	6,726,285
	<b>7,016,021,483</b>	<b>8,845,268,369</b>	<b>7,016,021,483</b>	<b>8,845,268,369</b>
<b>c. Savings Bank deposits</b>				
Savings Bank deposits	85,798,085,253	80,659,233,376	85,798,085,253	80,659,233,376
	<b>85,798,085,253</b>	<b>80,659,233,376</b>	<b>85,798,085,253</b>	<b>80,659,233,376</b>
<b>d. Fixed deposits</b>				
Fixed deposits	158,050,366,555	139,395,911,610	158,050,366,555	139,395,911,610
Scheme Deposits	44,025,566,874	42,464,444,567	44,025,566,874	42,464,444,567
	<b>202,075,933,429</b>	<b>181,860,356,177</b>	<b>202,075,933,429</b>	<b>181,860,356,177</b>
<b>e. Special notice deposits</b>				
	36,825,855,591	37,312,802,201	36,825,855,591	37,312,802,201
	<b>36,825,855,591</b>	<b>37,312,802,201</b>	<b>36,825,855,591</b>	<b>37,312,802,201</b>
<b>Total Deposits and other accounts (a+b+c+d+e)</b>	<b>424,683,416,974</b>	<b>387,023,828,463</b>	<b>426,028,440,768</b>	<b>389,900,723,984</b>



	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>11.1 Sundry deposits</b>				
Sundry creditors			968,107,698	283,174,918
Security deposits			10,981,550	9,432,100
Debit & Credit card			14,466,010	12,206,642
Others*			25,892,671	16,935,934
PC held against deemed export LC			2,388,400,621	1,752,810,210
PC held against B/L & C			20,989,948,246	16,877,138,845
<b>Margin</b>				
Letter of guarantees			2,539,085,022	2,464,156,924
Letter of credit			9,693,391,305	5,606,773,719
SME Time Loan			19,734,377	6,193,459
Export Proceed			72,737,885	99,946,936
			<b>36,722,745,385</b>	<b>27,128,769,887</b>

\*The Bank deposited its balances of unclaimed deposits of more than 10 years to Bangladesh Bank on 26 April 2022 following section 35 of the Bank Company Act 1991.

**11.2 Maturity analysis of deposits & other accounts**

**Inter- Bank Deposits**

**Payable on demand**

Payable within one month	1,761,946,896	14,192,579
Over one month but within six months	56,312,453	5,266,869
Over six month but within one year	-	-
Over one year but within five years	3,500,000,000	3,500,000,000
Over five years but within ten years	-	-

**Other Deposits**

Payable on demand	7,125,614,954	5,285,531,770
Payable within one month	41,648,081,630	42,149,846,699
Over one month but within six months	101,422,205,945	93,382,406,402
Over six month but within one year	39,576,457,649	36,028,943,486
Over one year but within five years	124,148,643,905	120,081,483,974
Over five years but within ten years	106,789,177,335	89,443,052,205

**11.3 Sector-wise deposits**

Government	2,274,838,902	1,678,480,284
Semi-Government	3,803,627,852	2,476,620,336
Public	21,836,228,253	21,985,285,046
Private	394,387,957,347	361,370,671,942
Foreign Currency Deposits	3,725,788,414	2,389,666,375

**12 Other Liabilities**

Provision for loans & advances (note - 12.1)	17,578,242,209	15,044,382,138
Special General Provision for COVID-19 (note - 12.2)	1,630,000,000	1,540,000,000
Provision for off-balance sheet exposure (note - 12.3)	1,944,055,532	2,407,237,923
Interest suspense account (note - 12.4)	15,162,207,211	13,540,853,401
Provision for diminution in value of investment (note - 12.5)	612,038,691	-
Provision for classified fixed assets (note - 12.6)	3,972,000	3,972,000
Provision for classified other assets (note - 12.7)	105,000,000	105,000,000
Provision for current tax (note - 12.8)	5,697,991,322	6,570,722,950
Provision for UCB foundation (note - 12.9)	87,000,000	81,500,000
Unclaimed Dividend	62,654,264	80,075,149
Interest payable	5,187,716,314	4,847,407,733
Lease Liabilities as per IFRS 16	4,282,470,913	4,660,758,109
Sundry liabilities	8,705,752,899	7,659,501,576
Start-Up Fund (note - 12.10)	100,583,799	60,343,687
CSR Fund (note - 12.11)	245,965,311	-

	61,405,650,465	56,601,754,666	57,199,836,761	52,167,845,818
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Unclaimed dividend is the residual amount of declared dividend which has not yet been paid to or claimed by the shareholders. As per therelevant BSEC directive, the bank has deposited unclaimed/undistributed/ unsettled dividend amount to the Capital Market Stabilization Fund (CMSF).

**12.1 Provision for loans & advances**

General provision (note- 12.1.1)	4,371,528,522	4,922,039,998
Specific Provision (note- 12.1.2)	13,206,713,667	10,122,342,140

**12.1.1 General provision**

Opening balance	4,922,039,998	4,566,041,128
Provision made during the year	(593,928,633)	353,378,491
Transferred from surplus of other provision heads		
Exchange Difference	43,417,157	7,620,379

	<b>4,371,528,522</b>	<b>4,922,039,998</b>
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	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>12.1.2 Specific Provision</b>				
Opening balance			10,122,342,140	7,239,857,885
Less: Adjustment due to written off			(3,079,191,210)	(497,497,401)
Add: Provision made during the year			5,926,618,568	3,206,516,138
Add: Recoveries of amounts previously written off			28,944,194	102,577,518
			<u>13,206,713,687</u>	<u>10,122,342,140</u>
<b>12.2 Special General Provision for COVID_19</b>				
Opening balance			1,540,000,000	840,000,000
Provision made during the year			90,000,000	700,000,000
			<u>1,630,000,000</u>	<u>1,540,000,000</u>
<b>12.3 Provision for off-balance sheet exposure</b>				
Opening balance			2,407,237,923	1,857,239,989
Provision made during the year			(482,028,218)	549,132,684
Exchange Difference			18,845,827	865,250
			<u>1,944,055,532</u>	<u>2,407,237,923</u>
Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018. Required provision against off-balance sheet exposure as at 31 December 2022 is BDT 1,944,055,532 against which available provision is BDT 1,944,055,532.				
<b>12.4 Interest suspense account</b>				
Opening balance			13,540,853,401	11,594,608,601
Add: Amount transferred to interest suspense account during the year			5,960,421,558	4,342,188,321
Less: Amount recovered from interest suspense account during the year			(3,120,709,566)	(2,080,445,188)
Less: Interest waiver/remission allowed			(65,199,108)	(208,399,685)
Less: Amount written off during the year			(1,153,159,074)	(107,098,648)
			<u>15,162,207,211</u>	<u>13,340,853,401</u>
<b>12.5 Provision for diminution in value of investment</b>				
Opening balance				235,220,899
Provision made/(reversed) during the year			612,038,691	(235,220,899)
			<u>612,038,691</u>	<u>-</u>
<b>12.6 Provision for classified fixed assets</b>				
Opening balance			3,972,000	3,972,000
Provision made during the year				
			<u>3,972,000</u>	<u>3,972,000</u>
<b>12.7 Provision for classified other assets</b>				
Opening balance			105,000,000	105,000,000
Provision made during the year				
			<u>105,000,000</u>	<u>105,000,000</u>
<b>12.8 Provision for current tax</b>				
Opening balance			5,943,618,568	5,580,668,803
Add: Addition during the year			3,133,378,030	3,960,296,854
Add: Adjustment with previous year				(136,818,144)
Less: Adjustment with advance Tax			(3,981,015,177)	(3,460,528,944)
			<u>5,095,981,421</u>	<u>5,943,618,568</u>
<b>12.8.1 Provision for Current Tax</b>				
Assessment year wise breakup is as follows:				
2012-2013			2,183,460,319	2,183,460,319
2013-2014			2,152,935,623	2,152,935,623
2017-2018			2,561,251,694	2,561,251,694
2018-2019			3,027,500,000	3,027,500,000
2020-2021			2,783,077,663	2,783,077,663
2021-2022			2,609,395,100	2,609,395,100
2022-2023			3,960,296,854	3,960,296,854
2023-2024			3,133,378,030	-
			<u>22,411,295,283</u>	<u>19,277,917,253</u>
Adjustment of Current Tax Provision with advance Tax up to the year 2022			(17,315,313,862)	(13,334,298,685)
			<u>5,095,981,421</u>	<u>5,943,618,568</u>
<b>12.9 Provision for UCB foundation</b>				
Opening balance			81,500,000	75,000,000
Addition during the year			85,000,000	78,000,000
Fund transfer to UCB Foundation			(79,500,000)	(71,500,000)
			<u>87,000,000</u>	<u>81,500,000</u>







	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>12.10 Start Up Fund</b>				
Opening balance			60,343,687	28,571,978
Provision made during the year			40,240,112	31,771,709
			<b>100,583,799</b>	<b>60,343,687</b>
<b>12.11 Corporate Social Responsibility (CSR) Fund</b>				
Opening balance				
Provision made during the year			245,965,311	-
			<b>245,965,311</b>	
<b>13 Share Capital</b>				
Opening balance			12,783,969,490	12,175,209,040
Add: Bonus shares issue			1,278,396,940	608,760,450
			<b>14,062,366,430</b>	<b>12,783,969,490</b>
<b>13.1 Authorized Capital</b>				
1,500,000,000 ordinary shares of Tk. 10.00 each			<b>15,000,000,000</b>	<b>15,000,000,000</b>
<b>13.2 Issued subscribed and paid up Capital</b>				
1,278,396,949 ordinary shares @ Taka 10.00 each			12,783,969,490	12,175,209,040
60,876,045 ordinary shares @ Taka 10.00 each issued as bonus share				608,760,450
127,839,694 ordinary shares @ Taka 10.00 each issued as bonus share			1,278,396,940	
			<b>14,062,366,430</b>	<b>12,783,969,490</b>

**Shareholding position**

Particulars	31 December 2022		31 December 2021	
	No. of Shares	Taka	No. of Shares	Taka
Sponsors/Directors	487,236,904	4,872,369,040	442,942,654	4,429,426,540
Institution (Financial & Others)	311,594,040	3,115,940,400	273,841,715	2,738,417,150
General Public	596,000,011	5,960,000,110	551,243,772	5,512,437,720
Government of Peoples' Republic of Bangladesh	11,405,688	114,056,880	10,368,808	103,688,080
<b>Total</b>	<b>1,406,236,643</b>	<b>14,062,366,430</b>	<b>1,278,396,949</b>	<b>12,783,969,490</b>

**13.3 Share Premium**

29,09,95,350 ordinary shares of Taka 5 each per share

**1,454,976,750**      **1,454,976,750**

Right share 1:1 (1 share for each share held) has been issued in the year 2011 @ Tk. 15 each including share premium of Tk. 5 each.

**13.4 Classification of Shareholders by holding as at 31 December 2022**

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	Total Holdings %
Upto 500 Shares	19,016	3,126,344	31,263,440	0.22%
501 to 5000 Shares	18,857	34,894,848	348,948,480	2.48%
5001 to 10,000 Shares	2,820	19,897,251	198,972,510	1.41%
10,001 to 20,000 Shares	1,754	24,421,747	244,217,470	1.74%
20,001 to 30,000 Shares	603	14,738,818	147,388,180	1.05%
30,001 to 40,000 Shares	244	8,398,782	83,987,820	0.60%
40,001 to 50,000 Shares	152	6,789,617	67,896,170	0.48%
50,001 to 100,000 Shares	297	20,165,878	201,658,780	1.43%
100,001 to 10,00,000 Shares	332	89,274,385	892,743,850	6.35%
10,00,001 & above	154	1,184,527,973	11,845,279,730	84.23%
<b>Total</b>	<b>44,229</b>	<b>1,406,236,643</b>	<b>14,062,366,430</b>	<b>100.00%</b>

**13.5 History of Paid Up Capital**

Year	Number of Shares Issued	Amount in BDT	Cumulative Paid up Capital
1983			35,500,000
1984	355,000	35,500,000	71,000,000
1986	85,000	8,500,000	79,500,000
1988	360,000	36,000,000	115,500,000
1991	400,000	40,000,000	155,500,000
1994	171,428	17,142,800	172,642,800
1995	397,963	39,796,300	212,439,100
1996	176,939	17,693,900	230,133,000
1997	291,949	29,194,900	259,327,900
2007	63,296	6,329,600	265,657,500
2010	690,473	6,904,730	272,562,230
2011	26,107,487	2,610,748,700	2,883,310,930
2012	436,493,025	4,364,930,250	7,248,241,180
2013	109,123,256	1,091,232,560	8,339,473,740
2014	-	-	8,339,473,740
2015	-	-	8,339,473,740
2016	167,322,326	1,673,223,260	10,012,697,000
2017	50,196,697	501,966,970	10,514,663,970
2018	-	-	10,514,663,970
2019	-	-	10,514,663,970
2020	105,413,065	1,054,130,650	11,568,794,620
2021	57,977,185	579,771,850	12,148,566,470
2022	60,876,045	608,760,450	12,757,326,920
2022	127,839,694	1,278,396,940	14,035,723,860





Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

**13.6 Capital to Risk Weighted Asset Ratio (CRAR)**

The calculation of CRAR has been done as per Guidelines on Risk Based Capital Adequacy - Revised regulatory Capital Framework for Banks in line with BASEL-III vide BRPD circular no.18 dated December 21, 2014. Required Capital with Capital Conservation Buffer of the bank at the close of business on 31 December 2022 was Taka 50,407,651,176 as against available Tier-1 Capital of Taka 36,328,234,469 and Tier-2 Capital of Taka 16,345,584,054 making a Total Regulatory Capital of Taka 52,673,818,523 thereby an excess of capital of Taka 2,266,167,347 at that date.

Details are shown below :

**Tier-I Capital :**

	31.12.2022	31.12.2021
<b>Common Equity Tier-1 capital (CEY1)</b>		
Paid-up Capital (note: 13.2)	14,062,365,430	12,783,969,490
Share Premium (note: 13.3)	1,454,976,750	1,454,976,750
Statutory Reserve (note: 14)	15,730,183,055	14,546,968,923
General Reserve (note : 15)	26,577,961	26,577,961
Retained Earnings (note : 17)	6,885,485,076	5,997,660,416
	<b>38,159,589,272</b>	<b>34,810,153,540</b>
<b>Less: Regulatory Adjustments</b>		
Goodwill and all other Intangible Assets	634,683,173	340,439,879
Deferred Tax Assets (DTA)	5,196,671,630	4,017,419,030
Reciprocal crossholdings and excess investment above limit		87,767,516
Others		
	<b>5,831,354,803</b>	<b>4,445,626,425</b>
<b>Total Common Equity Tier-1 Capital</b>	<b>32,328,234,469</b>	<b>30,364,527,115</b>
<b>Additional Tier-1 Capital (AT-1)</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>Less: Others</b>		
<b>Total Tier-1 Capital</b>	<b>36,328,234,469</b>	<b>34,364,527,115</b>

**Tier-II Capital:**

General Provision	7,945,584,054	8,869,277,921
Revaluation Reserve (note: a)	8,480,000,000	9,980,000,000
Subordinated Bond		
	<b>16,425,584,054</b>	<b>18,849,277,921</b>
<b>Less: Regulatory Adjustments</b>		
Revaluation Reserve		
Reciprocal crossholdings in the T-2 Capital of BNBFI's & Insurance Entities	80,000,000	80,000,000
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)		
Others		376,878,476
<b>Total Admissible Tier-2 Capital</b>	<b>16,345,584,054</b>	<b>18,392,399,445</b>
<b>Total Regulatory Capital</b>	<b>52,673,818,523</b>	<b>52,756,926,560</b>

<b>Risk Weighted Assets (note-13.8)</b>	<b>403,261,209,410</b>	<b>386,741,535,473</b>
<b>Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)</b>	<b>50,407,651,176</b>	<b>48,342,691,934</b>
<b>Capital Surplus</b>	<b>2,266,167,347</b>	<b>4,414,234,626</b>

13.7	Composition of Capital	Required	Held	Required	Held
	Common Equity Tier -I	4.50%	8.02%	4.50%	7.85%
	Tier-I Capital	6.00%	9.01%	6.00%	8.89%
	Tier-II Capital	0.00%	4.05%		4.76%
	Tier-I Capital with Buffer	8.50%	8.02%	8.50%	8.89%
	<b>Total CRAR</b>	<b>12.50%</b>	<b>13.06%</b>	<b>12.50%</b>	<b>13.64%</b>

**13.8 Computation of Risk weighted assets**

On- Balance Sheet	299,071,325,136	271,721,577,080
Off-Balance sheet	53,012,116,206	67,469,005,582
Credit Risk (A)	352,083,441,341	339,190,582,662
Market Risk (B)	10,915,390,905	10,960,117,767
Operational risk (C)	40,262,377,163	35,590,835,044
<b>Total: Risk Weighted assets ( A+B+C )</b>	<b>403,261,209,410</b>	<b>386,741,535,473</b>

**14 Statutory Reserve**

As per section 24(1) of the Bank company Act, 1991 and amendments thereon, 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	14,555,968,681	13,424,987,898	14,546,968,923	13,424,987,898
Add: Transferred during the year	1,208,339,758	1,130,980,783	1,183,214,132	1,121,981,025
	<b>15,764,308,439</b>	<b>14,555,968,681</b>	<b>15,730,183,055</b>	<b>14,546,968,923</b>

**15 General Reserve**

Opening Balance	26,577,961	26,577,961	26,577,961	26,577,961
Add: Transferred during for the year				
	<b>26,577,961</b>	<b>26,577,961</b>	<b>26,577,961</b>	<b>26,577,961</b>





	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
<b>16 Other Reserve</b>				
Asset Revaluation Reserve (notes: 16.1)	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Foreign currency translation gain/(loss)	134,906,899	30,019,810	134,906,899	30,019,810
Revaluation Reserve on HTM Securities (notes: 16.2.1)	128,060,537	49,130,334	128,060,537	49,130,334
Revaluation Reserve on HFT Securities (notes: 16.2.2)	-	18,602,185	-	18,602,185
	<b>2,797,068,995</b>	<b>2,631,853,888</b>	<b>2,797,068,995</b>	<b>2,631,853,888</b>

**16.1 Asset Revaluation Reserve**

In terms of International Accounting Standard (IAS) 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 27.12.2012 by Padma Techno Consult & Survey Ltd. an independent professionally qualified valuation firm of the country based on market survey. Accordingly, revaluation surplus of Tk. 2,534,101,559/- for land & building has been included as asset revaluation reserve at reporting date as follows:

	2022	2021	2022	2021
Opening Balance	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Reserve made for the year	-	-	-	-
	<b>2,534,101,559</b>	<b>2,534,101,559</b>	<b>2,534,101,559</b>	<b>2,534,101,559</b>

**16.2 Revaluation Reserve**

HTM Securities (notes 16.2.1)  
HFT Securities (notes 16.2.2)

	128,060,537	49,130,334
	-	18,602,185
	<b>128,060,537</b>	<b>67,732,519</b>

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.

**16.2.1 Revaluation Reserve on HTM Securities**

Opening Balance  
Net Revaluation gain/adjustment during the year

	49,130,334	93,738,160
	78,930,203	(44,607,826)
	<b>128,060,537</b>	<b>49,130,334</b>

**16.2.2 Revaluation Reserve on HFT Securities**

Opening Balance  
Net Revaluation gain/adjustment during the year

	18,602,185	139,751,027
	(18,602,185)	(121,148,842)
	<b>-</b>	<b>18,602,185</b>

**17 Retained Earnings**

Opening Balance  
Add: Retained surplus transferred during for the year  
Less: Issuance of Stock Dividend  
Less: Issuance of Cash Dividend  
Less: Coupon Payment Perpetual Bond

	5,997,660,416	5,191,763,156
	2,554,591,600	2,023,418,169
	(1,278,396,940)	(608,760,450)
	-	(608,760,459)
	<b>(388,370,000)</b>	<b>-</b>
	<b>6,885,485,076</b>	<b>5,997,660,416</b>

**17(a) Consolidated Retained Earnings**

United Commercial Bank Ltd.  
UCB Stock Brokerage Ltd.  
UCB Investment Ltd.  
UCB Asset Management Ltd.  
UCB Fintech Company Limited

	6,885,485,076	5,997,660,417
	1,230,784,395	846,555,056
	173,067,142	132,493,978
	64,058,534	60,874,664
	<b>(2,280,579,586)</b>	<b>(1,102,104,559)</b>

Less: Non controlling Interest  
Total balance of retained earnings attributable to the ordinary Share holders

	6,072,815,561	5,935,480,556
	174	265
	<b>6,072,815,387</b>	<b>5,935,480,290</b>

Non controlling interest

	<b>174</b>	<b>265</b>
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**18 Contingent liabilities & commitment**

Acceptances & endorsement (note- 18.1)  
Letters of guarantee (note- 18.2)  
Irrecoverable letters of credit (note- 18.3)  
Bills for collection (note-18.4)  
Other Commitments

	95,629,506,243	110,309,146,988
	59,964,400,737	57,499,501,948
	39,547,144,513	75,222,523,708
	20,526,625,910	17,381,986,506
	<b>2,272,080,692</b>	<b>-</b>
	<b>217,939,758,095</b>	<b>260,413,159,150</b>

**18.1 Acceptances & endorsements**

Bankers liabilities for accepted against usance LC  
Bankers liabilities for accepted against BB usance

	72,908,541,938	86,824,956,787
	22,720,964,305	23,484,190,201
	<b>95,629,506,243</b>	<b>110,309,146,988</b>

**18.2 Letters of guarantee**

Bankers liabilities for letters of guarantee (Inland)  
Bankers liabilities for letters of guarantee (Foreign)

	38,598,505,618	40,358,914,710
	21,365,895,119	17,140,587,238
	<b>59,964,400,737</b>	<b>57,499,501,948</b>





Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka
<b>18.3 Irrecoverable letters of credit</b>			
Letters of credit (Inland)		324,008,071	699,415,743
Letters of credit (Foreign)		21,116,691,665	42,851,416,389
Back to back L/C		17,229,036,221	27,002,330,832
Letters of credit EDF		870,777,061	4,633,089,470
Letters of credit EPZ		6,631,495	36,271,274
		<b>39,547,144,513</b>	<b>75,222,523,708</b>
<b>18.4 Bills for collection</b>			
Bills for collection		13,574,675,495	10,838,943,348
Foreign Bills for collection		6,951,950,415	6,543,043,158
		<b>20,526,625,910</b>	<b>17,381,986,506</b>





	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
<b>19 Income Statement</b>				
Income				
Interest, discount and similar income (note - 19.1)			37,182,200,704	32,216,994,109
Dividend income			178,569,508	149,088,539
Fees, commission and brokerage			4,383,768,586	4,167,689,559
Net gain arising from dealing in securities				
Net gain arising from investment securities			9,040,399	421,132,081
Net gain arising from dealing in foreign currencies			3,515,705,784	1,571,481,016
Income from non-banking asset				
Other operating income			263,842,890	220,614,859
			<b>45,533,127,871</b>	<b>38,747,000,163</b>
Expenses				
Interest paid on deposits and borrowings etc			17,010,387,394	13,927,259,014
Administrative expenses (note - 19.2)			11,751,310,123	10,234,359,002
Other operating expenses			3,670,796,436	2,945,319,029
Depreciation on banks assets			1,631,862,856	1,456,351,581
			<b>34,064,356,809</b>	<b>28,563,288,626</b>
			<b>11,468,771,062</b>	<b>10,183,711,537</b>
<b>19.1 Interest, discount and similar income</b>				
Interest Income				
Interest Income from investments			31,684,836,835	27,323,646,852
			5,497,363,869	4,893,347,257
			<b>37,182,200,704</b>	<b>32,216,994,109</b>
<b>19.2 Administrative expenses</b>				
Salary and allowances			7,658,696,939	7,166,522,140
Rent, taxes, insurance, electricity etc.			1,623,559,944	1,122,448,908
Legal expenses			94,587,412	128,654,592
Postage, stamps, telecommunications etc.			219,090,942	184,561,969
Stationery, printing, advertisements etc.			1,694,262,239	1,249,146,112
Chief Executive's salary and fees			14,098,442	13,450,900
Directors' fees			3,544,387	2,590,290
Auditors' fees			1,725,000	1,150,000
Repair of banks assets			441,744,818	365,834,091
			<b>11,751,310,123</b>	<b>10,234,359,002</b>
<b>20 Interest Income</b>				
Interest on loans and advances	31,484,421,785	27,465,323,347	30,867,661,160	26,804,208,365
Interest on balances with other banks & Fin Ins.	368,936,066	447,909,025	368,936,066	447,909,025
Interest on money at call on short notice	398,855,195	46,399,514	398,855,195	46,399,514
Interest on balance with foreign Bank	49,384,414	25,129,948	49,384,414	25,129,948
	<b>32,301,597,460</b>	<b>27,984,761,834</b>	<b>31,684,836,835</b>	<b>27,323,646,852</b>
<b>21 Interests Paid on deposits and borrowings etc.</b>				
Interest paid on deposits (note - 21.1)	14,426,156,234	11,605,438,993	14,426,156,234	11,605,438,993
Interest paid on borrowings (note - 21.2)	2,661,311,471	2,561,339,480	2,584,231,160	2,321,820,021
	<b>17,087,467,705</b>	<b>14,166,778,473</b>	<b>17,010,387,394</b>	<b>13,927,259,014</b>
<b>21.1 Interest paid on deposits</b>				
Savings Deposit			1,772,777,520	1,618,577,290
Special Notice Deposit			1,163,025,470	1,076,472,790
Fixed Term Deposit			8,027,114,747	5,612,968,047
Scheme Term Deposit			3,463,238,497	3,297,420,866
			<b>14,426,156,234</b>	<b>11,605,438,993</b>
<b>21.2 Interest paid on borrowings</b>				
Borrowing from Bangladesh Bank			525,574,451	444,611,325
Borrowing from other Bank & financial institution			156,835,705	103,815,059
Interest Paid on Subordinated Bond			911,605,115	1,131,615,194
F.C borrowings			433,060,700	91,440,509
Interest Exp. On Other Bank repo borrowings			(21,806,978)	214,118,953
Interest on money at call on short notice			9,161,736	1,390,819
Interest on EDF borrowings from Bangladesh Bank			569,600,431	334,820,162
			<b>2,584,231,160</b>	<b>2,321,820,021</b>



	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
<b>22 Investment income</b>				
Interest income from investments (note - 22.1)	5,626,723,473	5,076,027,541	5,497,363,869	4,893,347,257
Non interest income from Investments (note - 22.2)	187,749,907	570,260,620	187,749,907	570,260,620
	<b>5,814,473,380</b>	<b>5,646,288,161</b>	<b>5,685,113,776</b>	<b>5,463,607,877</b>
<b>22.1 Interest income from Investments</b>				
Government treasury bill/bond			4,793,289,866	4,527,908,064
Bangladesh Bank Bill				63,473,500
Sub-ordinated Bond			187,504,397	217,270,418
Bangladesh Government Investment in SUKUK			4,856,026	4,896,048
Perpetual Bond			50,527,778	
Reverse Repo with Other Bank			130,216,313	2,758,304
Income from Investment			47,787,625	13,837,792
Gain/(Loss) on revaluation on govt. securities (note - 22.1.1)			303,181,865	63,203,131
			<b>5,497,363,869</b>	<b>4,893,347,257</b>
<b>22.1.1 Gain/(Loss) on revaluation on govt. securities</b>				
Gain on revaluation on govt. securities			306,364,223	
Less : Loss on revaluation on govt. securities			(3,182,358)	63,203,131
			<b>303,181,865</b>	<b>63,203,131</b>
<b>22.2 Non Interest Income from Investments</b>				
Dividend on shares			178,569,508	149,088,539
Gain on sale of share (note - 22.2.1)			9,040,399	421,132,081
Prize money on prize bond			140,000	40,000
			<b>187,749,907</b>	<b>570,260,620</b>
<b>22.2.1 Gain on sale of shares</b>				
Gain on sale of shares			81,080,581	569,698,545
Less : Loss on sale of shares			(72,040,182)	(148,566,464)
			<b>9,040,399</b>	<b>421,132,081</b>
<b>23 Commission, Fees, Exchange &amp; Brokerage</b>				
Commission (note - 23.1)	3,349,547,255	3,186,063,101	2,350,013,019	2,458,410,255
Fees (note - 23.2)	2,033,755,567	1,709,279,304	2,033,755,567	1,709,279,304
Exchange earning (note - 23.3)	3,515,705,784	1,571,481,016	3,515,705,784	1,571,481,016
	<b>8,899,008,606</b>	<b>6,466,823,421</b>	<b>7,899,474,370</b>	<b>5,739,170,575</b>
<b>23.1 Commission</b>				
Remittance Inland			8,817,440	5,404,569
Remittance Foreign			9,649,895	9,848,975
Commission on Letters of guarantee			484,879,716	459,806,064
Commission on Letters of credit			445,180,075	480,962,262
Letters of credit (back to back)			369,675,197	454,128,557
Commission on BSP / PSP			34,360,256	24,494,106
Commission on acceptance			717,311,772	760,140,945
Exchange comm. & rebate			232,395,419	231,719,690
Clearance			1,952,807	1,825,153
Commission (Card)			23,918,606	16,777,055
MFS Commission			-	-
Others			21,871,836	13,382,879
			<b>2,350,013,019</b>	<b>2,458,410,255</b>
<b>23.2 Fees</b>				
Bills for collection			46,958,718	39,775,786
Account maintenance fees			155,155,480	116,750,033
Appraisal/processing fees			52,904,194	53,082,460
Online transaction fees			75,962,096	75,146,529
BACH/BEFTN charges			30	-
Cash incentive charges			21,525,050	16,117,005
Standing instruction charges			-	28,660
FC Endorsement charges			5,508,000	196,925
LC, BC, & BG (Others) Fees & Charges			757,546,148	656,512,829





	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
Debit card			773,941,586	239,518,168
Credit card			438,945,303	353,504,649
Arrangement Fees			1,568,828	
ABS fees & charges			12,091,983	23,138,953
SMS Banking charges			142,854,901	121,849,600
Misc. fees			48,793,270	13,657,707
			<b>2,033,755,567</b>	<b>1,709,279,304</b>
<b>23.3 Exchange</b>				
Exchange earning (general)			2,640,443,665	1,644,144,243
Revaluation gain/(Loss) on foreign currency			518,152,899	(8,882,983)
FX Deal Discount Income			357,109,220	(63,780,244)
			<b>3,515,705,784</b>	<b>1,571,481,016</b>
Less : Exchange loss (general)				
Less : Exchange loss (dealing room)				
			<b>3,515,705,784</b>	<b>1,571,481,016</b>
<b>24 Other Operating Income</b>				
Locker	15,520,100	15,261,155	15,520,100	15,261,155
Premises rent	536,280		536,280	
Swift charges	64,928,919	75,011,059	64,928,919	75,011,059
Recoveries from Operational Loss	6,050,000		6,050,000	
Cheque Book Issuance	80,632,338	55,407,383	80,632,338	55,407,383
Miscellaneous earning	152,117,607	246,557,677	96,035,253	74,895,262
	<b>319,785,244</b>	<b>394,237,274</b>	<b>263,702,890</b>	<b>220,574,859</b>
<b>25 Salaries and allowances</b>				
Basic salary	3,989,479,777	3,494,275,247	3,226,427,601	2,924,583,258
Allowances	1,439,238,533	1,302,112,058	1,439,238,533	1,302,112,058
Bonus	1,654,527,321	1,578,679,339	1,654,527,321	1,578,679,339
Provident fund and Welfare fund	378,503,484	426,147,485	378,503,484	426,147,485
Gratuity	960,000,000	935,000,000	960,000,000	935,000,000
	<b>8,421,749,115</b>	<b>7,736,214,129</b>	<b>7,658,696,939</b>	<b>7,166,522,140</b>
<b>26 Rent, taxes, insurance, electricity etc.</b>				
Rent premises	816,950,386	386,773,887	773,018,681	361,716,449
Rent, rates & taxes	80,760,651	72,453,309	80,760,651	72,453,309
Other rental charges	183,272,621	157,408,534	183,272,621	157,408,534
Insurance charge	316,345,378	286,413,476	316,345,378	286,413,476
Electricity, Water & Gas *	270,162,612	244,457,140	270,162,612	244,457,140
	<b>1,667,491,649</b>	<b>1,147,506,346</b>	<b>1,623,559,944</b>	<b>1,122,448,908</b>
<b>* Compliance status of BRPD Circular No 28 Dated 26 July 2022:</b>				
Bangladesh bank, vide BRPD circular letter no 28 dated 26 July 2022 and subsequent clarification, instructed all the commercial banks to bring down fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in 2nd half of 2022 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken various initiatives i.e. Daylight saving, AC use optimization, timely closure of office etc. to bring down the fuel and electricity cost. the progressive status has been summarised below:				
	Actual, 2022 (July-Dec)	Budget, 2022 (July-Dec)	Variance (July-Dec)	% in change (July-Dec)
Pool Car Generator Etc.	120,649,318	134,649,320	(14,000,002)	-10.40%
Electricity Water Gas etc.	148,575,723	170,580,720	(22,004,997)	-12.90%
<b>27 Legal expenses</b>				
Professional fees	98,232,077	129,454,796	85,095,033	122,055,379
Other legal charges	9,291,403	6,508,051	9,291,403	6,508,051
Stamp, power of attorney & notary public	200,976	91,162	200,976	91,162
	<b>107,724,456</b>	<b>136,054,009</b>	<b>94,587,412</b>	<b>128,654,592</b>
<b>28 Postage, stamps, telecommunications etc.</b>				
Postage	42,298,483	45,033,855	42,298,483	45,033,855
Telecommunication charges	45,624,120	46,398,716	45,624,120	46,398,716
Reuter	4,699,201	4,073,690	4,699,201	4,073,690
Internet	3,713,400	2,580,200	3,713,400	2,580,200
Online connectivity charge	144,931,053	93,807,923	122,755,738	86,475,507
	<b>241,266,257</b>	<b>191,894,385</b>	<b>219,090,942</b>	<b>184,561,969</b>





	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
<b>29 Stationery, printing &amp; advertisements etc.</b>				
<b>29.1 Stationery and printing:</b>				
Security Stationery	21,108,124	20,040,172	21,108,124	20,040,172
Petty Stationery	52,209,372	35,280,360	52,209,372	35,280,360
Office Stationery	167,837,089	120,763,669	167,837,089	120,763,669
	<b>241,154,585</b>	<b>176,084,200</b>	<b>241,154,585</b>	<b>176,084,200</b>
<b>29.2 Advertisement:</b>				
News paper	23,291,119	43,429,738	23,291,119	43,429,738
Magazine	1,276,434	2,214,229	1,276,434	2,214,229
Sponsorship	332,000,035	142,216,249	332,000,035	142,216,249
Business Development	84,014,298	30,644,815	84,014,298	30,644,815
Branding expenses	1,069,112,036	1,555,099,250	820,246,649	649,265,301
Promotional Material	129,589,454	120,688,341	129,589,454	120,688,341
Bill board & neon sign	2,270	-	2,270	-
Television	16,696,850	24,945,800	16,696,850	24,945,800
Radio	1,304,100	2,007,148	1,304,100	2,007,148
Misc. advertisement	44,686,445	57,650,291	44,686,445	57,650,291
	<b>1,701,973,041</b>	<b>1,978,895,862</b>	<b>1,453,107,654</b>	<b>1,073,061,912</b>
	<b>1,943,127,626</b>	<b>2,154,980,062</b>	<b>1,694,262,239</b>	<b>1,249,146,112</b>
<b>30 Chief Executive's salary and fees</b>				
Basic salary	12,098,442	10,272,900	12,098,442	10,272,900
Festival Bonus	2,006,000	2,178,000	2,000,000	2,178,000
Incentive Bonus	-	1,000,000	-	1,000,000
Provident fund	-	-	-	-
	<b>14,098,442</b>	<b>13,450,900</b>	<b>14,098,442</b>	<b>13,450,900</b>
<b>31 Directors fees</b>				
Meeting fees	3,392,300	2,923,095	2,604,800	2,173,600
Other meeting fee ( travelling expenses)	939,587	416,690	939,587	416,690
	<b>4,331,887</b>	<b>3,339,785</b>	<b>3,544,387</b>	<b>2,590,290</b>
Each director of the Bank is paid for BDT 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or board committee meeting attended in 2022.				
<b>32 Auditors fees</b>	<b>1,947,500</b>	<b>1,278,500</b>	<b>1,725,000</b>	<b>1,150,000</b>
<b>33 Depreciation and repair of bank's assets</b>				
<b>33.1 Depreciation</b>				
Furniture/fixtures	212,125,077	207,260,045	207,214,604	203,148,071
Vehicles	39,533,464	32,396,434	34,760,962	30,149,971
Office equipments	379,863,455	356,402,759	375,093,224	353,308,262
Computer equipments	287,708,355	181,962,149	227,827,812	158,259,195
Computer software	245,593,261	192,711,490	243,521,689	191,941,304
Immovable property (Building)	64,991,872	64,751,840	64,124,872	63,992,465
Right of Use assets (ROU) as per IFRS 16	479,819,692	455,552,313	479,819,692	455,552,313
	<b>1,709,635,177</b>	<b>1,491,037,030</b>	<b>1,631,862,856</b>	<b>1,456,351,581</b>
<b>33.2 Repair renovation &amp; maintenance</b>				
Furniture /fixtures	3,756,061	15,589,888	3,756,061	15,589,888
Vehicles	15,947,219	15,657,776	15,947,219	15,657,776
Office equipments	63,983,955	73,835,779	63,983,955	73,835,779
Computer equipments	567,798	89,327	567,798	89,327
Renovation & maintenance	329,828,945	225,494,997	326,687,187	223,206,937
Premises	30,777,398	37,454,383	30,777,398	37,454,383
Repair building	15,200	-	15,200	-
	<b>444,876,576</b>	<b>368,122,150</b>	<b>441,744,818</b>	<b>365,834,091</b>
	<b>2,154,511,753</b>	<b>1,859,159,180</b>	<b>2,073,607,674</b>	<b>1,822,185,672</b>
<b>34 Other expenses</b>				
Entertainment	72,068,171	54,487,851	72,068,171	54,487,851
Petrol, oil & lubricant	199,464,498	137,148,476	199,464,498	137,148,476
Subscription	20,800,668	34,832,328	20,800,668	34,832,328
Donation	235,424,820	199,393,247	235,424,820	199,393,247
Traveling	259,533,556	112,753,012	259,533,556	112,753,012
Cartage and freight	17,069,571	13,201,305	17,069,571	13,201,305
Hon. general	2,357,350	1,735,253	2,357,350	1,735,253
Fees commission & charges	957,489,197	273,862,725	149,999,777	116,924,311
Meeting Seminar and staff training	44,627,202	14,362,733	44,627,202	14,362,733
Fees Commission and Charges Dabit Card	43,978,934	21,528,218	43,978,934	21,528,218
Fees Commission and Charges Visa Card Local	255,802,643	138,480,056	255,802,643	138,480,056
Liveries & uniforms	1,001,663	1,486,744	1,001,663	1,486,744
Medical expenses	217,977,292	202,856,713	217,977,292	202,856,713





	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
Car expenses	149,549,493	130,292,757	149,549,493	130,292,757
Loss on sale of assets	2,302,827	5,115,792	2,302,827	5,115,792
Write off of assets	59,374	103,852	59,374	103,852
BATCH/BEFTN Charges	606,526	666,755	606,526	666,755
UCB Foundation	85,000,000	78,000,000	85,000,000	78,000,000
Interest expense for leased liability as per IFRS 16	249,755,744	280,010,047	249,755,744	280,010,047
Outsource Staff Expenses	1,629,343,193	1,373,214,048	1,629,343,193	1,373,214,048
Other Expenses	34,073,132	28,725,530	34,073,132	28,725,530
	<b>4,478,285,856</b>	<b>3,102,257,442</b>	<b>3,670,796,436</b>	<b>2,945,319,029</b>
<b>35 Provision for Loans &amp; Advances</b>				
Classified loans & advances	6,256,370,779	3,440,374,456	6,163,562,757	3,309,093,656
Unclassified Loans & advances	(593,928,633)	353,378,491	(593,928,633)	353,378,491
Special General Provision for COVID_19	90,000,000	700,000,000	90,000,000	700,000,000
Recoveries from previously written off loan	(236,944,194)	(102,577,518)	(236,944,194)	(102,577,518)
	<b>5,515,505,953</b>	<b>4,391,175,429</b>	<b>5,422,689,930</b>	<b>4,259,894,629</b>
<b>36 Provision for diminution in value of investments</b>				
Provision required during the year	646,373,322	(244,586,028)	612,038,691	(235,220,899)
<b>37 Other Provision</b>				
Provision for other assets	-	-	-	-
Provision for nostro account	-	-	-	-
Provision for branch adjustment account	-	-	-	-
Provision for other assets	-	-	-	-
Provision for off-balance sheet exposures	(482,028,218)	549,363,208	(482,028,218)	549,132,684
	<b>(482,028,218)</b>	<b>549,363,208</b>	<b>(482,028,218)</b>	<b>549,132,684</b>
<b>Provision for Off-Balance Sheet Exposure</b>				
Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018.				
<b>38 Provision for Taxation</b>				
Provision for current tax has been calculated based on the profit before provision considering admissible & inadmissible expenses as per provision of the Income Tax Ordinance 1984.				
Current Tax Provision	3,473,872,045	4,166,078,526	3,133,378,030	3,623,478,709
Deferred Tax Provision	(1,239,507,786)	(1,389,947,755)	(1,241,318,525)	(1,390,744,489)
	<b>2,234,364,259</b>	<b>2,776,130,772</b>	<b>1,892,059,505</b>	<b>2,232,734,220</b>
<b>39 Earnings per Share (EPS)</b>				
Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".				
Net Profit after Tax (Numerator)	3,298,647,127	2,507,114,098	4,024,011,154	3,177,170,903
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Earning Per Share (EPS)	2.35	1.78	2.86	2.26
Earning per share (EPS) has been increase due to increase in operating income, consequently net profit after taxes.				
<b>40 Receipt from other operating activities</b>				
Exchange earning & brokerage	3,515,705,784	1,571,481,016	3,515,705,784	1,571,481,016
Other operating income	289,055,558	289,055,558	272,883,290	641,746,990
	<b>3,804,761,342</b>	<b>1,860,536,574</b>	<b>3,788,589,074</b>	<b>2,213,227,956</b>
<b>41 Payment for other operating activities</b>				
Legal expenses	94,587,412	128,654,592	94,587,412	128,654,592
Directors fees & other expenses	3,544,387	2,590,290	3,544,387	2,590,290
Auditors fees	1,725,000	1,150,000	1,725,000	1,150,000
Repair to fixed assets	441,744,818	365,834,091	441,744,818	365,834,091
Other expenditure	3,502,530,120	2,489,170,996	3,421,040,691	2,397,048,454
	<b>4,044,131,737</b>	<b>2,987,399,969</b>	<b>3,662,642,308</b>	<b>2,895,277,427</b>
<b>42 Increase / Decrease of other assets</b>				
Investment in share of subsidiary companies.			(2,000,000,000)	(1,745,907,133)
Receivable from Subsidiary Company			3,288,579	18,877,262
Stock of Stationery & Stamps			(27,074,209)	17,933,614
Account with Stock Broker			424,697,106	1,224,950,126
Advance Payment			188,820,165	43,162,685
Advance Deposit			1,593,324	1,999,000
Suspense Account			1,034,755,800	(1,132,592,311)
Head Office General Account			2,518,715	(2,588,156)
Others			(1,528,845,283)	(752,456,062)
Increase /Decrease for the year			<b>(1,900,245,802)</b>	<b>(2,326,620,975)</b>
<b>43 Increase / Decrease of other liabilities</b>				
Write off loan			(4,232,485,242)	(426,609,399)
Interest suspense account			1,621,353,810	1,946,244,800
Dividend payable			(17,420,886)	80,075,149
Sundry liabilities			959,560,832	1,286,281,104
Increase /Decrease for the year			<b>(1,668,991,486)</b>	<b>2,885,991,733</b>

	Consolidated		United Commercial Bank Plc	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
<b>44 Net Operating Cash Flows Per Share (NOCFPS)</b>				
Net Cash from operating activities	(18,631,702,416)	(23,695,353,899)	(19,759,325,562)	(24,462,806,605)
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>(13.25)</b>	<b>(16.85)</b>	<b>(14.05)</b>	<b>(17.40)</b>

Net operating cash flow per share (NOCFPS) has been changed due to the positive impact in operating assets and liabilities.

**45 Net Asset Value Per Share (NAVPS)**

Net Asset Value	40,178,113,952	37,388,827,060	40,956,658,267	37,442,007,428
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
<b>Net Asset Value Per Share (NAVPS)</b>	<b>28.57</b>	<b>26.59</b>	<b>29.13</b>	<b>26.63</b>

Net asset value per share (NAVPS) has been increased due to increase in net profit after taxes, gain on foreign exchange and investment revaluation reserve.

**46 a) Reconciliation of Net Profit after Taxes and Operating profit before changes in operating assets and liabilities of the bank**

**Cash flows from operating activities**

Net profit after taxes	4,024,011,155	3,177,170,903
Provision for taxation	1,892,059,504	2,432,734,220
Provision for investment, shares & contingent liabilities	5,552,700,403	4,573,806,414
Decrease interest receivable	297,933,621	157,313,883
Decrease interest payable on deposits	(566,945,898)	(210,662,973)
Depreciation & amortization of fixed assets	1,631,862,855	1,456,121,884
Recoveries on loans & advances previously written-off	236,944,194	102,577,518
Income tax paid	(4,392,182,336)	(3,285,957,698)
Effect of exchange rate changes on cash and cash equivalents	(3,515,705,784)	(1,571,481,024)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>5,160,677,714</b>	<b>6,831,623,127</b>

**b) Reconciliation of effective tax rate**

Particulars	Effective Rate	31-Dec-2022	Effective Rate	31-Dec-2021
Profit before income taxes as per profit & loss account	-	5,916,070,659	-	5,609,905,127
Income taxes as per applicable tax rate	37.50%	2,218,526,497	37.50%	2,103,714,423
<b>Factors affecting the tax charge in current year</b>				
Inadmissible expenses	31.59%	1,987,425,015	32.23%	1,807,919,167
admissible expenses in the current year	-19.52%	(1,154,696,704)	-2.85%	(160,093,797)
Tax from reduced tax rates for dividend	0.60%	35,713,902	0.53%	29,817,708
Tax from reduced tax rates for capital gain	0.78%	46,381,320	0.75%	42,113,208
Tax from reduced tax rates for prize bond	0.00%	28,000	0.00%	8,000
Effect of deferred tax income	-20.98%	(1,241,318,526)	-24.79%	(1,390,744,488)
<b>Total income tax expenses</b>	<b>31.98%</b>	<b>1,892,059,505</b>	<b>43.36%</b>	<b>2,432,734,220</b>



**47 A. Audit Committee Meeting**

The 1st Audit Committee of the Board was constituted by the Board of Directors of the Bank in its emergent meeting held on 03 April 2004. Subsequently the Committee was reconstituted in its Board meeting from time to time. The Audit Committee of the Board of Director consisted of the following 05 (Five) members of the Board as on 31 December 2022.

Name of the Members	Status with the Bank	Status in the Committee	Educational Qualification
Mr. Touhid Shipar Rafiqzaman	Independent Director	Chairman	MA
Mr. Syed Kamruzzaman, FCMA	Director	Member	B.Com (Honours) in Accounting, FCMA
Mr. Muhammed Shah Alam, FCMA	Director	Member	M.Com.in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	MSC, MBA, PHD
Mr. Kanak Kanti Sen, FCMA	Director	Member	M.Com & FCMA

During the year 2022, the Audit Committee has conducted **07 (Seven)** meetings. Details of the meeting are shown below by datewise.

**Details of the Audit Committee Meeting in the year 2022**

Sl. No	Meeting No.	Held on
1	121	17.02.2022
2	122	30.03.2022
3	123	12.05.2022
4	124	26.07.2022
5	125	28.07.2022
6	126	23.10.2022
7	127	21.12.2022

**The Audit Committee discussed the following issues during the year 2022**

- To review the Audited and Un-Audited Financial Statements and Auditors Report of the Bank;
- To review the Risk Based Internal Audit Findings;
- To review the Internal Audit Strategic Plan-2022;
- To review the Self-Assessment on Anti-Fraud Internal Controls;
- To review the Annual Health Report of the Bank;
- To review the Information System Security Audit (IT Audit) Strategic Plan-2022
- To review the appointment of Auditors and Fixation of Remuneration;
- To review the 'Management Letter 2021' submitted by the External Auditors

**B. Board of Directors Meetings**

During the year 2022, the Audit Committee has conducted **12 (Twelve)** meetings. Details of the meeting are shown below by datewise.,

**Details of the Board Meeting in the year 2022**

Sl. No	Meeting No	Held on
1	467	24.01.2022
2	468	20.02.2022
3	469	30.03.2022
4	470	19.04.2022
5	471	12.05.2022
6	472	06.07.2022
7	473	28.07.2022
8	474	28.07.2022
9	475	24.08.2022
10	476	08.09.2022
11	477	23.10.2022
12	478	28.12.2022

**C. Executive Committee Meeting**

During the year 2022, the Executive Committee has conducted **08 (Eight)** meetings. Details of the meeting are shown below by datewise.





**Details of the Executive Committee Meeting in the year 2022**

Sl. No	Meeting No	Held on
1	449	27.01.2022
2	450	23.03.2022
3	451	27.04.2022
4	452	31.07.2022
5	453	24.08.2022
6	454	25.09.2022
7	455	23.10.2022
8	456	28.12.2022

**D. Shariah Supervisory Committee Meeting**

During the year 2022, the Shariah Supervisory Committee has conducted **04 (Four)** meetings. Details of the meeting are shown below by datewise.

**Details of the Shariah Supervisory Committee Meeting in the year 2022**

Sl. No	Meeting No	Held on
1	4	27.03.2022
2	5	27.07.2022
3	6	21.11.2022
4	7	27.12.2022

**48 Related Party Disclosers**

**48.1 (a): Name of the Directors and their shareholding in the Bank.**

Name of the Directors	Status in the Board	Opening Share holding position as on 01 January 2022	Closing Share holding position as on 31 December 2022
Mrs. Rukhmila Zaman	Chairman	25,569,417	28,126,358
Mr. Bashir Ahmed	Vice Chairman	25,713,046	28,284,349
Mr. Anisuzzaman Chowdhury	Director	35,777,974	39,355,771
Mr. Touhid Shipar Rafiquzzaman	Independent Director	-	-
Mr. M. A. Sabur	Sponsor Director	27,764,187	30,540,602
Mr. Bazal Ahmed	Director	25,619,905	28,181,894
Mr. Nurul Islam Chowdhury	Director	25,573,103	28,130,412
Hajee Yunus Ahmed	Sponsor Director	27,611,439	30,372,582
Hajee M.A. Kalam	Sponsor Director	25,570,605	28,127,665
Mrs. Roxana Zaman (Representative of Volkart Trading Limited)	Director	25,589,025	28,147,927
Mr. Asifuzzaman Chowdhury	Director	36,061,405	39,667,545
Mrs. Afroza Zaman (Representative of Legendary Assets Management Limited)	Director	25,589,025	28,147,927
Mr. Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director	26,208,739	28,829,612
Mr. Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director	25,589,025	28,147,927
Mr. Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director	25,568,408	28,125,248
Mr. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	25,578,000	28,135,800
Mrs. Masuma Parvin (Representative of Splendid Trading Limited)	Director	25,589,025	28,147,927
Dr. Aparup Chowdhury	Independent Director	-	-
Professor Dr. Iftexhar Uddin Chowdhury	Independent Director	-	-
Arif Quadri	Managing Director & CEO	-	-



**48.1 (b): Name of the Directors and the entities in which they had interest as at 31 December 2022**

Name of Directors	Status	Entities where they have interest.
Mrs. Rukhmila Zaman	Chairman	<ol style="list-style-type: none"> <li>1. Aramit Limited.</li> <li>2. Aramit Cement Limited.</li> <li>3. Aramit Thai Aluminum Limited.</li> <li>4. Aramit Power Limited.</li> <li>5. Aramit Alu Composite Panels Limited.</li> <li>6. Aramit Steel Pipes Limited.</li> <li>7. Aramit Footwear Limited.</li> <li>8. North West Securities Limited.</li> </ol>
Mr. Bashir Ahmed	Vice Chairman	<ol style="list-style-type: none"> <li>1. Airmate Goodie Electrical Industries Limited</li> <li>2. Goodie Accessories (Pvt) Limited</li> <li>3. International Distribution Company Bangladesh (Pvt) Limited</li> <li>4. B &amp; B Electronics.</li> <li>5. B &amp; B Food &amp; Beverage.</li> <li>6. B &amp; B Electrical &amp; Electronics.</li> <li>7. Dhaka Electrical &amp; Electronics.</li> <li>8. Bard International .</li> <li>9. Petal Enterprise.</li> <li>10. Airmate Lighting &amp; Electrical Solutaional Pvt. Ltd.</li> <li>11. Pioneer Electronics</li> <li>12. Mettle Emporium</li> </ol>
Mr. Anisuzzaman Chowdhury	Chairman, Executive Committee	<ol style="list-style-type: none"> <li>1. Asif Steels Ltd.</li> <li>2. Javed Steel Mills Ltd.</li> <li>3. Vanguard Steel Ltd.</li> <li>4. Afroza Oil Ltd.</li> <li>5. Asif Synthetic Fibres Ltd.</li> <li>6. Holi Crescent Hospital Ltd.</li> <li>7. Ronny Chemical Industries Limited</li> <li>8. Navana Pharmaceuticals Ltd.</li> </ol>
Mr. Touhid Shipar Rafiqzaman	Chairman, Audit Committee	None
Mr. M. A. Sabur	Chairman, Risk Management Committee	<ol style="list-style-type: none"> <li>1. Masco Industries Limited</li> <li>2. Masco Cottons Limited</li> <li>3. Mascotex Limited</li> <li>4. Masco Printing &amp; Embroidery Limited</li> <li>5. Masco Picasso Limited</li> <li>6. Tasniah Fabrics Limited</li> <li>7. Shanta Expressions Limited</li> <li>8. Masco Properties Limited</li> <li>9. Concept Knitting Limited</li> <li>10. Masco Shares &amp; Securities Limited</li> <li>11. Masminu Energy Limited</li> <li>12. Masminu Footspree Limited</li> <li>13. Masco Poultry Limited</li> <li>14. Masco Services Limited</li> <li>15. Masco Energy Limited</li> <li>16. Masco Superknits Limited</li> <li>17. Masco Bazar Limited</li> <li>18. Masco Shakib Cricket Academy Limited</li> <li>19. Masco Trims Limited</li> <li>20. Masco Cotspin Limited</li> <li>21. Maxim Limited</li> <li>22. Masco Dairy Enterprise</li> </ol>
Mr. Bazal Ahmed	Chairman, Shariah Supervisory Committee	<ol style="list-style-type: none"> <li>1. M/S Taj Accessories (Pvt.) Ltd.</li> <li>2. M/S Saikat Textile Ind. Ltd.</li> <li>3. M/S DEEN Fashions Limited.</li> </ol>
Mr. Nurul Islam Chowdhury	Director	<ol style="list-style-type: none"> <li>1. Islam Steel Mills Ltd.</li> <li>2. Eastern Engineers (CTG.) Ltd.</li> <li>3. NAMS Trading Corporation.</li> <li>4. NAMS Shipping Lines.</li> </ol>



Hajee Yunus Ahmed	Director	<ol style="list-style-type: none"> <li>1. Yunusco T&amp;A (BD) Limited.</li> <li>2. Yunusco K. Textiles Limited</li> <li>3. Adapt ID Bangladesh Limited</li> <li>4. Yunusco Stone &amp; Engineering Limited</li> <li>5. Yunusco Properties Limited</li> <li>6. Yunusco Limited</li> <li>7. Ynunosco (BD) Limited.</li> <li>8. Yunusco Global Sourcing Limited</li> <li>9. YK Limited.</li> <li>10. Best Eat (Pvt) Limited</li> <li>11. Nine 2 Nine Intimates Limited</li> <li>12. Wonder Gas Limited</li> <li>13. Consolidated Agencies</li> <li>14. SSI Yunusco (BD) Ltd.</li> <li>15. Centra Transportation Services Limited</li> <li>16. Contrade Shipping Lines Limited</li> <li>17. Bangladesh Media Services Limited</li> </ol>
Hajee M. A. Kalam	Director	<ol style="list-style-type: none"> <li>1. M/s. M. A. Kalam Limited</li> <li>2. M/s. United Overseas (BD) Limited</li> <li>3. Arab Plantation Limited</li> <li>4. Modern Bricks Limited</li> </ol>
Mrs. Roxana Zaman	Director	<ol style="list-style-type: none"> <li>1. Asif Steels Ltd.</li> <li>2. Javed Steels Ltd.</li> <li>3. Vangaurd Steets Ltd.</li> <li>4. Afroza Oil Ltd.</li> <li>5. Asif Cotton Mills Ltd.</li> <li>6. Asif Synthetic Fibers Ltd.</li> <li>7. Volkart Trading Limited</li> </ol>
Mr. Asifuzzaman Chowdhury	Director	<ol style="list-style-type: none"> <li>1. Asif Steels Ltd.</li> <li>2. Javed Steel Mills Ltd.</li> <li>3. Vanguard Steel Ltd.</li> <li>4. Afroza Oil Ltd.</li> <li>5. Bhatary Fruits &amp; Vegetable Products (Pvt) Ltd.</li> <li>6. Bangladesh Fertilizer Ltd.</li> <li>7. Asif Cotton Mills Ltd.</li> <li>8. Asif Synthetic Fibres Ltd.</li> <li>9. Jasa Corporation Ltd.</li> <li>10. Ronny Chemical Industries Ltd.</li> </ol>
Mrs. Afroza Zaman	Director	<ol style="list-style-type: none"> <li>1. Asif Steels Ltd.</li> <li>2. Javed Steel Mills Ltd.</li> <li>3. Vanguard Steel Ltd.</li> <li>4. Afroza Oil Ltd.</li> <li>5. Bangladesh Fertilizer Ltd.</li> <li>6. Asif Cotton Mills Ltd.</li> <li>7. Asif Synthetic Fibres Ltd.</li> <li>8. Ronny Chemical Industries Ltd.</li> <li>9. Volkart Trading Ltd.</li> </ol>
Mrs. Masuma Parvin	Director	<ol style="list-style-type: none"> <li>1. Navana Pharmaceuticals Ltd</li> <li>2. Japan Bangladesh Friendship Hospital Pvt. Ltd</li> <li>3. Dhaka Evergreen Retirement Homes Pvt. Ltd.</li> </ol>
Mr. Syed Kamruzzaman, FCMA	Director	<ol style="list-style-type: none"> <li>1. North West Securities Limited</li> </ol>
Mr. Muhammed Shah Alam, FCMA	Director	None
Mr. Kanak Kanti Sen, FCMA	Director	None
Mr. Aksed Ali Sarker	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	None



<b>48.2</b>	Significant Contracts where Bank is a party and wherein Directors have interest:	<b>Nil</b>
<b>48.3</b>	Shares issued to Directors & Executives without consideration or exercisable at a discount:	<b>Nil</b>
<b>48.4</b>	Related Party Transactions:	<b>Nil</b>
<b>48.5</b>	Lending policies to related parties; Lending to related parties is affected as per requirement of section 27 (1) of the Bank company Act 1991.	<b>Nil</b>
<b>48.6</b>	Loans and advances to concern related to directors:	<b>Nil</b>
<b>48.7</b>	Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991:	<b>Nil</b>
<b>48.8</b>	Investment in securities of Directors and their related concern:	<b>Nil</b>

**49 Events after Balance Sheet date:**

The Board of Directors recommended 10% dividend (Cash dividend 5% & Stock dividend 5%) for the year 2022 in its meeting no. 481 held on 25 April 2023.

**General:**

- 49.1** Banks share capital has not been utilized for acquiring any other direct or indirect business.
- 49.2** No amount was spent by the bank for compensating any members of the board for special services rendered during the period.
- 49.3** During the period under report, United Commercial Bank PLC did not place any of its assets under pledge as security to obtain any liabilities.

The annexed notes from 01 to 49 form an integral part of these financial statements.

**Managing Director & CEO**

**Director**

**Director**

**Director**

Dhaka,

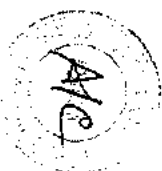
**25 APR 2023**



**United Commercial Bank PLC**  
**Balance with Nostro Accounts [Balance with Foreign Bank]**  
**As at 31 December 2022**

(Annexure-A)

Nostro Bank	Name of the Country	Currency	2022			2021		
			Amount in FC	Rate	Amount in BDT	Amount in FC	Rate	Amount in BDT
AB Bank Ltd	India	ACU	857,944	103.29	88,619,340	623,263.98	85.80	53,476,049
Bank AL Bilad	Saudi Arabia	SAR	95,526	27.49	2,625,638	555,533.54	22.86	12,700,441
Bank of Bhutan	Bhutan	ACU	4,646	103.29	479,867	92,204.10	85.80	7,911,112
Commerz Bank AG	Germany	USD	9,179,201	103.29	948,144,452	198.04	85.80	16,992
Commerz Bank AG	Germany	EUR	4,680,980	109.74	513,682,112	(274,598.38)	97.27	(26,710,596)
Habib American Bank	USA	USD	7,406,675	103.29	765,055,459	2,049,071.79	85.80	175,810,360
Habib Metropolitan Bank Limited	Pakistan	ACU	204	103.29	21,027	112,040.97	85.80	9,613,115
HDFC Bank Limited	India	ACU	481,082	103.29	49,692,298	675,316.49	85.80	57,942,155
ICICI Bank Limited, Hong Kong (USD)	Hong Kong	USD	500,239	103.29	51,671,011	139,648.11	85.80	11,981,808
ICICI Bank Ltd	India	ACU	2,149,906	103.29	222,069,549	1,233,510.27	85.80	105,835,181
JP Morgan NY	USA	USD	(3,237,034)	103.29	(334,361,936)	(10,808,168.09)	85.80	(927,340,822)
Mashreq Bank Psc	India	ACU	1,236,925	103.29	127,765,319	570,401.62	85.80	48,940,459
Mashreq Bank Psc	USA	USD	15,142,144	103.29	1,564,072,969	(1,626,366.17)	85.80	(139,542,217)
Nepal Bangladesh Bank	Nepal	ACU	747	103.29	77,139	354.80	85.80	30,442
Peoples Bank Colombo	Sri Lanka	ACU	1,900	103.29	196,226	452,182.70	85.80	38,797,276
Sonali Bank Ltd	India	ACU	122,336	103.29	12,636,450	109,842.04	85.80	9,424,447
Standard Chartered Bank Ltd	India	ACU	1,854,940	103.29	191,601,786	933,423.00	85.80	80,087,693
Standard Chartered Bank Ltd	USA	USD	59,967,988	103.29	6,194,255,358	2,693,028.21	85.80	231,061,820
State Bank of India	India	ACU	2,456	103.29	253,704	2,456.17	85.80	210,739
Meezan Bank Ltd	Pakistan	ACU	69,679	103.29	7,197,318	216,090.57	85.80	18,540,571
Bank of Tokyo Mitsubishi	Japan	JPY	19,840,210	0.77	15,319,944	2,559,257.00	0.75	1,908,950
Wells Fargo Bank N.A	USA	USD	5,219,383	103.29	539,124,194	661,527.52	85.80	56,759,061
Mashreq Bank PSC	UAE	AED	6,062,707	28.13	170,533,565	385,703.50	23.36	9,010,882
KOOKMIN BANK	Korea	USD	254,537	103.29	26,291,832	15,423.38	85.80	1,323,326
Axis Bank Limited	India	ACU	-	-	-	1,353,818.56	85.80	116,157,632
Yes Bank Limited	India	ACU	945,372	103.29	97,650,027	28.79	85.80	2,470
Citi Bank N.A. New York, USA	USA	USD	546,150	103.29	56,413,348	(233,466.93)	85.80	(20,031,463)
Mashreq Bank NY (OBU)	USA	USD	376,226	103.29	38,861,379	483,620.00	85.80	41,494,596
Habib American Bank, NY, (OBU)	USA	USD	20,036,231	103.29	2,069,596,412	9,433,207.19	85.80	809,369,174
ICICI Bank Limited	India	USD	683,562	103.29	70,606,981	1,231,390.06	85.80	105,653,267
SCB Germany (EUR)	Germany	EUR	89,156	109.74	9,783,794	1,619,138.85	97.27	157,496,065
Punjab National Bank Ltd	Pakistan	ACU	125,506	103.29	12,963,851	143,351.86	85.80	12,299,590
Standard Chartered Bank, United Kingdom (GBP)	United Kingdom	GBP	(474,025)	124.30	(58,922,490)	41,487.34	115.73	4,801,205
Zhejiang Chouzhou Commercial Bank	China	USD	89,906	103.29	9,286,616	-	-	-
Zhejiang Chouzhou Commercial Bank	China	CNY	218,239	14.81	3,232,826	-	-	-
Indusind Bank Limited, India (ACU)	India	ACU	480	103.29	49,581	-	-	-
					<b>13,466,546,944</b>			<b>1,065,031,784</b>





United Commercial Bank PLC  
Schedule of Fixed Assets  
As at 31 December 2022

Annexure - B

Particulars	Cost				Rate	Depreciation				Amount in BDT
	Balance as at 01 January 2022	Addition during the year	Adjustment during the year	Balance as at 31 December 2022		Balance as at 01 January 2022	Adjustment during the year	Charged during the year	Balance as at 31 December 2022	Written down value as at 31 December 2022
Land	4,395,054,283	-	-	4,395,054,283	0.0%	-	-	-	-	4,395,054,283
Building	2,559,698,620	63,535,051	-	2,623,233,671	2.5%	-	-	-	-	2,057,527,578
Furniture & Fixtures	2,373,267,236	349,983,737	28,514,430	2,693,736,543	10.0%	501,601,221	-	64,124,872	565,726,093	1,216,335,825
Office Equipment	2,605,760,758	189,425,087	81,199,805	2,713,986,040	20.0%	1,294,317,579	24,131,465	207,214,604	1,477,400,718	864,374,782.84
Computer Equipment	1,687,141,874	553,392,024	49,687,142	2,190,946,756	20.0%	1,554,036,419	79,518,386	375,093,224	1,849,611,257	913,353,790.09
Vehicles	500,450,963	110,421,150	-	610,872,113	20.0%	1,099,279,909	49,614,755	227,827,812	1,277,492,966	137,706,487
Computer Software	1,439,719,789	408,790,878	-	1,848,510,667	25.0%	438,904,664	-	34,260,962	473,165,626	634,683,174
Right of use assets (ROU)	5,590,566,138	-	-	5,590,566,138	0.0%	970,305,804	-	243,521,689	1,213,827,493	3,779,612,111
Capital Expenditure Work In Progress	759,111,835	1,496,218,136	1,674,567,927	580,762,044	0.0%	1,331,134,335	-	479,819,692	1,810,954,027	580,762,044
<b>Total as on 31 December 2022</b>	<b>21,910,771,496</b>	<b>3,170,796,063</b>	<b>1,833,969,304</b>	<b>23,247,588,254</b>		<b>7,189,579,931</b>	<b>153,264,606</b>	<b>1,631,862,856</b>	<b>8,668,178,180</b>	<b>14,579,410,074</b>

As at 31 December 2021

Particulars	Cost				Rate	Depreciation				Amount in BDT
	Balance as at 01 January 2021	Addition during the year	Adjustment during the year	Balance as at 31 December 2021		Balance as at 01 January 2021	Adjustment during the year	Charged during the year	Balance as at 31 December 2021	Written down value as on 31 December 2021
Land	4,395,054,283	-	-	4,395,054,283	0.0%	-	-	-	-	4,395,054,283
Building	2,559,698,620	-	-	2,559,698,620	2.5%	437,608,755	-	63,992,465	501,601,221	2,059,097,400
Furniture & Fixtures	2,107,660,250	320,329,246	54,722,260	2,373,267,236	10.0%	1,132,691,046	38,888,282	203,148,071	1,295,950,835	1,076,316,401
Office Equipment	2,483,921,697	253,490,953	131,651,892	2,605,760,758	20.0%	1,328,752,693	129,984,336	353,308,262	1,552,076,619	1,053,684,139
Computer Equipment	1,457,701,213	252,411,407	22,970,745	1,687,141,874	20.0%	961,129,446	20,552,490	158,259,195	1,098,836,150	588,305,724
Vehicles	496,004,413	9,907,000	5,460,450	500,450,963	20.0%	414,215,142	5,460,449	30,149,971	438,904,664	61,546,299
Computer Software	1,214,706,002	225,013,787	-	1,439,719,789	25.0%	778,364,499	-	191,941,304	970,305,803	469,413,985
Right of use assets (ROU)	5,203,580,012	386,986,126	-	5,590,566,138	0.0%	875,582,021	-	455,552,313	1,331,134,334	759,111,835
Capital Expenditure Work In Progress	549,975,033	1,265,221,302	1,056,084,500	759,111,835	0.0%	-	-	-	-	759,111,835
<b>Total as on 31 December 2021</b>	<b>20,468,301,524</b>	<b>2,713,359,820</b>	<b>1,270,889,847</b>	<b>21,910,771,497</b>		<b>5,928,343,603</b>	<b>194,885,557</b>	<b>1,456,351,581</b>	<b>7,189,809,627</b>	<b>14,720,961,870</b>

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**UNITED COMMERCIAL BANK PLC**  
**Highlights on Overall Activities**

Particulars	Amount in BDT	
	31.12.2022	31.12.2021
Paid-up Capital	14,062,366,430	12,783,969,490
Total Capital	52,673,818,523	52,756,926,560
Capital Surplus	2,266,167,347	4,414,234,626
Total Assets	628,076,829,196	565,314,211,482
Total Deposits	426,028,440,768	389,900,723,984
Total Loans & Advances	468,605,096,016	402,481,735,743
Total Contingent Liabilities & Commitments	217,939,758,095	260,413,159,150
Credit Deposit Ratio (%)	86.14	83.73
Percentage of Classified Loans against Total Loans and Advances	5.99	4.11
Operating Profit	11,468,771,062	10,183,711,537
Profit after Tax & Provision	4,024,011,154	3,177,170,903
Amount of Classified Loans during the year	10,340,395,101	9,974,087,030
Classified Loans and advance at the end of the year	28,077,685,496	17,737,290,395
Provision kept against Classified Loans	13,206,713,687	10,122,342,140
Provision Surplus/(Deficit)	-	-
Cost of Fund (%)	6.38	6.01
Interest Earning Assets	549,827,967,981	497,572,569,551
Non-interest earning Assets	78,248,861,215	67,741,641,931
Return on Investment (ROI) (%)	7.20	7.45
Return on Assets (ROA) (%)	0.67	0.60
Net Asset value per share	29.13	26.63
Income from Investments	5,685,113,776	5,463,607,877
Earning per share (Taka)	2.86	2.26
Net Income per share (Taka)	2.86	2.26
Price earning ratio (Times)	4.54	6.16