

United Commercial Bank PLC and its Subsidiaries
Independent Auditor's Report and
Audited Consolidated and Separate Financial Statements
For the year ended 31 December 2023

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 2023 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 2023, 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
1. Measurement of provision for loans and advances	
Refer to note no. 7, 13.1, 13.2 and 36 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"> • Future business performance of the borrower; • Key assumptions relating to further business; • Performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <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 2023, the Group and the Bank reported total provision for loans and advances of BDT 20,151 million (December 2022: BDT 19,208 million) and BDT 20,151 million (December 2022: BDT 19,208 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"> • Credit monitoring and provisioning process; • Identification of loss events including early warning indicator and default warning indicators; and • Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the provision requirements; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
2. Recognition of interest income from loans and advances	
Refer to note no. 7 and 21 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 2023, the Group and the Bank reported total gross interest income from loans and advances of BDT 37,414 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
(January 2022 to December 2022: BDT 31,484 million) and BDT 36,768 million (January 2022 to December 2022: BDT 30,868 million) respectively.	
3. Loans and advances	
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 2023, the Group and the Bank reported total gross loans and advances of BDT 510,710 million (December 2022: 474,640 BDT million) and BDT 505,970 million (December 2022: BDT 468,605 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>
4. Impairment assessment of unquoted shares	
Refer to note no. 6.3(C) 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 2023 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>
5. Valuation of treasury bills and treasury bonds	
Refer to note no. 6a and 6.1 to the consolidated and separate financial statements	
The classification and measurement of treasury	We assessed the processes and controls

Description of key audit matters	Our response to key audit matters
<p>bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.</p> <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>place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.</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>
6. Carrying value of investment in subsidiaries by the Bank	
Refer to note no. 9 and 9.6 to the consolidated and separate financial statements	
<p>The Bank has invested in equity shares of its five subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited and UCB Exchange (SG) PTE Ltd. As at 31 December 2023 the carrying value of these investments is BDT 9,500 million (December 2022: BDT 7,500 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 is continuing its operation having retained loss of Taka 3,134 million as at 31 December 2023.</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>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: Separate Financial Statements, 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,</p>

Description of key audit matters	Our response to key audit matters
Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36: Impairment of Assets.	third-party sources.
7. Deferred tax assets	
Refer to note no. 9.2 to the consolidated and separate financial statements	
<p>As at 31 December 2023 the Group and the Bank reported net deferred tax assets of BDT 5,965 million (December 2022: BDT 5,469 million) and BDT 5,964 million (December 2022: BDT 5,470 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>
8. Legal and regulatory matters	
<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>

Description of key audit matters	Our response to key audit matters
9. IT systems and controls	
<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 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>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 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 Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditor's report thereon. The annual report 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.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 05 (five) subsidiaries, namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited and UCB Exchange (SG) PTE Ltd. which reflect total assets of BDT 10,583 million, BDT 1,458 million, BDT 1,116 million, BDT 2,822 million and 0.09 million respectively as at 31 December 2023 and total revenue of BDT 1,114 million, BDT 129 million, BDT 51 million, BDT 433 million and nil respectively for the year ended 2023.

- (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 7,520 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 13.1 and 14.6.

Dhaka,
29 APR 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC:2404300787AS444921

United Commercial Bank PLC
Consolidated Balance Sheet
As at 31 December 2023

	Notes	31.12.2023 Taka	31.12.2022 Taka
PROPERTIES & ASSETS			
Cash	3	36,186,600,376	30,939,723,526
Cash in hand (including foreign currencies)		8,600,450,648	9,100,795,455
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		27,586,149,728	21,838,928,071
Balance with other banks & financial institutions	4	22,455,110,493	17,975,933,601
In Bangladesh		5,556,154,273	4,509,386,657
Outside Bangladesh		16,898,956,220	13,466,546,944
Money at call on short notice	5	-	-
Investments	6	85,611,169,843	79,010,194,462
Government		70,067,335,372	65,222,002,585
Others		15,543,834,471	13,788,191,877
Loans and Advances	7	510,710,023,606	474,639,746,248
Loans, Cash Credits, Overdrafts etc.		500,982,069,097	451,148,361,902
Bills purchased and discounted		9,727,954,509	23,491,384,346
Fixed assets including premises, furniture & fixture	8	19,583,158,058	17,026,510,993
Other assets	9	13,012,610,508	13,714,813,337
Non-banking assets	10	-	-
Total Assets		687,558,672,884	633,306,922,167
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	66,590,306,142	107,039,740,584
Deposits and other accounts	12	511,392,706,168	424,683,416,974
Current accounts & other accounts		126,365,845,416	92,967,521,218
Bills Payable		8,344,605,942	7,016,021,483
Savings Bank Deposits		94,572,958,191	85,798,085,253
Fixed Deposits		243,315,320,401	202,075,933,429
Other Deposits		38,793,976,218	36,825,855,591
Other Liabilities	13	67,997,142,418	61,405,650,473
Total Liabilities		645,980,154,728	593,128,808,031
Capital / Shareholders' Equity		41,578,517,970	40,178,113,962
Paid up Capital	14	14,765,484,750	14,062,366,430
Share Premium	14.3	1,454,976,750	1,454,976,750
Statutory Reserve	15	15,802,731,273	15,764,308,439
General Reserve	16	26,577,961	26,577,961
Other Reserve	17	3,097,273,897	2,797,068,995
Retained Earnings	18	6,431,473,339	6,072,815,387
Non controlling interest		186	174
Total Shareholders' Equity with non-controlling interest		41,578,518,156	40,178,114,136
Total Liabilities and Shareholders' Equity		687,558,672,884	633,306,922,167

Notes	31.12.2023 Taka	31.12.2022 Taka
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Off Balance Sheet Items

Contingent Liabilities

	19	281,952,312,043	215,667,677,403
Acceptances & Endorsements	19.1	121,717,014,733	95,629,506,243
Letters of Guarantee	19.2	65,230,862,378	59,964,400,737
Irrevocable Letters of Credit	19.3	73,731,069,769	39,547,144,513
Bills for Collection	19.4	21,273,365,163	20,526,625,910
Other Contingent Liabilities		-	-

Other Commitments

	9,723,925,200	2,272,080,692
Documentary credit and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	9,723,925,200	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 including contingent liabilities	291,676,237,243	217,939,758,095

The annexed notes from 01 to 50 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,
29 APR 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC: 2404300787AS444921

United Commercial Bank PLC
Consolidated Profit and Loss Account
For the year ended 31 December 2023

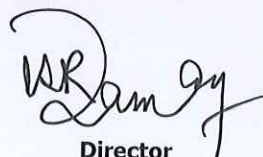
	Notes	2023 Taka	2022 Taka
Interest Income	21	38,527,432,247	32,301,597,460
Interest paid on deposits and borrowings etc	22	22,238,997,029	17,087,467,705
Net Interest Income		16,288,435,218	15,214,129,755
Investment income	23	6,004,840,458	5,814,473,380
Commission, exchange and brokerage	24	8,376,878,550	8,899,008,606
Other Operating Income	25	350,098,451	319,785,244
Total Operating Income (A)		31,020,252,677	30,247,396,985
Salary and allowances	26	9,280,023,731	8,421,749,115
Rent, taxes, insurance, electricity etc.	27	2,082,830,608	1,667,491,649
Legal expenses	28	99,486,632	107,724,456
Postage, stamps, telecommunications etc.	29	238,779,237	241,266,257
Stationery, printing, advertisements etc.	30	1,773,715,722	1,943,127,626
Chief Executive's salary and fees	31	16,435,484	14,098,442
Directors' fees	32	4,057,995	4,331,887
Auditors' fees	33	1,612,500	1,947,500
Depreciation and repair of banks assets	34	2,556,626,841	2,154,511,753
Other expenses	35	5,372,720,073	4,478,285,856
Total Operating Expenses (B)		21,426,288,823	19,034,534,541
Profit Before Provision (C) = (A-B)		9,593,963,854	11,212,862,444
Provision for Loans & Advances	36	3,792,688,396	5,515,505,953
Provision for diminution in value of investments	37	52,461,975	646,373,322
Other provisions	38	711,543,580	(482,028,218)
Total Provision (D)		4,556,693,951	5,679,851,057
Total Profit Before Income Taxes (C - D)		5,037,269,903	5,533,011,387
Provision For Taxation	39	2,839,601,616	2,234,364,259
Current Tax		3,339,864,344	3,473,872,045
Deferred tax expense/(income)		(500,262,728)	(1,239,507,786)
Net Profit After Taxation		2,197,668,288	3,298,647,127
Appropriations			
Statutory Reserve		38,422,834	1,208,339,758
Start-Up Fund		26,850,863	40,240,112
CSR Fund		-	245,965,311
Coupon/dividend on perpetual bond		367,500,000	388,370,000
Retained Surplus		1,764,894,591	1,415,731,947
		2,197,668,288	3,298,647,127
Attributable to			
Equity holders' of the Bank		1,764,894,405	1,415,732,038
Non controlling interest		186	(91)
		1,764,894,591	1,415,731,947
Earnings Per Share (EPS)	40	1.52	2.29

The annexed notes from 01 to 50 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,

29 APR 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787

DVC:2404300787AS444921



United Commercial Bank PLC
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

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 2023	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	40,178,114,135
Surplus on account of revaluation of investments	-	-	-	-	-	290,023,233	-	-	-	290,023,233
Currency translation difference (OBU)	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	10,181,669	-	10,181,669
Transferred to statutory reserve	-	-	-	-	-	-	-	-	2,170,817,425	2,170,817,425
Cash Dividend	-	-	38,422,834	-	-	-	-	-	(38,422,834)	-
Stock Dividend	703,118,320	-	-	-	-	-	-	-	(703,118,308)	(703,118,308)
Coupon Payment for Perpetual Bond	-	-	-	-	-	-	-	-	(703,118,320)	-
Non Controlling Interest	-	-	-	-	-	-	-	-	(367,500,000)	(367,500,000)
Balance as at 31 December 2023	14,765,484,750	1,454,976,750	15,802,731,273	26,577,961	2,534,101,559	418,083,770	186	145,088,568	6,431,473,339	41,578,518,156

For the year ended 31 December 2022

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 account of revaluation of investments	-	-	-	-	-	60,328,018	-	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	104,887,088	-	104,887,088
Transferred to statutory reserve	-	-	-	-	-	-	-	-	3,012,441,705	3,012,441,705
Cash Dividend	-	-	1,208,339,758	-	-	-	-	-	(1,208,339,758)	-
Stock Dividend	1,278,396,940	-	-	-	-	-	-	-	-	-
Coupon Payment for Perpetual Bond	-	-	-	-	-	-	-	-	(1,278,396,940)	-
Non Controlling Interest	-	-	-	-	-	-	-	-	(388,370,000)	(388,370,000)
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	6,072,815,387	40,178,114,136

The annexed notes 01 to 50 form an integral part of these financial statements.



United Commercial Bank PLC
Consolidated Cash Flow Statement
For the year ended 31 December 2023

Notes	2023 Taka	2022 Taka
A. Cash flows from operating activities		
Receipts of Interest	44,338,215,812	38,346,831,674
Payments of Interest	(21,016,017,221)	(16,806,028,516)
Receipts of Dividend	231,790,122	216,497,814
Receipt of Fees & Commission	6,810,240,690	5,176,708,919
Recoveries from previously written off loans and advances	409,590,871	236,944,194
Payments to employees	(9,347,373,468)	(8,657,478,775)
Payments to suppliers	(5,597,917,983)	(5,505,311,332)
Payments for Advance Income Tax	(3,714,962,839)	(4,638,236,660)
Receipts from other operating activities	255,557,185	289,055,558
Payments for other activities	(5,132,664,650)	(4,044,131,737)
Operating profit before changes in operating assets and liabilities	7,236,458,519	4,614,851,139
Increase/Decrease in operating assets and liabilities		
Statutory Deposits	(4,389,002,114)	9,035,522,468
Purchase of Trading Securities	(467,176,700)	(647,478,052)
Loans and advances to Customers	(39,925,103,990)	(66,327,928,377)
Other assets	(182,765,341)	(819,859,606)
(Payment to)/ Deposit from banks	(1,312,414,303)	798,799,900
Deposit from customers	87,043,023,616	36,887,880,866
Other Liabilities	822,863,224	(2,173,490,754)
	41,589,424,392	(23,246,553,555)
Net Cash flow from/(used in) operating activities (A)	48,825,882,911	(18,631,702,416)
B. Cash flows from investing activities		
Sale/(Purchase) of Securities	409,051,366	(1,175,370,413)
Purchase of Property, Plant & Equipments	(3,811,226,174)	(1,635,032,727)
Net Cash used in investing activities (B)	(3,402,174,808)	(2,810,403,140)
C. Cash flows from financing activities		
(Payment to)/Receipts from borrowing	(35,582,719,004)	19,448,179,846
Payment of Sub-Ordinated Bond	(1,000,000,000)	(1,820,000,000)
Payment of cash dividend	(703,118,322)	-
Net cash (used in)/flow from financing activities (C)	(37,285,837,326)	17,628,179,846
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	8,137,870,777	(3,813,925,710)
E. Effects of the changes of exchange rate on cash and cash equivalents	1,588,182,965	3,515,705,784
F. Cash and Cash equivalents at the beginning of the year	48,915,657,127	49,213,877,053
G. Cash and Cash Equivalents at the end of the year	58,641,710,869	48,915,657,127
Consolidated Cash and Cash Equivalents at the end of the year		
Cash in hand (including foreign currencies)	3.1 8,600,450,648	9,100,795,455
Balance with Bangladesh bank and its agent bank	3.2 27,586,149,728	21,838,928,071
Balance with other banks & financial institution	4 22,455,110,493	17,975,933,601
Money at call on short notice	5 -	-
	58,641,710,869	48,915,657,127

The annexed notes from 01 to 50 form an integral part of these financial statements.



United Commercial Bank PLC
**Balance Sheet
As at 31 December 2023**

	Notes	31.12.2023 Taka	31.12.2022 Taka
PROPERTIES & ASSETS			
Cash	3	36,186,305,779	30,939,034,586
Cash in hand (including foreign currencies)		8,600,156,051	9,100,106,515
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		27,586,149,728	21,838,928,071
Balance with other banks & financial institutions	4	21,177,381,033	16,872,052,936
In Bangladesh		4,278,424,813	3,405,505,992
Outside Bangladesh		16,898,956,220	13,466,546,944
Money at call on short notice	5	-	-
Investments	6	82,863,727,370	76,434,562,206
Government		69,384,568,462	64,706,395,079
Others		13,479,158,908	11,728,167,127
Loans and Advances	7	505,969,487,028	468,605,096,016
Loans, Cash Credits, Overdrafts etc.		496,241,532,519	445,113,711,670
Bills purchased and discounted		9,727,954,509	23,491,384,346
Fixed assets including premises, furniture & fixture	8	17,016,419,821	14,579,410,074
Other assets	9	21,799,089,941	20,646,673,379
Non-banking assets	10	-	-
Total Assets		685,012,410,972	628,076,829,196
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	65,271,763,944	103,891,893,400
Deposits and other accounts	12	513,394,683,785	426,028,440,768
Current accounts & other accounts		128,367,823,033	94,312,545,012
Bills Payable		8,344,605,942	7,016,021,483
Savings Bank Deposits		94,572,958,191	85,798,085,253
Fixed Deposits		243,315,320,401	202,075,933,429
Other Deposits		38,793,976,218	36,825,855,591
Other Liabilities	13	63,501,440,259	57,199,836,761
Total Liabilities		642,167,887,988	587,120,170,929
Capital / Shareholders' Equity		42,844,522,984	40,956,658,267
Paid up Capital	14	14,765,484,750	14,062,366,430
Share Premium	14.3	1,454,976,750	1,454,976,750
Statutory Reserve	15	15,730,183,055	15,730,183,055
General Reserve	16	26,577,961	26,577,961
Other Reserve	17	3,097,316,597	2,797,068,995
Retained Earnings	18	7,769,983,871	6,885,485,076
Total Liabilities and Shareholders' Equity		685,012,410,972	628,076,829,196

Notes	31.12.2023 Taka	31.12.2022 Taka
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Off Balance Sheet Items

Contingent Liabilities	19	281,952,312,043	215,667,677,403
Acceptances & Endorsements	19.1	121,717,014,733	95,629,506,243
Letters of Guarantee	19.2	65,230,862,378	59,964,400,737
Irrevocable Letters of Credit	19.3	73,731,069,769	39,547,144,513
Bills for Collection	19.4	21,273,365,163	20,526,625,910
Other Contingent Liabilities		-	-
Other Commitments	19.5	9,723,925,200	2,272,080,692
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		9,723,925,200	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 including contingent liabilities		291,676,237,243	217,939,758,095

The annexed notes from 01 to 50 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,
29 APR 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787

DVC: 2404300787AS444921

United Commercial Bank PLC
Profit and Loss Account
For the year ended 31 December 2023


	Notes	2023 Taka	2022 Taka
Interest Income	21	37,881,518,594	31,684,836,835
Interest paid on deposits and borrowings etc	22	22,149,750,317	17,010,387,394
Net Interest Income		15,731,768,277	14,674,449,441
Investment income	23	5,871,930,074	5,685,113,776
Commission, exchange and brokerage	24	7,385,221,720	7,899,474,370
Other Operating Income	25	239,764,676	263,702,890
Total Operating Income (A)		29,228,684,747	28,522,740,477
Salary and allowances	26	8,539,916,432	7,658,696,939
Rent, taxes, insurance, electricity etc.	27	2,039,834,071	1,623,559,944
Legal expenses	28	90,864,365	94,587,412
Postage, stamps, telecommunications etc.	29	221,997,247	219,090,942
Stationery, printing, advertisements etc.	30	1,688,042,867	1,694,262,239
Chief Executive's salary and fees	31	16,435,484	14,098,442
Directors' fees	32	3,178,349	3,544,387
Auditors' fees	33	1,150,000	1,725,000
Depreciation and repair of banks assets	34	2,448,805,449	2,073,607,674
Other expenses	35	4,452,740,091	3,670,796,436
Total Operating Expenses (B)		19,502,964,355	17,053,969,415
Profit before provision (C) = (A-B)		9,725,720,392	11,468,771,062
Provision for Loans & Advances	36	3,775,539,844	5,422,689,930
Provision for diminution in value of investments	37	61,249,230	612,038,691
Other provisions	38	711,543,580	(482,028,218)
Total Provision (D)		4,548,332,654	5,552,700,403
Total Profit/(Loss) before Income taxes (C - D)		5,177,387,738	5,916,070,659
Provision for Taxation	39	2,492,301,451	1,892,059,504
Current tax expense		2,986,535,476	3,133,378,030
Deferred tax expense		(494,234,025)	(1,241,318,525)
Net Profit after Taxation		2,685,086,287	4,024,011,154
Appropriations			
Statutory Reserve		-	1,183,214,132
Start-Up Fund		26,850,863	40,240,112
CSR Fund		-	245,965,311
Coupon/dividend on perpetual bond		367,500,000	388,370,000
Retained Surplus		2,290,735,424	2,166,221,600
		2,685,086,287	4,024,011,154
Earnings Per Share (EPS)	40	1.86	2.79

The annexed notes 01 to 50 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,
29 APR 2024

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787



United Commercial Bank PLC

**Statement of Changes in Equity
For the year ended 31 December 2023**

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign currency translation gain/(loss)	Retained Earnings	Total Equity
Balance as at 01 January 2023	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
Surplus on account of revaluation of investments	-	-	-	-	-	290,023,233	-	-	290,023,233
Currency translation differences	-	-	-	-	-	-	10,224,368	-	10,224,368
Net profit for the year	-	-	-	-	-	-	-	2,658,235,424	2,658,235,424
Cash Dividend	-	-	-	-	-	-	-	(703,118,322)	(703,118,322)
Stock Dividend	703,118,320	-	-	-	-	-	-	(703,118,320)	-
Cupon Payment of Perpetual Bond	-	-	-	-	-	-	-	(367,500,000)	(367,500,000)
Balance as at 31 December 2023	14,765,484,750	1,454,976,750	15,730,183,055	26,577,961	2,534,101,559	418,083,770	145,131,268	7,769,983,871	42,844,522,984

For the year ended 31 December 2022

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency translation	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 account of revaluation of investments	-	-	-	-	-	60,328,018	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	104,887,089	-	104,887,089
Net Profit for the year	-	-	-	-	-	-	-	3,737,805,732	3,737,805,732
Transferred to statutory reserve	-	-	1,183,214,132	-	-	-	-	(1,183,214,132)	-
Stock Dividend	1,278,396,940	-	-	-	-	-	-	(1,278,396,940)	-
Cupon Payment Perpetual Bond	-	-	-	-	-	-	-	(388,370,000)	(388,370,000)
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

The annexed notes from 01 to 50 form an integral part of these financial statements.



United Commercial Bank PLC
Cash Flow Statement
For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
A. Cash flows from operating activities			
Receipts of Interest		43,430,460,627	37,078,273,890
Payments of Interest		(20,774,811,903)	(16,574,786,563)
Receipts of Dividend		206,590,018	178,569,508
Receipt of Fees & Commission		5,797,038,753	4,383,768,584
Recoveries from previously written off loans and advances		409,590,871	236,944,194
Payments to employees		(8,556,351,916)	(7,867,795,381)
Payments to suppliers		(4,564,996,427)	(4,192,355,163)
Payments for Advance Income Tax		(3,458,466,080)	(4,392,182,336)
Receipts from other operating activities	41	244,151,788	272,883,290
Payments for other activities		(5,039,493,776)	(3,962,642,308)
Operating profit before changes in operating assets and liabilities		7,693,711,954	5,160,677,714
Increase/Decrease in operating assets and liabilities			
Statutory Deposit		(4,388,150,150)	9,035,522,468
Purchase/Sale of trading securities		(365,191,782)	(390,644,970)
Loans and advances to customers		(37,364,391,015)	(66,123,360,271)
Other Assets	43	(2,102,732,449)	(1,900,245,802)
Deposit from Banks		(1,312,414,303)	798,799,900
Deposit from customers		87,678,657,321	35,328,916,884
Other liabilities	44	689,443,835	(1,668,991,486)
		42,835,221,457	(24,920,003,276)
Net Cash flow from/(used in) operating activities (A)		50,528,933,411	(19,759,325,562)
B. Cash flows from investing activities			
(Purchase)/Sale of Securities		444,200,000	(532,900,000)
(Purchase)/Sale of Property, Plant & Equipments		(3,685,469,312)	(1,490,081,364)
Net Cash used in investing activities (B)		(3,241,269,312)	(2,022,981,364)
C. Cash flows from financing activities			
(Payment to)/ Receipts from borrowing		(37,620,129,454)	19,908,259,148
Payment of Sub-Ordinated Bond		(1,000,000,000)	(1,820,000,000)
Payment of cash dividend		(703,118,322)	-
Net cash (used in)/flow from financing activities (C)		(39,323,247,776)	18,088,259,148
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		7,964,416,323	(3,694,047,778)
E. Effects of the changes of exchange rate on cash and cash equivalents		1,588,182,967	3,515,705,784
F. Cash and Cash equivalents at the beginning of the year		47,811,087,522	47,989,429,516
G. Cash and cash equivalents at the end of the year		57,363,686,812	47,811,087,522
Cash and cash equivalents at the end of the year			
Cash in hand (including foreign currencies)	3.1	8,600,156,051	9,100,106,515
Balance with Bangladesh Bank and its agent bank	3.2	27,586,149,728	21,838,928,071
Balance with other banks & financial institution	4	21,177,381,033	16,872,052,936
		57,363,686,812	47,811,087,522

The annexed notes from 01 to 50 form an integral part of these financial statements.





United Commercial Bank PLC
Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2023

Particulars	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years	Amount in BDT Total
Assets						
Cash in hand	13,906,091,958	-	-	-	22,280,213,821	36,186,305,779
Balance with other banks & financial institutions	19,177,581,033	445,000,000	-	1,554,800,000	-	21,177,381,033
Money at call on short notice	-	-	-	-	-	-
Investment	2,004,817,700	10,745,978,016	13,032,593,870	17,479,493,513	39,600,844,270	82,863,727,370
Loans and Advances	47,097,265,221	102,424,966,994	119,224,992,813	160,003,979,783	67,490,327,707	496,241,532,519
Bill Purchased & Discounted	3,795,954,510	2,978,500,000	2,953,500,000	-	-	9,727,954,509
Fixed assets including premises, furniture & fixture	154,311,160	298,913,598	1,401,812,486	9,106,843,036	6,054,539,540	17,016,419,821
Other Assets	2,275,270,454	949,335,037	1,059,774,133	6,590,371,644	10,924,338,674	21,799,089,941
Non banking assets	-	-	-	-	-	-
Total Assets (A)	88,411,292,036	117,842,693,646	137,672,673,302	194,735,487,976	146,350,264,012	685,012,410,972
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	10,223,042,228	16,999,824,845	13,269,968,879	12,023,188,542	12,755,739,450	65,271,763,944
Deposits	71,395,772,414	98,209,134,075	95,725,897,745	133,989,484,730	114,074,394,822	513,394,683,785
Provisions and other liabilities	3,369,735,368	12,504,000	7,813,868,646	6,534,203,168	45,771,129,077	63,501,440,259
Total Liabilities (B)	84,988,550,010	115,221,462,920	116,809,735,270	152,546,876,440	172,601,263,349	642,167,887,988
Net Liquidity Surplus/Gap (A-B)	3,422,742,026	2,621,230,726	20,862,938,032	42,188,611,536	(26,250,999,337)	42,844,522,984

The annexed notes from 01 to 50 form an integral part of these financial statements.



United Commercial Bank PLC and its Subsidiaries
Notes to the Financial Statements
As at and for the year ended 31 December 2023

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 228 (2022: 224) branches, 152 (2022: 141) sub branches, 672 (2022: 663) ATMs/CRMs and 850 (2022: 314) agent banking outlets as on 31 December 2023. Out of the above 228 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, Gulshan 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 BRPD circular no. 02 dated 25 February 2019 and subsequent circulars and guidelines thereon issued by 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 commencement of Islamic Banking operations from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking windows and branch, the Bank extends Shariah compliant Finances under different modes like Hire Purchase Under Shirkatul Melk (HPSM), Bai - Murabaha, Musharaka, Bai - Salam, etc. and collects different types of deposits through other modes like- Al-wadeeah, and Mudaraba (SB/SND/TD/RD). 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 1 February 2018. There are 850 agent outlets launched across the country till 31 December 2023 thus UCB hold 5th position in the industry in terms of number of agent outlet, acquired two lac accounts which is 10% of the bank's number of accounts.

The principal activities of agent banking channel are to provide services that includes - Account Opening, Cash deposit & withdrawal, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Fund transfer through RTGS & BEFTN, Payment of salaries, Generation and issuance of bank statements, SOD/SME/Agri. Loan file sourcing and repayment collection, Credit Card application sourcing, Balance inquiry, Internet Banking, SMS Banking, School Fee Collection, Bangla QR Merchant acquisition 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 International Financial Reporting Standard (IFRS) - 10; 'Consolidated Financial Statements'. Interest of the minority is shown as the non-controlling interest which includes share capital of the minority portion as well as profit earned that goes to the same. 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 was reformed on 22 November 2020 by the former UCB Capital Management Limited (DSE TRECNo-181, CSE TREC No-015) which was incorporated in Bangladesh and registered with the Register of Joint Stock Companies vide its registration number C-69039(1551)/07 on 20 November 2007 as a Private Limited Company. The Company has commenced business in the name of UCB capital Management Limited on 19th June 2013. 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. The Company is also registered with the Bangladesh Securities and Exchange Commission (BSEC) to act as Stock Dealer for carrying its own investments in the capital market.

Name of authority	License/Registration No.	Purpose
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-181/2011/486	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-181/2011/487	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-015/2014/210	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-015/2014/211	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	BSEC/Registration/CDBL-DP-175	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 181	Trading with DSE
Chittagong Stock Exchange Limited (CSE)	TREC NO. 015	Trading with CSE

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 99.99% 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 2011 under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-94654/11. The Company has obtained Merchant Banking license (registration certificate no. MB-97/2020) from the Bangladesh Securities and Exchange Commission (BSEC) 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 05 February 2019, under the Companies Act 1994 and registered with RJSC. The Company has also obtained its license (BSEC/Asset Manager/2020/46) as an Asset Management Company from Bangladesh Securities & Exchange Commission on 03 February 2020. It 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 99.99% 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 499,999,999 nos. of shares of UCB Fintech Company Limited with face value of Taka 10 each which is equivalent to 99.99% of total shares of the Company.

1.6.5 UCB Exchange (SG) PTE. Ltd

UCB Exchange (SG) Pte Ltd, a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 as a private limited company by shares under the Companies Act 1967 in Singapore having Unique Entity Number (UEN) 202302830G. After incorporation, UCB Exchange has submitted its application for remittance licence to Monetary Authority of Singapore (MAS) and it is still under process.

The principal activities of the company are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange house. UCB PLC holds 1000 nos. of shares of UCB Exchange (SG) Pte Ltd, Singapore with face value of Singapore Dollar 1.00 each which is equivalent to 100% of total shares of the company.

1.6.6 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	
		2023	2022	2023	2022	2023	2022
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	500,000,000	300,000,000	499,999,999	299,999,999	99.99%	99.99%
UCB Exchange (SG) Pte Ltd	S\$ 1.00	1,000	-	1,000	-	100%	-

1.6.7 UCB Foundation

UCB Foundation, a philanthropic organisation associated with United Commercial Bank PLC, was founded under the Societies Registration Act, 1860, to support and enhance the well-being of the people of the country towards sustainable development. The foundation focuses on various charitable initiatives ranging from education and healthcare to community development.

All the way through its existence, it has played a vibrant role in supporting educational programmes, scholarships, stipends, grants to educational institutions, and other initiatives aimed at empowering individuals through access to quality education.

Recognising the significance of healthcare access and quality, the foundation supports different healthcare facilities and projects, including funding for medical appliances to improve public health outcomes.

Moreover, the UCB Foundation actively engaged in community development efforts, partnering with local and not-for-profit organisations to address societal challenges and promote economic advancement, cultural preservation, and social cohesion within the communities it served.

The overall affairs of the Foundation are managed by an Executive Committee consisting of 9 (nine) members who are designated as follows:

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

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

2.1 Basis of preparation

The financial statements of the Bank have been prepared in accordance with the 'First schedule (section 38)' of the Bank Company Act 1991 (amended till date), BRPD circular no. 14 dated 25 June 2003, other

Bangladesh Bank circulars, International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the standards set by the Financial Reporting Council (FRC) as per the Financial Reporting Act 2015 (FRA) and other applicable laws and regulations.

Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019, these financial statements for the year ended 31 December 2023 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 2023 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 (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 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;
- Income Tax Act 2023 and related regulations;
- The Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016 and amendment thereon;
- Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (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 only gains 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 letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2023, 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 and BRPD circular no 06 dated 25 April 2023. a general provision at 0.25% to 1% is required to be provided for all off-balance sheet exposures, along with extra provision of 1%-5% on remaining overdue. 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 21 April 2019 and BRPD Circular Letter No. 56 dated 10 December 2020, once a loan is classified, interest on such loans are not allowed to be recognized 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 dated 25 June 2003 which is strictly 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: There is no requirement for regulation of intangible assets in BRPD 14 dated 25 June 2003 under section 7 Fixed Asset. Hence it is shown in fixed assets including premises and furniture and fixtures.

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 are 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. 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.

xvi. 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.

xvii. 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.

xviii. 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: Provision on financial guarantees is booked as per BRPD Circular No. 06 dated 25 April 2023.

xix. 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 4.02 Crore (1% of net profit of FY 2022 BDT 393.28 Crore) and BDT 2.68 Crore (1% of net profit of FY 2023 BDT 268.50 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 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.

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 as per current Basel III 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 payouts of dividends, share buybacks, and bonuses.

Higher Common Equity Tier 1 (CET1) increased to 4.5% (including buffer 7%).

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 3.25% under Basel III.

Liquidity requirements

Basel III introduced two required liquidity ratios:

- a. **Liquidity Coverage Ratio (LCR)** ensures that sufficient levels of high-quality liquid assets are available for one-month survival in a severe stress scenario.
- b. **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 Limited', 'UCB Asset Management Limited', 'UCB Fintech Company Limited' and UCB Exchange (SG) PTE Ltd. 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 2023. 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, BRPD circular letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 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 realizable 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 Income

Tax Act 2023 and Finance Act 2023, although return will be submitted for tax based on the Finance Act 2024.

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: *Presentation of Financial Statements* and IAS-8: *Accounting Policies, Changes in Accounting Estimates and Errors*, 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

and average exchange rate during the year. 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.

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. On the other hand, 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, subsequent clarification DOS circular letter no. 5 dated 28 January 2009 and DOS circular letter no. 27 dated 04 December 2023.

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 amortized cost
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*, IFRS-3: *Business Combinations* and IFRS 10: *Consolidated Financial Statements*. 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.
- 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.
- Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- 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 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 letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2023.

Particulars	Rates
General Provision on	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	0.25%
Unclassified loans to BHs/MBs/SDs against shares etc.	1%
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	0.25%-5%
Specific Provisions on	
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 credit	5%
Doubtful cottage, micro credit and small credit	20%
Bad/Loss cottage, micro credit and small credit	100%

- f) Loans and advances are written off to the extent that
- there is no realistic prospect of recovery and
 - 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 and BRPD circular letter no. 01 dated 05 January 2023).

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.

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 comparative period of charging depreciation/ amortization of fixed assets are mentioned below:

Name of the assets	Rate of depreciation	Estimated useful lives (Years)
Land	NIL	Not applicable
Building	2.50%	40 years
Furniture & Fixtures	10%	10 years
Office Equipment	20%	5 years
Computer Equipment's	20%	5 years
Computer Software	25%	4 years
Vehicle	20%	5 years

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 and 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 intangible asset is recognized 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 2023.

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

(BDT in million)

Name of the Subordinated Bond	Issued Amount	Outstanding Amount as on 31 December 2023	Issue Date	Tenure	Interest Rate	Redemption of Principal
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	700.00	28-Dec-17	7 Years	Base Rate plus 2.5%	20% in each of last 5 years
UCB 3rd Subordinated Bond (2nd Tranche)	3,500.00	1,400.00	16-May-18	7 Years	Base Rate plus 2.5%	20% in each of last 5 years
UCB 4th Subordinated Bond (1st Tranche)	500.00	200.00	24-Dec-18	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (2nd Tranche)	2,500.00	1,000.00	26-Dec-18	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (3rd Tranche)	100.00	60.00	14-Aug-19	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (4th Tranche)	1,000.00	600.00	05-Nov-19	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (5th Tranche)	500.00	300.00	05-Dec-19	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (6th Tranche)	250.00	200.00	23-Mar-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (7th Tranche)	100.00	80.00	22-Jun-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years



Name of the Subordinated Bond	Issued Amount	Outstanding Amount as on 31 December 2023	Issue Date	Tenure	Interest Rate	Redemption of Principal
UCB 4th Subordinated Bond (8th Tranche)	100.00	80.00	28-Jun-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (9th Tranche)	100.00	80.00	15-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (10th Tranche)	1,000.00	800.00	24-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (11th Tranche)	300.00	240.00	27-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (12th Tranche)	550.00	440.00	29-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (13th Tranche)	1,000.00	800.00	30-Sep-20	7 Years	Base Rate plus 2.0%	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%	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%	20% in each of last 5 years
UCB 5th Subordinated Bond (3rd Tranche)	1,000.00	1,000.00	12-Jun-23	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 5th Subordinated Bond (4th Tranche)	1,000.00	1,000.00	26-Dec-23	7 Years	Base Rate plus 3.0%	20% in each of last 5 years

Perpetual Bond

(BDT in Million)

Name of the Perpetual Bond	Issued Amount	Outstanding Amount as on 31 December 2023	Issue Date	Interest Rate	Range of Interest Rate
UCB 1 st Perpetual Bond	4,000.00	4,000.00	25-Apr-21	Base Rate plus 2.0%	6.00%-10.00%
UCB 2 nd Perpetual Bond	3,000.00	1,400.00	28-Dec-23	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 2023 is 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. 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 letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2023.

Details are stated in Note 13.

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. 01 dated 24 May 2023 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. 06 dated 25 April 2023 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.

2.10.26 Provision for Nostro accounts

No provision was required to make for Nostro Accounts/Nostro un-reconciled entries in the accounting year 2023 as per BRPD Circular no. 04 dated 12 April 2022.

2.10.27 Provision for liabilities and accrued expenses

In compliance with IAS-37: *Provision, Contingent Liabilities and Contingent Assets*, 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 Employee benefits and 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 (IAS)-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 the letter of Banking and Financial Institution Division, Ministry of Finance, Government of People's Republic of Bangladesh (no.53.00.0000.311.22.002.17-130 dated 14 February 2017), no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

Performance bonus

The bank provides performance bonus to the eligible employees every year subject to management's discretion. The parameter for calculating bonus amount is determined based on the performance rating of employees and management decision. The bonus amount is paid annually, normally in the following year. However, the cost is accounted for in the period to which it is related.

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 Act 2023 and Finance Act 2023 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 Act 2023 and other applicable laws and regulations. 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 loans and advances is accrued on a daily product basis, and applied to customer accounts every month, quarter and at maturity depending on the product offerings. 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 therefrom credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012 and its subsequent modifications through circulars/circular letters issued by Bangladesh Bank till 2023. 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

The Bank earns fees and commission from a diverse range of services provided to its customers. These include fees and commission income arising on financial and other services provided by the Bank including trade finance, credit cards, debit cards, passport endorsement, student file, loan processing, locker facilities etc. Fees and commission income on services rendered by the Bank are recognized on a realization 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.

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 paid and other expenses are recognized on accrual basis. Depending on the terms and conditions of different deposit products, interest expenses are recognized on accrual basis at the rate applicable for respective deposits and credited to depositor's account periodically.

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 40 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 2023 considering the bonus share issue within the same year.

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 and BSEC guidelines. Details of the related party transactions have been disclosed in note 48.

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 5% cash dividend and 5% stock dividend for the year 2023 in its meeting no. 491 held on 29 April 2024.

2.10.51 Credit rating

ECRL has rated the Bank based on 31 December 2022 with "AA" (pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was 15 May 2023.

Valid from	Valid To	Base Financial Year	Long Term Rating	Short Term Rating	Outlook
07 May 2023	06 May 2024	2022	AA	ST-2	Stable
07 May 2022	06 May 2023	2021	AA	ST-2	Stable
07 May 2021	06 May 2022	2020	AA	ST-2	Stable

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 (FRA) 2015 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

Name of the IAS	IAS No.	Status
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
Insurance Contracts	17	N/A

* 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 2023 and earlier application is permitted. However, the Bank did not apply earlier the following new standard in preparing these financial statements.

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 through 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 and Terrorist Financing Risk
- Information & Communication Technology 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.

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:

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

Risks	Statement
	<ul style="list-style-type: none"> Stress Testing
Currency Risk	<ul style="list-style-type: none"> Currency wise Exposure Value at Risk (VaR)

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.

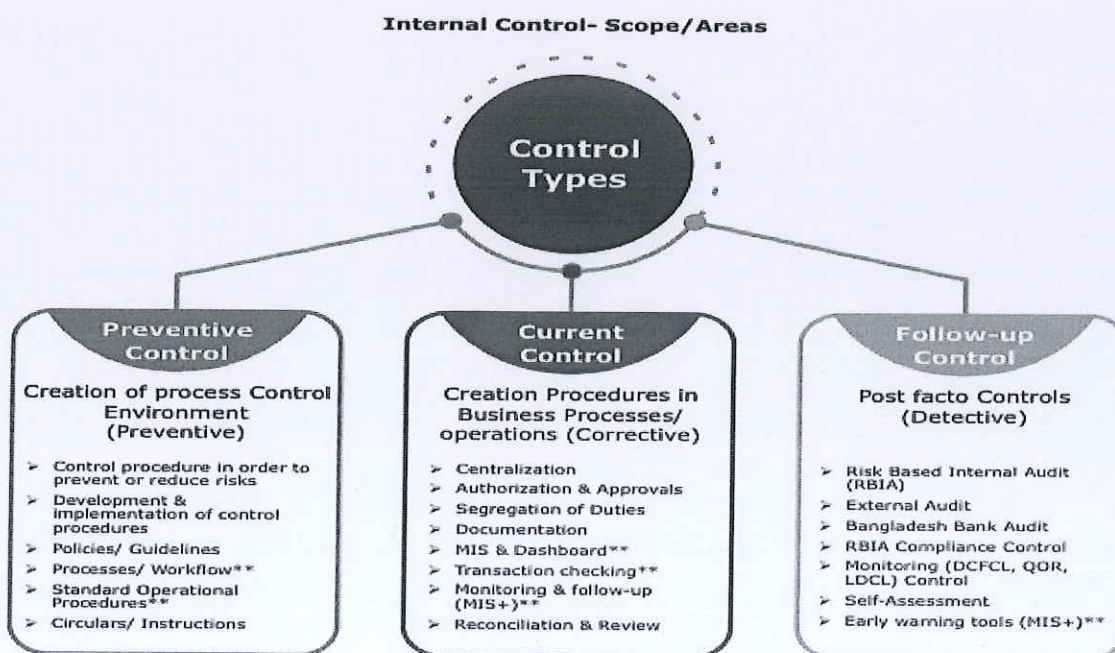
A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long –term profitability target, and maintain reliable financial and managerial reporting. Such a system is designed to provide reasonable assurance regarding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



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 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 & Terrorist Financing Risk Management

Money Laundering (ML) and Terrorist Financing (TF) have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth. So that Financial Institutions across the globe are working hard to fight against ML&TF related financial crime to protect assets and maintain regulatory compliance. Money laundering is the process of providing legitimate appearance to the illegally gained revenue and terrorist financing process involves collecting the funds intended to use in supporting the terrorist organization from a variety of sources to meet goals of terrorist organizations.

Regulators expect functions in the Bank to be global standard across business lines. The best ways to satisfy these expectations are to centralize functions of the bank, keep continuous monitoring of the activities performed by the bank and do meticulous compliance of regulatory requirements.

The years to come will undoubtedly be challenging to manage ML&TF risks. To mitigate such risks, the bank exerts continuous efforts to maintain and fine-tune its current policies and procedures and adopt new ones to meet future challenges.

UCB has already gone a long way in the path of centralization of its functions. In 2018, new Anti- Money Laundering and Anti-Terrorist Financing Division has been formed along with its organogram, which is updated in 2023. As instructed by BFIU, Deputy CAMLCO is heading this Division. The division is initiating new specialized trainings focusing risks such as cryptocurrencies, e-commerce, fintech, trade-based and credit-backed money laundering, etc. The division has taken various initiatives to develop better monitoring system though out the bank to mitigate ML&TF risks. To build a vigorous anti-money laundering and anti-terrorism program, UCB has deployed necessary resource and manpower. In addition, an annual message from the Managing Director & CEO of the bank also acts as a guideline for all the employees in this regard.

AML & ATF Division has arranged a number of training programs on prevention of money laundering and terrorist financing for 2013 Executives/Officers of the Bank through-out 2023 to develop their professional skill and ensure better regulatory compliance. A total number of 6054 participants were covered through e-learning module arranged by the LDC in 2023.

In line with international initiatives and standards, the regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). Based on that policy, UCB has also prepared the policy and reviewed the same in August, 2023.

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

Information Technology Division went through some re-structuration to improve the efficiency of overall ICT Operations and enhance ICT support to bank end user and its customer. At the same time bank undertaken some important information technology initiative for enhancing customer services as well as managing bank operations efficiently. 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 which has been approved by the board. The Business Continuity Plan, Disaster Recovery Plan have been republished after the revision. Moreover, UCB has developed ICT Risks Management Policy which covered all areas of IT risks in accordance with the industry best practices like ISO 27001 and in-line with Bangladesh Bank ICT guideline.

To comply with requirement of Bangladesh Bank and PCI Security Standard Council and to reduce the risks of Card Fraud and Cyber-Attacks, UCB achieved PCIDSS certificate for the 6th Consecutive Year.

UCBPLC has achieved the esteemed ISO 27001 certification. ISO 27001 is the leading international standard focused on information security. Implementing ISO Certification improves efficiency, productivity, customer satisfaction and trust of valuable stakeholder.

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

- Deployed Secured Next Generation Core Firewall with Advanced Threat Prevention, It provides faster detection of threats and offers flexible management options. deployment of Next-Generation Firewall can significantly enhance cybersecurity measures for businesses of all sizes.
- Robust Web Protection Solution with Comprehensive Threat Protection solution provides URL and Content Filtering for blocking malware.
- Impressive IP Telephony Implementation with Modern Video Conferencing & Collaboration Tools with voice recording & reporting facilities and offers integration of IP phones with higher call quality.
- 3DS Version 2 Implementation to comply with Payment Systems (VISA and MasterCard) requirement.
- UCBPLC has Renewed SWIFT Customer Security Program (CSP) Certification v2023.
- As per best practices and to provide more secure privileged access on critical assets and meet compliance requirements by managing and monitoring privileged accounts and access, PAM solution has been implemented.
- To identify the security vulnerabilities and risks of all major areas (Applications, Network, Server, Database, OS, ATM, Desktops) at UCBPLC ITD premises, VA/PT Licensed tools have been implemented.
- UCBPLC security operations centre (SOC) is to monitor, detect, analyse and investigate cyber threats around the clock. By using IBM QRadar SIEM, SOC team monitors IT infrastructure with IBM X-force intelligence, which helps to detect and prioritization of a cyber-threat.
- For proactive monitoring and real time detection of fraud, UCBPLC is in process of establishing new robust Fraud Management Solution with AI& ML capability.
- Introduction of the two-factor authenticator (2FA) mechanisms and OTP for Internet Banking Solution.



- National Identity Card (NID) Verification System Introduced for avoiding duplicated NID use in Customer Account Opening.
- Implementation of Two Factor Authentication (2FA), SMS, E-mail alerts for all 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).
- Dual control mechanism: Bank has introduced maker checker roles in all its financial and non-financial transactions namely Core banking system (FCUBS), card management system and others.
- 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.
- Upgraded the call center solution with latest chatbot and CRM 360-degree features to ensure better customer experiences also ensuring the compliance and security as well.
- Robust HRMS system has been implemented, to maintain and control HR related issues faster and accurately (Employee screening, recruitment, promotions, benefits, retirement, etc.) which also reduces the employee risks.
- Optimization of CORE Banking Software and Database.
- Update of ICT Risks Management Policy, Process as per the latest Bangladesh Bank ICT guideline, reducing the regulatory & compliance related risks.
- Regularly practicing simulated phishing campaign through an automated tool to train all the bank officials not to share sensitive information or perform an action that enables an attacker to compromise the system, as part of ICT Security Awareness.

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 defense, 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 2023 were impacted by a number of major global events such as continuation of Russia-Ukraine conflict, Middle east unrest, 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 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.

2.10.60 Standard issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 01 January 2023 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).

2.10.62: Events after the Reporting Period

All material events after the reporting period have been considered and appropriate disclosures have been made in the financial statement as per IAS-10: *Events after the Reporting Period*. One of the common event after the reporting period is recommendation regarding dividend payment by the Board of Directors which has been disclosed in note 2.10.21.

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 including narratives is disclosed in respect of the previous period where it is relevant to enhance the understanding of the current period's financial statements. Certain comparative amounts in the financial statements are reclassified and rearranged where relevant to conform to the current year's presentation.

Reporting period

These financial statements cover the period from 01 January 2023 to 31 December 2023.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 29 April 2024.



	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
3 Cash	36,186,600,376	30,939,723,526	36,186,305,779	30,939,034,586
3.1 Cash in hand				
Local currency				
In branches	6,553,635,258	7,282,632,080	6,553,425,857	7,281,943,140
In ATM & CRM	1,967,571,200	1,754,993,500	1,967,571,200	1,754,993,500
	8,521,206,458	9,037,625,580	8,520,997,057	9,036,936,640
Foreign currency				
In branch	79,244,190	63,169,875	79,158,994	63,169,875
	8,600,450,648	9,100,795,455	8,600,156,051	9,100,106,515

3.2 Balance with Bangladesh Bank and its agent Bank

Local currency	22,280,256,425	20,178,794,329	22,280,256,425	20,178,794,329
Foreign currency	5,305,893,303	1,660,133,742	5,305,893,303	1,660,133,742
	27,586,149,728	21,838,928,071	27,586,149,728	21,838,928,071
Total Cash in hand including balance with Bangladesh Bank & its agent Bank	36,186,600,376	30,939,723,526	36,186,305,779	30,939,034,586

3.2.1 Balance with Bangladesh Bank

Local currency	22,280,213,821	20,178,700,334	22,280,213,821	20,178,700,334
Foreign currency	5,305,893,303	1,660,133,742	5,305,893,303	1,660,133,742
	27,586,107,124	21,838,834,076	27,586,107,124	21,838,834,076

The above balance represents amount as per Bank Book. In case of any differences, the differences are duly reconciled and subsequently adjusted.

3.2.2 Balance with Sonali Bank (as agent of Bangladesh Bank)

Local currency	42,604	93,995	42,604	93,995
Foreign currency	-	-	-	-
	42,604	93,995	42,604	93,995

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and 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. Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained @ 13.00% 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 2023 are as follows:

3.3.1 Cash Reserve Requirement (CRR)

A. Conventional and Offshore Banking

Average total demand and time liabilities		
DBU	500,527,548,750	436,816,139,250
OBU	-	14,356,512,568
Total ATDTL of Conventional and Offshore Banking	500,527,548,750	451,172,651,818

i) Daily basis

DBU (3.5% of ATDTL)	17,518,464,206	15,288,564,874
OBU (1.5% of ATDTL)	-	215,347,689
Required reserve	17,518,464,206	15,503,912,562
Actual reserve maintained	21,740,088,658	18,485,340,914
Surplus	4,221,624,452	2,981,428,352

ii) Bi-weekly average basis

DBU (4% of ATDTL)	20,021,101,950	17,472,645,570
OBU (2% of ATDTL)	-	287,130,251
Required reserve	20,021,101,950	17,759,775,821
Actual reserve maintained	20,780,708,399	18,485,340,914
Surplus	759,606,449	725,565,093

B. Islamic Banking

Average total demand and time liabilities		
DBU	15,982,622,250	7,853,620,000
OBU	-	-
Total ATDTL of Islamic Banking	15,982,622,250	7,853,620,000

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
i) Daily basis				
DBU (3.5% of ATDTL)			559,391,779	274,876,700
OBU (1.5% of ATDTL)			-	-
Required reserve			559,391,779	274,876,700
Actual reserve maintained			892,260,265	386,240,766
Surplus			332,868,486	111,364,066
ii) Bi-weekly average basis				
DBU (4% of ATDTL)			639,304,890	314,144,800
OBU (2% of ATDTL)			-	-
Required reserve			639,304,890	314,144,800
Actual reserve maintained			890,922,030	386,240,766
Surplus			251,617,140	72,095,966
Excess Reserve of CRR (referred to note 3.3.3)			1,011,223,588	797,661,059

3.3.2 Statutory Liquidity Ratio (SLR)

A. Conventional and Offshore Banking

	DBU (13% of ATDTL)	65,068,581,338	56,786,098,103
	OBU (13% of ATDTL)	-	1,866,346,634
Required reserve		65,068,581,338	58,652,444,736
Actual reserve maintained		78,971,699,988	75,926,833,196
Surplus		13,903,118,650	17,274,388,460

B. Islamic Banking

	DBU (5.5% of ATDTL)	879,044,224	431,949,100
	OBU (5.5% of ATDTL)	-	-
Required reserve		879,044,224	431,949,100
Actual reserve maintained		985,009,212	653,057,892
Surplus		105,964,989	221,108,792

3.3.3 Held for Statutory Liquidity Ratio

Cash in hand (note- 3.1)	8,600,156,051	9,100,106,515
Balance with Sonali Bank (agent Bank) (note-3.2.2)	42,604	93,995
Govt. Securities (Treasury Bills) (note:6.a)	16,504,227,798	7,854,765,489
Govt. Treasury Bond (HTM) (note : 6.1)	52,045,125,998	56,191,625,790
Govt. Treasury Bond (HFT) (note : 6.1)	8,826,966	-
Reverse Repo with other Bank (note : 6.1)	-	-
Bangladesh Bank Bills (note : 6.a)	-	-
Bangladesh Bank - Sukuk Bond	819,160,000	651,290,000
Stock of Prize Bond (note : 6.1)	7,227,700	8,713,800
Excess Reserve of CRR (note : 3.3.1)	1,011,223,588	797,661,059
	78,995,990,705	74,604,256,648

4 Balance with other banks and financial institutions

In Bangladesh (note - 4.1)	5,556,154,273	4,509,386,657	4,278,424,813	3,405,505,992
Outside Bangladesh (Annexure-A)	16,898,956,220	13,466,546,944	16,898,956,220	13,466,546,944
	22,455,110,493	17,975,933,601	21,177,381,033	16,872,052,936

4.1 In Bangladesh

A. Current account and others

Janata Bank PLC.	76,824,717	51,333,766
Agrani Bank PLC.	8,847,561	24,134,076
Rupali Bank PLC.	14,146,224	23,357
Sonali Bank PLC.	1,128,467,874	1,278,684,551
Standard Chartered Bank	277,520	1,427,545
	1,228,563,894	1,355,603,294

B. Fixed Deposits

NBFI

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
Uttara Finance & Investment Limited	220,000,000	250,000,000
Meridian Finance & Investment Limited	225,000,000	245,000,000
	1,999,800,000	2,049,800,000

Consolidated		United Commercial Bank PLC	
31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
Islamic Banking			
Premier Bank PLC.		1,000,000,000	-
NRB Bank PLC.		50,059,857	51,187
Shahjalal Islami Bank PLC.		1,062	51,511
		1,050,060,919	102,698
		3,049,860,919	2,049,902,698
		4,278,424,813	3,405,505,992

Total (A+B)
4.2 Maturity grouping of balance with other banks & financial institutions

On demand	1,228,563,894	1,355,603,294
Upto three months	18,394,017,139	13,711,649,642
More than three months but less than six months	-	250,000,000
More than six months but less than one year	-	-
More than one year but less than five years	1,554,800,000	1,554,800,000
	21,177,381,033	16,872,052,936

5 Money at call on short notice
6 Investments

Government Securities	70,067,335,372	65,222,002,585	69,384,568,462	64,706,395,079
Other Investments	15,543,834,471	13,788,191,877	13,479,158,907	11,728,167,127
	85,611,169,843	79,010,194,462	82,863,727,369	76,434,562,206

a) Government Securities
Treasury Bills

28 days Treasury bills	-	-
91 days Treasury bills	8,834,589,915	5,914,696,000
182 days Treasury bills	-	-
364 days Treasury bills	7,669,637,883	1,940,069,489
Total Treasury Bills	16,504,227,798	7,854,765,489

Government Bonds

Prize Bonds	7,227,700	8,713,800
Reverse Repo with other Bank	-	-
Government Bonds	52,873,112,964	56,842,915,790
Total Government Bonds	52,880,340,664	56,851,629,590
Total Government Securities	69,384,568,462	64,706,395,079

b) Other investments

Shares in listed companies	6,011,537,354	5,116,345,610
Shares in non-listed companies	817,621,553	731,821,517
Sub-ordinated Bond	3,900,000,000	3,600,000,000
Perpetual Mudarba Bond (Islamic)	230,000,000	230,000,000
Perpetual Bond Investment	2,050,000,000	2,050,000,000
Private Sukuk Bond under SPV (Special Purpose Vehicle, Islamic Banking)	300,000,000	-
Investment in Alternative Investment Fund	170,000,000	-
Total other investments	13,479,158,907	11,728,167,127
Total Investments (a+b)	82,863,727,369	76,434,562,206

6.1 Government Securities are Classified as per Bangladesh Bank Circular

Treasury Bond - HTM	52,045,125,998	56,191,625,790
Treasury Bond - HFT	8,826,966	-
Treasury Bills - HTM	9,638,954,798	1,940,069,489
Treasury Bills - HFT	6,865,273,000	5,914,696,000
Bangladesh Bank Bills - HTM	-	-
Bangladesh Bank Bills - HFT	-	-
Bangladesh Bank - Sukuk Bond	819,160,000	651,290,000
Prize Bond	7,227,700	8,713,800
	69,384,568,462	64,706,395,079

6.2 Maturity grouping of investments

On demand	1,997,590,000	-
Up to three months	10,753,205,716	7,900,800,000
More than three months but less than one year	13,032,593,870	11,049,567,126
More than one year but less than five years	17,479,493,513	14,952,500,000
More than five years	39,600,844,270	42,531,695,079
	82,863,727,369	76,434,562,205

United Commercial Bank PLC

31.12.2023 Taka	31.12.2022 Taka
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6.3 Other Investments
A) Shares in listed companies other than BB Scheme

Name of the company	Market Price On 31.12.2023	Cost Price On 31.12.2023	Cost Price On 31.12.2022
Square Pharmaceuticals Ltd.	240,544,295	235,660,090	-
Grameenphone Ltd.	300,628,210	336,823,490	310,611,136
Brac Bank PLC.	543,595,864	556,686,199	441,019,972
Marico	74,891,405	74,661,958	29,175,635
National Housing Fin. and Inv. Ltd.	235,569,083	44,648,231	44,648,231
Titas Gas Transmission & dist. Co. Ltd.	-	-	-
Unique Hotel & Resorts Limited	-	-	-
ACI Limited	-	-	-
Berger PBL	59,279,984	59,816,485	66,081,678
Square Textile Limited	-	-	-
Shasha Denims Limited	83,636,847	147,310,199	147,310,199
Eastern Bank PLC.	-	-	-
City Bank PLC.	293,609,648	350,553,455	350,553,352
United Power Generation & Distribution Company Limited	58,870,666	67,031,572	67,031,572
Navana CNG Limited	-	-	-
Singer Bangladesh Limited	-	-	-
IFAD Autos Limited	29,117,951	69,778,759	69,778,759
BATBC	453,743,718	465,345,631	397,313,219
Reneta	343,463,633	307,238,330	278,655,682
Genex Infosys Limited	464,265,444	1,051,524,317	1,051,524,110
Runner Automobiles	158,432,173	140,288,089	140,288,089
Delta Life Indurance Company Limited	1,225,951,818	1,314,688,276	902,261,664
Olympic	-	-	30,609,615
Perpetual Muadarba Bond (Islamic)	230,000,000	230,000,000	230,000,000
Sub Total (A)	4,795,600,737	5,452,055,079	4,556,862,912

B) Shares in listed companies as per BB Scheme (DOS circular No. 01 dated 10 February 2020)

Name of the company	Market Price On 31.12.2023	Cost Price On 31.12.2023	Cost Price On 31.12.2022
Grameenphone Ltd.	300,619,326	322,396,500	322,396,500
Brac Bank Ltd.	288,508,835	312,895,084	312,895,470
BATBC	21,367,328	24,975,148	24,975,148
Square Pharmaceuticals Ltd.	131,031,200	129,215,580	129,215,580
Sub Total (B)	741,526,689	789,482,312	789,482,698

C) Shares in non-listed companies

Name of the company	Market Price On 31.12.2023	Cost Price On 31.12.2023	Cost Price On 31.12.2022
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
Energies Power Corporation	19,600,000	19,600,000	58,800,000
Fiber Shine	10,000,000	10,000,000	10,000,000
ICB AMC L2ND NRBU	30,415,000	40,985,125	40,985,125
SWIFT	8,258,622	8,258,622	8,258,622
UCB TAQWA GF	53,602,500	52,500,000	52,500,000
UCB AML FMF	30,330,000	30,000,000	30,000,000
UCBINCOMEPP	77,629,500	75,000,000	-
SEMLPBSLFI	150,000,000	150,000,000	-
BBMLSAI	300,000,000	300,000,000	-
Fair Electronics Ltd	400,000,000	400,000,000	500,000,000
Sub total (C)	1,111,113,392	1,117,621,517	731,821,517

Total (A+B+C)	6,648,240,818	7,359,158,908	6,078,167,127
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6.3 Cost and market value of investment as on 31 December 2023

Government securities	Cost Price (Taka)	Market Value/ Amortized Cost	Market Value/ Amortized Cost
Treasury Bills (Government Securities)	16,136,174,192	16,504,227,798	7,854,765,489
Treasury Bonds (Government Securities)	53,553,173,235	52,053,952,964	56,191,625,790
Others	-	-	-
Sukuk bond issued by Bangladesh Bank	819,160,000	819,160,000	651,290,000
Prize Bond	7,227,700	7,227,700	8,713,800
Total	70,515,735,127	69,384,568,462	64,706,395,079

Investment in Shares, Bond & Debenture:	Market Value/ Amortized Cost	Cost Price	Cost Price
Quoted Shares	5,537,127,426	6,241,537,391	5,346,345,610
Un-Quoted Shares	1,111,113,392	1,117,621,517	731,821,517
Total	6,648,240,818	7,359,158,908	6,078,167,127

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

6.4 (a) Disclosure regarding outstanding Reverse Repo on 31 December 2023.

Sl. No	Counter party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Total				-

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
Securities sold under repo			
1) With Bangladesh Bank	1,989,366,000	2,987,296,000	2,131,927,429
2) With Bank & Financial Institutions	801,809,185	1,369,411,324	1,089,227,595
Securities Purchased under reverse repo			
1) From Bangladesh Bank	-	-	-
2) From Other Bank & Financial Institutions.	535,961,646	2,006,483,390	1,129,216,799

7 Loans and Advances

510,710,023,606	474,639,746,250	505,969,487,028	468,605,096,016
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7.1 Maturity grouping of Loans & Advances (including bills purchased and discounted)

On demand	3,149,449,235	6,139,100,000	3,149,449,235	6,139,100,000
Not more than three months	140,382,437,491	131,933,998,608	140,382,437,491	131,933,998,608
More than three months but less than one year	121,911,062,877	116,574,611,326	117,178,492,813	110,541,963,315
More than one year but less than five years	172,768,779,783	154,968,392,991	172,768,779,783	154,968,392,991
More than five years	72,498,294,221	65,023,643,322	72,490,327,707	65,021,641,101
	510,710,023,606	474,639,746,249	505,969,487,028	468,605,096,016

7.2 Loans & Advances

i) Loans/Investments, Cash credit & overdraft etc.

a) Within Bangladesh

Loans & Advances/ Investments	408,352,348,918	361,250,884,868	403,611,812,340	355,216,234,636
Cash credits	27,986,948,164	25,417,990,838	27,986,948,164	25,417,990,838
Overdrafts	64,642,772,015	64,479,486,196	64,642,772,015	64,479,486,196
	500,982,069,097	451,148,361,902	496,241,532,519	445,113,711,670

b) Outside Bangladesh

500,982,069,097	451,148,361,902	496,241,532,519	445,113,711,670
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ii) Bills Purchased & Discounted (note : 7.13)

a) **Payable Inside Bangladesh**

Bills Purchased & discounted (Inland)	2,632,413,769	2,789,390,117	2,632,413,769	2,789,390,117
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b) Payable outside Bangladesh

Bills purchased & discounted (Foreign)	7,095,540,740	20,701,994,229	7,095,540,740	20,701,994,229
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9,727,954,509	23,491,384,346	9,727,954,509	23,491,384,346
510,710,023,606	474,639,746,249	505,969,487,028	468,605,096,016

7.3 Net Loans & Advances

Gross Loans & Advances (note- 7.2)	505,969,487,028	468,605,096,016
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Less : Non Performing Loans & Advances (note- 7.10 b)

Interest expense (note- 13.4)	19,090,019,324	15,162,207,211
Provision for Loans & Advances (note- 7.11)	18,919,302,840	19,208,242,209

65,828,714,143	62,448,134,916
440,140,772,885	406,156,961,100

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

Agricultural Loan	6,568,180,940	6,272,720,919
Commercial Lending	56,071,048,857	49,826,309,073
Export Finance	3,582,154,965	2,960,249,215
House Building Loan	27,680,729,717	25,025,888,198
Import Finance	36,741,431,446	25,641,240,760
Industrial Loan	286,535,410,076	282,530,411,628
Personal Loan	20,560,392,863	17,628,933,616
Staff Loan	6,406,298,633	5,310,392,251
Transport Loan	3,522,602,819	3,766,590,422
Others	58,301,236,714	49,642,359,934

Total Loans & Advances

505,969,487,028	468,605,096,016
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7.5 Industry wise Loans and Advances

Agriculture
Brick Field, Auto Bricks, Tiles
Cement Industries
Chemical & Chemical Products
Commercial Trade Financing
Construction (Other than Housing)
Diagnostic/Medical/Clinic
Educational Institute, Hotel, Restaurant
Electronics Media
Engineering, Basic Metal & Products
Food Products & Processing
Glass & Glassware Product Industries
Housing Industry
Jute Industries
Leather & Leather Products
Paper & Paper Products Industries
Power & Energy
RMG & Accessories
Ship Manufacturing
Ship Re-cycling
Tea Manufacturing
Telecommunication
Textile Industries
Transport & Communication
Wood & Wooden Products
Others

United Commercial Bank PLC	
31.12.2023	31.12.2022
Taka	Taka
6,568,180,940	6,272,720,919
2,730,773,581	2,330,461,103
13,588,045,741	14,806,113,247
14,870,720,044	9,846,114,838
96,394,635,268	78,427,799,048
42,985,316,478	38,105,193,198
3,739,662,149	3,849,136,870
7,261,101,989	5,839,267,577
328,246,157	335,270,270
19,283,136,633	16,818,759,987
21,786,185,497	18,416,246,261
-	518,954,390
27,680,729,717	25,025,888,198
221,677,511	227,457,203
1,500,969,515	1,345,234,575
6,204,249,171	6,880,541,819
15,155,411,460	10,870,069,620
69,949,004,085	84,079,761,237
633,955,157	1,850,623,547
13,079,720,630	11,943,009,041
-	421,550,403
2,748,317,595	2,442,455,755
28,704,388,106	32,456,282,644
3,522,602,819	3,766,590,422
2,371,121,519	2,229,491,533
104,661,335,267	89,500,102,311
505,969,487,028	468,605,096,016

7.6 Geographical Location wise Loans & Advances

Urban branches

Barisal Division
Chattogram Division
Dhaka Division
Khulna Division
Mymensingh Division
Rajshahi Division
Rangpur Division
Sylhet Division

1,058,013,442	746,470,338
97,217,385,440	86,437,455,603
376,533,633,423	350,084,446,298
8,535,332,220	8,021,722,727
839,897,193	691,967,067
5,423,489,119	6,088,025,262
1,169,115,489	772,869,696
2,424,315,061	1,871,611,420
493,201,181,387	454,714,568,411

Rural branches

Barisal Division
Chattogram Division
Dhaka Division
Khulna Division
Mymensingh Division
Rajshahi Division
Rangpur Division
Sylhet Division

79,482,793	54,696,361
2,417,185,109	3,231,316,216
8,497,336,591	9,312,581,425
455,863,724	283,455,211
456,463,066	201,447,753
363,630,641	281,878,134
229,520,787	126,066,293
268,822,931	399,086,212
12,768,305,642	13,890,527,605
505,969,487,028	468,605,096,016

7.7 Sector - wise Loans and Advances

Private sector
Government & autonomous
Co-operative sector

505,655,238,199	468,487,418,146
98,481,506	95,465,147
215,767,324	22,212,723
505,969,487,028	468,605,096,016

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	55,214,433,306	52,673,818,523
Outstanding Advances (note : 7.8.1)	290,870,219,358	242,979,104,422
Number of customers	35	40

United Commercial Bank PLC

31.12.2023 Taka	31.12.2022 Taka
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7.8.1 Detail of information on Advances more than 10% of Bank's total Capital.

Name of the Borrower	Outstanding as on 31 December 2023			31 December 2022
	Funded	Non-Funded	Total	Total Taka
Abul Khair group	1,006,998,815	7,520,184,329	8,527,183,144	6,669,972,187
Anwar Group	-	-	-	5,203,720,184
APS Group	1,839,083,880	2,001,169,207	3,840,253,087	3,783,910,222
AWR Group	6,401,138,163	514,490,676	6,915,628,838	5,225,701,769
B Trac Group	1,140,797,228	4,784,447,729	5,925,244,957	4,130,117,076
Baishakhi Group	3,372,450,899	4,350,045,915	7,722,496,814	4,428,988,751
Baraka Patenga Group	-	-	-	8,514,402,238
Baraka Shikalbaha Group	1,047,503,212	2,577,523,095	3,625,026,307	-
Bashundara Group	8,376,102,346	-	8,376,102,346	11,697,347,992
Bashundara Oil	2,700,922,966	6,035,349,020	8,736,271,986	2,569,308,386
Bashundhara Chemical Group	4,405,724,360	2,581,734,134	6,987,458,495	-
Bashundhara LP Group	3,397,704,191	7,482,474,893	10,880,179,084	-
Best Holdings Group	6,725,677,318	-	6,725,677,318	-
BSM Group	6,514,904,959	4,124,485,139	10,639,390,099	7,503,762,147
BSRM Group	427,798,763	5,110,567,286	5,538,366,049	3,153,833,637
Bulk Trade Group	-	-	-	5,421,505,016
City Group	3,053,149,905	10,116,767,144	13,169,917,049	8,411,099,517
Confidence Group	-	-	-	4,250,958,125
DIRD Group	6,464,543,137	1,220,730,322	7,685,273,459	6,832,674,388
Energypac Group	-	-	-	3,192,243,235
Four H group	8,901,985,664	4,837,536,450	13,739,522,114	15,040,353,234
GPH Group	4,703,814,808	11,066,588,327	15,770,403,135	8,637,400,000
Kabir Group	-	-	-	4,873,360,137
KDS Group	-	-	-	255,116,262
LIZ GROUP	3,387,987,252	2,583,684,060	5,971,671,311	5,801,599,033
M.M Knitwear Group	-	-	-	4,141,916,568
Max Group	-	-	-	4,950,900,000
Meghna Group	-	-	-	2,132,017,741
Metro (Panam) Group	2,711,537,799	3,752,895,694	6,464,433,493	6,997,081,720
Micro Fibre Group	2,585,850,814	8,601,584,585	11,187,435,399	9,430,641,575
Mondol Group	4,144,661,340	7,980,467,932	12,125,129,271	16,013,212,349
Mostafa-Hakim Group	8,830,577,811	3,388,069,027	12,218,646,838	11,590,133,725
Multi Trading Group	6,403,338,667	6,145,024,600	12,548,363,267	4,550,950,633
N.R. Group	3,281,985,192	4,306,122,257	7,588,107,449	7,789,060,962
Orion Group	7,662,192,019	848,690,263	8,510,882,281	3,674,930,876
Paramount	2,388,813,798	5,136,819,741	7,525,633,539	-
Pran Group	3,725,954,411	2,176,111,237	5,902,065,648	7,513,961,780
Rupayan Group	7,964,280,680	44,558,500	8,008,839,180	6,111,700,000
Smart Group	2,369,667,516	1,374,529,117	3,744,196,633	-
Spectra Group	902,165,355	2,157,483,614	3,059,648,969	2,816,200,000
SS Trading Group	6,334,378,267	6,327,825,540	12,662,203,807	-
Summit Group	-	-	-	1,981,542,436
Thermax Group	2,649,403,061	1,856,621,366	4,506,024,428	4,840,287,899
Toma Group	4,828,693,016	5,411,500,000	10,240,193,016	11,787,500,000
Universal Denims Group	3,504,462,114	1,356,851,916	4,861,314,030	3,962,267,654
Walton Group	-	-	-	2,007,438,663
Western Engineering (pvt) Ltd.	6,709,562,614	2,231,473,902	8,941,036,516	5,089,986,305
Total	150,865,812,341	140,004,407,016	290,870,219,358	242,979,104,422

7.9 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.	368,689,953,588	362,686,830,278
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	84,594,301,587	41,731,110,548
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	52,685,231,852	64,187,155,189
iv) Loans adversely classified, provision not maintained there against.	-	-
	505,969,487,028	468,605,096,016
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	58,301,236,714	5,310,392,251
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	-	-
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 other person	58,301,236,714	5,310,392,251
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	-	-

		United Commercial Bank PLC	
		31.12.2023 Taka	31.12.2022 Taka
ix) Due from banking companies		-	-
x) Amount of classified loans on which interest has not been charged:		21,707,835,100	26,129,730,824
a) (Decrease)/ Increase in provision		942,891,366	2,623,860,070
b) Amount realized against loan previously written off		409,590,871	236,944,194
c) Amount of provision kept against loan classified as Bad /Loss on the balance sheet date		8,176,458,758	10,002,939,434
d) Interest credited to the interest suspense account.		8,644,732,800	5,960,421,558
xi) Cumulative amount of the written off loan		22,097,061,871	17,855,427,756
xii) Amount written off during the year		4,651,224,986	4,232,485,241
Principal Written off		3,252,371,300	3,079,326,167
Interest suspense written off		1,398,853,687	1,153,159,074
xiii) Amount of written-off of loans for which law suit filed		24,717,363,036	20,066,138,050
7.10 Classification of Loans & Advances			
a) Unclassified			
Standard		468,817,311,591	428,533,305,899
Standard (SMA)		7,862,506,898	10,219,511,122
SMA-Special RSDL (BRPD-5)		1,470,276,561	1,774,593,498
		478,150,095,050	440,527,410,519
b) Classified			
Sub - Standard		5,483,840,521	1,605,752,460
Doubtful		627,716,359	342,202,212
Bad & Loss		21,707,835,100	26,129,730,824
		27,819,391,979	28,077,685,496
Total		505,969,487,028	468,605,096,016
* Business segment-wise concentration of classified loans and advances (Non Performing)			
	Sub Standard	Doubtful	Bad & Loss
Corporate	3,809,942,322	-	11,066,627,083
Retail	132,791,585	55,151,722	497,484,790
SME	1,541,106,614	572,564,637	10,143,723,227
Total	5,483,840,521	627,716,359	21,707,835,100
			27,819,391,979
			28,077,685,496

7.11 Particulars of required provision for Loans & Advances

<u>Particulars</u>	<u>Base for Provision</u>	<u>Rate of Provision</u>	<u>Provision required</u>	
General Provision (A)				
Special Mention Account	7,243,218,955	0.25% - 5%	84,399,489	56,229,837
Small & Medium Enterprise	121,465,138,259	0.25%	303,662,837	241,930,574
Consumer Fin.- Credit Card	3,989,315,638	2%	70,273,870	57,636,578
Consumer Fin-House Finance	7,295,738,297	1%	72,756,061	49,833,006
Consumer Fin - Professional	471,390,785	2%	9,427,825	8,159,351
Consumer Fin-Others	5,200,530,299	5%	103,961,277	106,714,025
Short Term Agri & Micro Credit	6,808,354,052	1%	68,083,576	82,208,766
Loan to BHs/MBs/SDs against share	2,483,346,718	2%	48,964,783	40,678,504
Standard loans & advances	321,103,497,543	1%	3,852,199,400	3,728,137,881
Special General Provision- COVID-19	-	1%	1,630,000,000	1,630,000,000
	<u>476,060,530,546</u>		<u>6,243,729,118</u>	<u>6,001,528,522</u>
Specific Provision (B)				
Sub - Standard	3,102,705,521	5% - 20%	611,172,094	174,653,880
Doubtful	268,670,119	5% - 50%	68,669,640	108,230,929
Bad & Loss	8,176,458,767	100%	8,176,458,758	10,002,939,434
Bangladesh Bank Directives	-		4,547,037,546	2,416,823,025
SMA-Special RSDL (BRPD-5)	1,031,593,898		504,066,419	504,066,419
Provision against special accounts	-		-	-
	<u>12,579,428,305</u>		<u>13,907,404,457</u>	<u>13,206,713,687</u>
Total provision required for Loans & Advances (A+B)	<u>488,639,958,851</u>		<u>20,151,133,575</u>	<u>19,208,242,209</u>
Total provision held for Loans & Advances			<u>20,151,133,575</u>	<u>19,208,242,209</u>
Excess/(Short) Provision			-	-

"As per letter ref: DBI-4/7007/2024-536 dated 29 April 2024 by Bangladesh Bank the general provision was Taka 674.78 crore and specific provision was Taka 1,340.33 crore. But the Bank has been following BRPD circular letter no. 06 dated 19 May 2019 issued for loans reschedule under onetime exit for booking mandatory provision against SMA under general provision and remaining portion against SMA-Special RSDL (BRPD-5) under classified loans". Hence, Taka 50.41 Crore under SMA-Special RSDL (BRPD-5) was considered specific provision".

7.12 Suit filed by different branches against defaulted borrowers during the year (Branch wise details)

Agrabad Branch	1,983,690,722	927,262,260
Anwara Branch	-	8,858,802
Bahaddarhat Branch	-	14,693,341
Basundhara Branch	11,573,206	-
Bijaynagar Branch	-	32,569,771
Card Division	202,524,592	-

Chapainabgonj Branch
Chashara Branch
Chaumuhani Branch
Comilla Branch
Corporate Branch
Faridpur Branch
Foreign Exchange Branch
Gazipur Chowrasta Branch
Gulshan Branch
Islampur Branch
Jessore Branch
Jhawtala Branch
Jubilee Road Branch
Kadamtali Branch
Kamarpara Branch
Kamrangichar Branch
Kanaipur Branch
Kawran Bazar Branch
Khatungonj Branch
Lakshmiipur Branch
Mirpur Road Branch
Moulvibazar (Sylhet)
Moulvibazar Dhaka
Mymensingh Branch
Narsingdi Branch
Nayabazar Branch
New Eskaton Branch
O.R Nizam Road branch
Pabna Branch
Paglabazar Branch
Pahartali Branch
Port Branch
Pragati Sarani Branch
Principal Branch
Raozan SME-Krishi Branch
Sarulia Bazar Branch
Sitakunda Branch
Station Road Branch
Sylhet Branch
Tongi Branch
Zinzira Branch

United Commercial Bank PLC	
31.12.2023 Taka	31.12.2022 Taka
10,045,001	-
43,675,732	-
-	73,515,661
2,251,774,267	-
-	244,295,196
232,085,247	-
-	149,250,108
-	16,118,474
721,136,739	35,304,614
-	4,245,486
289,237,609	-
-	-
13,295,520	-
209,628,228	-
3,574,977	-
-	6,702,494
-	2,782,916
1,143,922,760	-
171,538,660	860,463,168
317,672,897	-
-	738,716,180
1,159,827	-
601,320	5,067,670
-	2,212,289
54,029,534	46,523,143
40,883,545	-
42,792,274	-
31,707,773	3,216,047
59,206,454	-
42,435,368	-
64,651,902	-
89,383,955	-
-	16,234,812
673,019,290	65,845,149
21,187,844	-
9,556,527	-
178,682,091	-
-	11,967,350
-	215,648,483
27,440,546	-
3,536,258	-
8,945,650,661	3,481,493,416

7.13 Bills purchased and discounted

- a) Payable in Bangladesh
b) Payable in outside Bangladesh

2,632,413,768	2,789,390,117
7,095,540,742	20,701,994,229
9,727,954,510	23,491,384,346

7.13.1 Maturity grouping of bills purchased and discounted

Payable within one month
More than one month but less than three months
More than three months but less than six months
More than six months

3,795,954,510	8,516,200,000
2,978,500,000	6,889,600,000
483,441,130	330,948,534
2,470,058,870	7,754,635,812
9,727,954,510	23,491,384,346

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 letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021, the status for the year 2023 is as follows:

Particulars	Compliance of BRPD Circular Letter # 04*		Compliance of BRPD Circular Letter # 35**	
	No of Files	% of compliance	No of Files	% of compliance
Complied Files	627	94%	580	93%
Total Files	669		627	

* BRPD Circular Letter # 04: Regarding the collection of audited financial statements and statutory audit report for sanctioned/renewed investments.

** BRPD Circular Letter # 35: Regarding the verification of audited financial statements through Document Verification System (DVS) developed by ICAB.

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
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	2,663,726,008	2,623,253,671	2,623,253,671
Furniture and fixtures	2,856,307,366	2,792,390,685	2,757,849,217	2,693,736,543
Office equipments	3,098,745,902	2,764,213,030	3,047,543,911	2,713,986,040
Computer & equipments	3,079,264,233	2,506,826,435	2,714,907,951	2,190,846,756
Vehicles	652,831,737	642,675,822	621,278,877	610,872,113
Capital Expenditure Work in Progress	3,676,537,344	724,573,408	3,642,387,048	580,762,044
	22,310,368,768	18,377,361,567	19,802,274,959	15,808,511,450
Intangible assets				
Computer software	2,140,291,715	1,864,123,891	1,899,974,139	1,848,510,666
Lease Asset				
Right of Use (ROU) assets	5,646,657,491	5,590,566,138	5,590,566,138	5,590,566,138
	30,097,317,974	25,832,051,596	27,292,815,236	23,247,588,254
Less: Accumulated depreciation & amortization	10,514,159,915	8,805,540,602	10,276,395,415	8,668,178,180
Written down value at the end of the year	19,583,158,058	17,026,510,993	17,016,419,821	14,579,410,074

A schedule of Fixed assets is given in **Annexure - B**

9 Other assets

Account with Stock Broker	144,889,416	282,494,602	144,889,416	282,494,602
Advance Deposit	4,535,836	4,654,406	4,535,836	4,654,406
Advance Income Tax Paid (note - 9.1)	-	1,529,764,179	-	1,529,764,179
Advance Payment	2,687,827,043	2,659,369,280	1,974,507,977	2,091,229,330
Deferred Tax Asset (note - 9.2)	5,965,271,335	5,469,685,031	5,964,414,688	5,470,180,663
Head Office General Account (note - 9.3)	1,461,867	140,471	1,461,867	140,471
Income Receivable	39,695,639	16,984,457	39,695,639	16,984,457
Interest Receivable	1,893,534,274	1,973,706,061	1,893,534,274	1,973,706,061
Investment in share of subsidiary companies.	-	-	9,500,085,066	7,499,999,870
Receivable from Subsidiary Company	-	-	570,067	110
Stock of Stationery & Stamps	106,250,750	72,649,049	106,250,750	72,649,049
Suspense Account (note - 9.4)	1,484,516,966	1,546,814,416	1,484,516,979	1,546,814,416
UBS Required Settlement Account	677,277,285	157,037,330	677,277,285	157,037,330
Others (note - 9.5)	7,350,097	1,514,055	7,350,097	1,018,435
	13,012,610,508	13,714,813,337	21,799,089,941	20,646,673,379

9.1 Advance income tax

Opening balance	1,529,764,179	1,118,597,021
Add: Advance Tax paid during the year	3,458,466,081	4,392,182,336
Less: Advance Tax adjustment with tax Provision	(4,988,230,260)	(3,981,015,178)
	-	1,529,764,179

9.2 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, 2022

Deferred Tax Asset (a)	5,569,599,009
Deferred Tax Liability (b)	(99,418,346)
Net Deferred Tax Asset as at 31 December, 2022 (a+b)	5,470,180,663

Balance as at 31 December, 2023

Deferred Tax Asset (a)	5,964,414,688
Deferred Tax Liability (b)	-
Net Deferred Tax Asset as at 31 December, 2023 (a+b)	5,964,414,688

Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable rate	Deferred Tax Asset/(Liability)
Provision Opening(Specific)	14,689,053,706	2,620,780,190	12,068,273,516	37.50%	4,525,602,569
Provision During the Year(Specific)	3,953,363,056	631,591,110	3,321,771,946	37.50%	1,245,664,480
Provision Opening(Dilution of Investment)	612,038,691	-	612,038,691	10.00%	61,203,869
Provision During the Year(Dilution of Investment)	61,249,230	-	61,249,230	10.00%	6,124,923
Property, Plant and Equipment's	5,679,186,070	6,014,702,997	335,516,927	37.50%	125,818,848
Deferred tax asset (a)					5,964,414,688
Deferred tax liabilities (b)					-

9.3 Head Office General Account

This is made up as follows :

Due from branches
Due to branches

9.4 Suspense accounts

Advance deposit and prepayments
Advance against Foreign Remittance Settlement
Claims on Sanchaypatra
Interest on sanchaypatra
Protested bill
Sundry receivable ATM
Card settlement account
Others

9.5 Others

UCB International School Project
Settlement Account - Binimoy and others

9.6 Income generating other assets

Investment in share of subsidiary companies

UCB Stock Brokerage Limited
UCB Investment Limited
UCB Asset Management Limited
UCB Fintech Company Limited
UCB Exchange (SG) PTE. Ltd.

9.7 Non-income generating other assets

Stock of Stationery & Stamps
Receivable from subsidiary companies
Account with Stock Broker
Advance Payment
Advance Deposit
Advance Income Tax
Suspense Account
UBS Required Settlement Account
Head Office General Account
Deferred Tax Asset
Interest receivable
Income receivable
Others

10 Non-Banking Assets

As per schedule 01 under section 38 of Bank Company Act, 1991 and BRPD circular 14 dated 25 June 2003, a bank needs to present non-banking asset in its Balance Sheet statement. As per section 33(7) of Artha Rin Adalat Ain, 2003 and BRPD circular no. 22 dated 20 September 2021, after getting the ownership of any security/mortgaged property against bank loans, a bank has to take necessary actions to ensure registration, mutation and physical possession; and report non-banking asset in its financial statements.

The bank has been awarded ownership u/s 33(7) of Artha Rin Adalat Ain, 2003 of 31 mortgaged properties as of 31 December 2023 as per the verdicts of learned court. However, mutation and physical possession of none of these properties has been completed as yet. Therefore, the Bank did not report any non-banking asset in its financial statements. Though the Bank is in process of receiving mutation and physical possession of some of these properties. The Bank will perform the valuation of those properties as per BRPD circular no. 22 dated 20 September 2021; and report in its financial statements upon fulfilment of these criteria of the said circular.

United Commercial Bank PLC	
31.12.2023 Taka	31.12.2022 Taka
207,317,874,095 (207,316,412,228)	178,644,215,303 (178,644,074,832)
1,461,867	140,471

593,526,445	752,608,255
2,736,698	85,289,523
17,783,953	75,016,553
7,169,788	23,507,571
97,462,235	97,020,471
614,930,296	404,741,922
130,647,064	107,753,321
20,260,500	876,800
1,484,516,979	1,546,814,416

949,554	949,554
6,400,543	68,881
7,350,097	1,018,435

2,499,999,900	2,499,999,900
999,999,990	999,999,990
999,999,990	999,999,990
4,999,999,990	2,999,999,990
85,196	-
9,500,085,066	7,499,999,870

106,250,750	72,649,049
570,067	110
144,889,416	282,494,602
1,974,507,977	2,091,229,330
4,535,836	4,654,406
-	1,529,764,179
1,484,516,979	1,546,814,416
677,277,285	157,037,330
1,461,867	140,471
5,964,414,688	5,470,180,663
1,893,534,274	1,973,706,061
39,695,639	16,984,457
7,350,097	1,018,435
12,299,004,874	13,146,673,510

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	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
11 Borrowings from other banks, financial institutions & agents				
In Bangladesh (note - 11.1)	61,377,181,142	97,248,832,136	60,058,638,944	94,100,984,952
Outside Bangladesh (note - 11.2)	5,213,125,000	9,790,908,448	5,213,125,000	9,790,908,448
	66,590,306,142	107,039,740,584	65,271,763,944	103,891,893,400
11.1 In Bangladesh				
UCBL Subordinated Bond (note - 11.1.1)			10,480,000,000	11,480,000,000
UCBL Perpetual Bond (note - 11.1.2)			5,400,000,000	4,000,000,000
Borrowings from Bangladesh Bank - IPFF Fund			5,972,589,070	5,548,003,952
Borrowings from Bangladesh Bank - EDF			18,326,727,563	50,131,431,273
Borrowing from Bangladesh Bank Refinancing scheme			8,616,847,311	12,145,037,187
Borrowings from Off-shore Banking Unit (note - 11.1.3)			1,327,975,000	1,053,585,540
Borrowing from Banks (note - 11.1.4)			5,225,500,000	6,032,927,000
Money at Call on Short Notice (note - 11.1.5)			4,709,000,000	3,710,000,000
			60,058,638,944	94,100,984,952
11.1.1 UCBL Subordinated Bond				
UCBL 3rd Subordinated Bond			2,100,000,000	3,500,000,000
UCBL 4th Subordinated Bond			4,880,000,000	6,480,000,000
UCBL 5th Subordinated Bond			3,500,000,000	1,500,000,000
			10,480,000,000	11,480,000,000
Note: UCBL 1st and 2nd subordinated bonds were fully repaid.				
11.1.2 UCBL Perpetual Bond				
UCBL 1st Perpetual Bond			4,000,000,000	4,000,000,000
UCBL 2nd Perpetual Bond			1,400,000,000	-
			5,400,000,000	4,000,000,000
11.1.3 Borrowings from Off-shore Banking Unit				
Al Arafah Islami Bank PLC.			1,327,975,000	1,053,585,540
11.1.4 Borrowing from Banks				
Bank Asia PLC.			2,500,000,000	2,500,000,000
Commercial Bank of Ceylon PLC.			1,097,500,000	1,032,927,000
Jamuna Bank PLC.			878,000,000	-
NRB Commercial Bank PLC.			250,000,000	-
State Bank of India, Dhaka Branch			500,000,000	500,000,000
Southeast Bank PLC.			-	1,500,000,000
Uttara Bank PLC.			-	500,000,000
			5,225,500,000	6,032,927,000
11.1.5 Money at call on short notice				
Bangladesh Development Bank Limited			200,000,000	-
Commercial Bank of Ceylon PLC.			500,000,000	-
Eastern Bank PLC.			-	500,000,000
Jamuna Bank PLC.			439,000,000	-
Mutual Trust Bank PLC.			-	310,000,000
Megna Bank PLC.			-	400,000,000
One Bank PLC.			1,300,000,000	-
State Bank of India, Dhaka Branch			970,000,000	-
The Premier Bank PLC.			1,000,000,000	1,500,000,000
Uttara Bank PLC.			300,000,000	1,000,000,000
			4,709,000,000	3,710,000,000
11.2 Outside Bangladesh				
Bank Muscat International			-	1,342,805,100
Caixa Bank, Spain			2,304,750,000	1,611,366,120
Emirates Islamic Bank, UAE			1,262,125,000	663,139,134
Emirates NBD Bank PJSC, UAE			1,646,250,000	1,008,963,094
National Bank of Ras Al-Khaimah, UAE			-	4,235,000,700
State Bank of India, Hong Kong			-	206,585,400
United Bank Limited-UAE			-	723,048,900
			5,213,125,000	9,790,908,448
11.3 Security against borrowings from other banks, financial institutions and agents				
Secured			-	-
Unsecured			65,271,763,944	103,891,893,400
			65,271,763,944	103,891,893,400

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

11.4 Maturity Grouping of Borrowings from other banks, financial institutions & agent

Payable on demand		2,579,673,338	3,710,000,000
Payable within one month		7,643,368,890	14,183,407,146
More than one month but within six months		28,936,399,845	56,390,590,639
More than six month but within one year		1,333,393,879	4,382,695,615
More than one year but within five years		12,023,188,542	14,854,200,000
More than five years*		12,755,739,450	10,371,000,000
		65,271,763,944	103,891,893,400

* Includes perpetual bond amounting to BDT 5,400,000,000.00 which do not have any maturity.

12 Deposits and other accounts

Inter Bank deposits	4,005,845,045	5,318,259,349	4,005,845,045	5,318,259,349
Deposit from customers and others	507,386,861,122	419,365,157,625	509,388,838,739	420,710,181,419
	511,392,706,167	424,683,416,974	513,394,683,784	426,028,440,768

a. Current accounts & other accounts

Current deposits	57,353,703,311	52,518,987,419	59,355,680,928	53,864,011,213
Foreign currency deposits	5,734,188,626	3,725,788,414	5,734,188,626	3,725,788,414
Sundry deposits (note - 12.1)	63,277,953,479	36,722,745,385	63,277,953,479	36,722,745,385
	126,365,845,416	92,967,521,218	128,367,823,033	94,312,545,012

b. Bills Payable

Pay order	8,338,544,188	7,009,297,398	8,338,544,188	7,009,297,398
Demand draft payable	6,061,754	6,724,085	6,061,754	6,724,085
	8,344,605,942	7,016,021,483	8,344,605,942	7,016,021,483

c. Savings Bank deposits

Savings Bank deposits	94,572,958,191	85,798,085,253	94,572,958,191	85,798,085,253
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d. Fixed deposits

Fixed deposits	205,113,968,139	158,050,366,555	205,113,968,139	158,050,366,555
Scheme Deposits	38,201,352,262	44,025,566,874	38,201,352,262	44,025,566,874
	243,315,320,401	202,075,933,429	243,315,320,401	202,075,933,429

e. Special notice deposits

	38,793,976,218	36,825,855,591	38,793,976,218	36,825,855,591
Total Deposits and other accounts (a+b+c+d+e)	511,392,706,168	424,683,416,974	513,394,683,785	426,028,440,768

*The Bank has BDT 14,095,499 unclaimed deposits of more than 10 years as of 31 December 2023 which will be deposited to Bangladesh Bank following section 35 of the Bank Company Act 1991.

12.1 Sundry deposits

Sundry creditors	208,272,702	968,107,698
Security deposits	13,347,050	10,981,550
Debit & Credit card	24,043,552	14,466,010
FC held against deemed export LC	3,228,297,525	2,388,400,621
FC held against BTB LC	24,870,941,803	20,989,948,246
Others*	96,299,504	25,892,671
Margin		
Letter of guarantees	3,021,658,843	2,539,085,022
Letter of credit	31,702,291,565	9,693,391,305
SME Loan	11,144,730	19,734,377
Export Proceed	101,656,205	72,737,885
	63,277,953,479	36,722,745,385

12.2 Maturity analysis of deposits & other accounts
Inter- Bank Deposits

Payable on demand	349,172,279	1,761,946,896
Payable within one month	1,356,672,765	56,312,453
More than one month but within six months	2,300,000,000.00	-
More than six month but within one year	-	3,500,000,000
More than one year but within five years	-	-
More than five years but within ten years	-	-
	4,005,845,045	5,318,259,349

Deposit from customers and others

Payable on demand	5,734,785,016	7,125,614,954
Payable within one month	63,955,142,353	41,648,081,630
More than one month but within six months	143,772,082,947	101,422,205,945
More than six month but within one year	47,862,948,873	39,576,457,649
More than one year but within five years	133,989,484,730	124,148,643,905
More than five years but within ten years	114,074,394,822	106,789,177,335
	509,388,838,740	420,710,181,419
	513,394,683,785	426,028,440,768

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

12.3 Sector-wise deposits

Foreign Currency Deposits
Government
Private
Public
Semi-Government

5,734,188,626	3,725,788,414
7,426,467,140	2,274,838,902
465,897,088,309	394,387,957,347
29,011,308,965	21,836,228,253
5,325,630,745	3,803,627,852
513,394,683,785	426,028,440,768

13 Other Liabilities

Provision for loans & advances	note - 13.1	18,521,133,575	17,578,242,209	18,521,133,575	17,578,242,209
Provision for special general- COVID_19	note - 13.2	1,630,000,000	1,630,000,000	1,630,000,000	1,630,000,000
Provision for diminution in value of investment	note - 13.3	673,287,921	612,038,691	673,287,921	612,038,691
Provision for off-balance sheet exposure	note - 13.4	2,342,179,465	1,944,055,532	2,342,179,465	1,944,055,532
Provision for classified fixed assets	note - 13.5	3,972,000	3,972,000	3,972,000	3,972,000
Provision for classified other assets	note - 13.6	425,356,588	105,000,000	425,356,588	105,000,000
Provision for current tax	note - 13.7	3,888,618,764	5,697,991,322	3,094,286,636	5,095,981,421
Interest suspense account	note - 13.8	19,090,019,324	15,162,207,211	19,090,019,324	15,162,207,211
Payable to UCB foundation	note - 13.9	57,504,000	87,000,000	57,504,000	87,000,000
Unclaimed Dividend*		91,126,207	62,654,264	91,126,207	62,654,264
Interest/profit payable		6,603,552,218	5,187,716,314	6,603,552,218	5,187,716,314
Lease Liabilities as per IFRS 16		3,922,902,223	4,282,470,913	3,922,902,223	4,282,470,913
Sundry liabilities	note-13.10	10,508,543,861	8,705,752,899	6,807,173,833	5,101,949,096
Start-Up Fund	note-13.11	127,434,662	100,583,799	127,434,662	100,583,799
CSR Fund	note-13.12	111,511,610	245,965,311	111,511,610	245,965,311
		67,997,142,418	61,405,650,465	63,501,440,259	57,199,836,761

*Unclaimed dividend is the residual amount of approved dividend in AGM which has not yet been paid to or claimed by the shareholders.

13.1 Provision for loans & advances

General provision note-13.1.1
Specific Provision note-13.1.2

4,613,729,118	4,371,528,522
13,907,404,457	13,206,713,687
18,521,133,575	17,578,242,209

13.1.1 General provision

Opening balance
Add: Provision made during the year
Add: Exchange Difference

4,371,528,522	4,922,039,998
231,767,659	(593,928,633)
10,432,937	43,417,157
4,613,729,118	4,371,528,522

13.1.2 Specific Provision

Opening balance
Less: Adjustment due to written off
Add: Provision made during the year
Add: Recoveries of amounts previously written off

13,206,713,687	10,122,342,140
(3,252,672,286)	(3,079,191,210)
3,543,772,185	5,926,618,563
409,590,871	236,944,194
13,907,404,457	13,206,713,687

13.2 Special General Provision for COVID_19

Opening balance
Add: Provision made during the year

1,630,000,000	1,540,000,000
-	90,000,000
1,630,000,000	1,630,000,000

13.3 Provision for diminution in value of investment

Opening balance
Add: Provision made/(reversed) during the year

612,038,691	-
61,249,230	612,038,691
673,287,921	612,038,691

13.4 Provision for off-balance sheet exposure

Opening balance
Add: Provision made during the year
Add: Exchange Difference

1,944,055,532	2,407,237,923
391,186,992	(482,028,218)
6,936,941	18,845,827
2,342,179,465	1,944,055,532

Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 06 dated 25 April 2023.

13.5 Provision for classified fixed assets

Opening balance
Add: Provision made during the year

3,972,000	3,972,000
-	-
3,972,000	3,972,000

13.6 Provision for classified other assets

Opening balance
Add: Provision made during the year

105,000,000	105,000,000
320,356,588	-
425,356,588	105,000,000

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
13.7 Provision for current tax				
Opening balance			5,095,981,421	5,943,618,568
Add: Addition during the year			2,986,535,476	3,133,378,030
Add: Adjustment with previous year			(5,433,266,576)	-
Less: Adjustment with advance Tax			445,036,315	(3,981,015,177)
			3,094,286,636	5,095,981,421
13.8 Interest suspense account				
Opening balance			15,162,207,211	13,540,853,401
Add: Amount transferred to interest suspense account during the year			8,644,732,800	5,960,421,558
Less: Amount recovered from interest suspense account during the year			(3,257,615,199)	(3,120,709,566)
Less: Interest waiver/remission allowed			(60,451,801)	(65,199,108)
Less: Amount written off during the year			(1,398,853,687)	(1,153,159,074)
			19,090,019,324	15,162,207,211
13.9 Payable to UCB foundation				
Opening balance			87,000,000	81,500,000
Add: contribution during the year			75,000,000	85,000,000
Less: Fund transfer to UCB Foundation			(104,496,000)	(79,500,000)
			57,504,000	87,000,000
13.10 Sundry liabilities				
UCB Employees' Funds			360,000,000	-
Sundry Payable			1,166,534,998	515,671,188
Other Payable to Employee (Welfare Fund)			100,307,400	-
Compensation Suspense Account (Islamic Banking)			1,127,097	-
Unearned Income (Islamic Banking)			414,621,620	116,023,710
Payable_Tax VAT Excise Duty			1,825,664,782	1,500,719,943
Payable_Debit & Credit Card			341,235,673	243,798,027
Other Sundry Liabilities			2,318,248,246	2,545,188,602
ATM Payable			248,514,579	180,547,626
Compensation Realisable Account (Islamic Banking)			28,004,600	-
Settlement Accounts Payable (Cards)			2,914,840	-
			6,807,173,835	5,101,949,096
13.11 Start Up Fund				
Opening balance			100,583,799	60,343,687
Add: Provision made during the year			26,850,863	40,240,112
			127,434,662	100,583,799
Utilization of proceeds from the start up fund is BDT 25,000,000 as of 31 December 2023.				
13.12 Corporate Social Responsibility (CSR) Fund				
Opening balance			245,965,311	-
Provision made during the year			-	245,965,311
Less: Expenses incurred from UCB CSR Fund			(134,453,701)	-
			111,511,610	245,965,311
14 Share Capital				
Opening balance			14,062,366,430	12,783,969,490
Add: Bonus shares issued			703,118,320	1,278,396,940
			14,765,484,750	14,062,366,430
14.1 Authorized Capital				
1,500,000,000 ordinary shares of Tk. 10.00 each			15,000,000,000	15,000,000,000
14.2 Issued, subscribed and paid up Capital				
1,278,396,949 ordinary shares @ Taka 10.00 each			14,062,366,430	12,783,969,490
127,839,694 ordinary shares @ Taka 10.00 each issued as bonus share in the year 2022			-	1,278,396,940
7,03,11,832 ordinary shares @ Taka 10.00 each issued as bonus share in the year 2023			703,118,320	-
			14,765,484,750	14,062,366,430

Shareholding position:

Particulars	31 December 2023		31 December 2022	
	No. of Shares	Amount in BDT	No. of Shares	Amount in BDT
Sponsors/Directors	529,748,133	5,297,481,330	487,236,904	4,872,369,040
Government of People's Republic of Bangladesh	11,975,972	119,759,720	11,405,688	114,056,880
General Public	615,085,527	6,150,855,270	596,000,011	5,960,000,110
Institution(Financial & Others)	319,738,843	3,197,388,430	311,594,040	3,115,940,400
Total	1,476,548,475	14,765,484,750	1,406,236,643	14,062,366,430

Consolidated		United Commercial Bank PLC	
31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka

14.3 Share Premium

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

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

Rights 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.

14.4 Classification of Shareholders by holding as at 31 December 2023

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	31 December 2023 Total Holdings %	31 December 2022 Total Holdings %
Upto 500 Shares	19,016	2,445,059	24,450,590	0.17%	0.22%
501 to 5000 Shares	18,857	34,370,057	343,700,570	2.33%	2.48%
5001 to 10,000 Shares	2,820	20,919,903	209,199,030	1.42%	1.41%
10,001 to 20,000 Shares	1,754	25,684,321	256,843,210	1.74%	1.74%
20,001 to 30,000 Shares	603	15,872,276	158,722,760	1.07%	1.05%
30,001 to 40,000 Shares	244	8,722,969	87,229,690	0.59%	0.60%
40,001 to 50,000 Shares	152	6,938,133	69,381,330	0.47%	0.48%
50,001 to 100,000 Shares	297	20,978,411	209,784,110	1.42%	1.43%
100,001 to 10,00,000 Shares	332	92,666,489	926,664,890	6.28%	6.35%
10,00,001 & above	154	1,247,950,857	12,479,508,570	84.52%	84.23%
Total	44,229	1,476,548,475	14,765,484,750	100.00%	100.00%

14.5 History of Paid Up Capital

Year	Number of Shares Issued	Amount in BDT	Cumulative Paid up Capital
1983	355,000	35,500,000	35,500,000
1984	85,000	8,500,000	44,000,000
1986	360,000	36,000,000	80,000,000
1988	400,000	40,000,000	120,000,000
1991	171,428	17,142,800	137,142,800
1994	397,963	39,796,300	176,939,100
1995	176,939	17,693,900	194,633,000
1996	291,949	29,194,900	223,827,900
1997	63,296	6,329,600	230,157,500
2007	690,473	69,047,300	299,204,800
2010	26,107,487	2,610,748,700	2,909,953,500
2011	436,493,025	4,364,930,250	7,274,883,750
2012	109,123,256	1,091,232,560	8,366,116,310
2013	-	-	8,366,116,310
2014	-	-	8,366,116,310
2015	167,322,326	1,673,223,260	10,039,339,570
2016	50,196,697	501,966,970	10,541,306,540
2017	-	-	10,541,306,540
2018	-	-	10,541,306,540
2019	105,413,065	1,054,130,650	11,595,437,190
2020	57,977,185	579,771,850	12,175,209,040
2021	60,876,045	608,760,450	12,783,969,490
2022	127,839,694	1,278,396,940	14,062,366,430
2023	-	703,118,320	14,765,484,750



Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

14.6 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 21 December 2014. Required Capital with Capital Conservation Buffer of the bank at the close of business on 31 December 2023 was Taka 54,857,046,944 as against available Tier-1 Capital of Taka 39,148,524,723 and Tier-2 Capital of Taka 16,065,908,583 making a Total Regulatory Capital of Taka 55,214,433,306 thereby an excess of capital of Taka 357,386,362 at that date.

Details are shown below :

Tier-I Capital :

Common Equity Tier-1 capital (CET1):

Paid-up Capital (note: 14.2)	14,765,484,750	14,062,366,430
Share Premium (note: 14.3)	1,454,976,750	1,454,976,750
Statutory Reserve (note: 15)	15,730,183,055	15,730,183,055
General Reserve (note : 16)	26,577,961	26,577,961
Retained Earnings (note : 18)	7,769,983,871	6,885,485,076
	39,747,206,387	38,159,589,272

Less: Regulatory Adjustments:

Goodwill and all other Intangible Assets	332,487,711	634,683,173
Deferred Tax Assets (DTA)	5,666,193,954	5,196,671,630
Reciprocal crossholdings and excess investment above limit	-	-
Others	-	-
	5,998,681,664	5,831,354,803

Total Common Equity Tier-1 Capital

Additional Tier-1 Capital (AT-1)

Less: Others

Total Tier-1 Capital

	33,748,524,723	32,328,234,469
	5,400,000,000	4,000,000,000
	-	-
	39,148,524,723	36,328,234,469

Tier-II Capital:

General Provision	8,585,908,583	7,945,584,054
Revaluation Reserve	-	-
Subordinated Bond	7,480,000,000	8,480,000,000
	16,065,908,583	16,425,584,054

Less: Regulatory Adjustments:

Revaluation Reserve	-	-
Reciprocal crossholdings in the T-2 Capital of BNBFI's & Insurance Entities	-	80,000,000
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)	-	-
Others	-	-
	-	-

Total Admissible Tier-2 Capital

Total Regulatory Capital

	16,065,908,583	16,345,584,054
	55,214,433,306	52,673,818,523

Risk Weighted Assets (note-14.8)

Minimum Capital Requirement with Capital Conservation Buffer

(12.5% of Risk Weighted Assets)

Capital Surplus/(Shortfall)

	438,856,375,554	403,261,209,410
	54,857,046,944	50,407,651,176
	357,386,362	2,266,167,347

14.7 Composition of Capital	31 December 2023		31 December 2022	
	Required	Held	Required	Held
Common Equity Tier -I	6.00%	7.69%	6.00%	8.02%
Tier-I Capital	6.00%	8.92%	6.00%	9.01%
Tier-II Capital	0.00%	3.66%	0.00%	4.05%
Tier-I Capital with Buffer	8.50%	8.92%	8.50%	9.01%
Total CRAR	12.50%	12.58%	12.50%	13.06%

14.8 Computation of Risk weighted assets

On- Balance Sheet	328,645,730,693	299,071,325,136
Off-Balance sheet	50,754,703,774	53,012,116,206
Credit Risk (A)	379,400,434,467	352,083,441,342
Market Risk (B)	14,422,652,539	10,915,390,905
Operational risk (C)	45,033,288,548	40,262,377,163
Total Risk Weighted assets (A+B+C)	438,856,375,554	403,261,209,410

15 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	15,730,183,055	14,555,968,681	15,730,183,055	14,546,968,923
Add : Transferred during the year	72,548,218	1,208,339,758	-	1,183,214,132
	15,802,731,273	15,764,308,439	15,730,183,055	15,730,183,055

As per Section 24 (1) of Bank Company Act 1991 and as amended till date, a bank needs to transfer 20% of profit before any money is transferred to Government or any dividend is declared (i.e. profit before tax) to statutory reserve if the amount in such fund together with the amount in the share premium account is less than its paid-up capital. The Bank has fulfilled the above criteria as of 31 December 2022. Hence, no transfer is required to be made in 2023.

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka
Opening Balance	26,577,961	26,577,961	26,577,961
Add: Transferred during for the year	-	-	-
26,577,961	26,577,961	26,577,961	26,577,961

16 General Reserve

Opening Balance
Add: Transferred during for the year

17 Other Reserve

Asset Revaluation Reserve (notes: 17.1)
Foreign currency translation gain/(loss)
Revaluation Reserve on HTM Securities (notes: 17.2.1)
Revaluation Reserve on HFT Securities (notes: 17.2.2)

2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
145,088,568	134,906,899	145,131,268	134,906,899
410,585,991	128,060,537	410,585,991	128,060,537
7,497,779	-	7,497,779	-
3,097,273,897	2,797,068,995	3,097,316,597	2,797,068,995

17.1 Asset Revaluation Reserve

As per International Accounting Standard (IAS) 16 - 'Property, Plant & Equipment', and 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 based on market survey by Padma Techno Consult & Survey Ltd., an independent professionally qualified valuation firm of the country. Accordingly, revaluation surplus of BDT 2,534,101,559.00 for land & building was recorded as asset revaluation reserve. Movement of the same at the reporting date is as follows:

Opening Balance	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Reserve made for the year	-	-	-	-
2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559

17.2 Revaluation Reserve

HTM Securities (notes 17.2.1)
HFT Securities (notes 17.2.2)

410,585,991	128,060,537
7,497,779	-
418,083,770	128,060,537

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.

17.2.1 Revaluation Reserve on HTM Securities

Opening Balance
Add: Net Revaluation gain/(adjustment) during the year

128,060,537	49,130,334
282,525,454	78,930,203
410,585,991	128,060,537

17.2.2 Revaluation Reserve on HFT Securities

Opening Balance
Add: Net Revaluation gain/(adjustment) during the year

-	18,602,185
7,497,779	(18,602,185)
7,497,779	-

18 Retained Earnings

Opening Balance
Add: Retained surplus transferred during for the year
Add: Adjustment for Deferred Tax Asset
Less: Issuance of Stock Dividend
Less: Issuance of Cash Dividend

6,885,485,076	5,997,660,416
2,290,735,424	2,166,221,600
-	-
(703,118,308)	(1,278,396,940)
(703,118,322)	-
7,769,983,871	6,885,485,076

18(a) Consolidated Retained Earnings

United Commercial Bank PLC
UCB Stock Brokerage Ltd.
UCB Investment Ltd.
UCB Asset Management Ltd.
UCB Fintech Company Limited
UCB Exchange(SG) PTE Ltd.

7,769,983,872	6,885,485,076
1,490,864,391	1,230,784,395
233,434,837	173,067,142
73,184,149	64,058,534
(3,134,906,250)	(2,280,579,586)
(1,087,474)	-
6,431,473,525	6,072,815,561
Less: Non controlling Interest	186
6,431,473,339	6,072,815,387
186	174

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

Non controlling interest

19 Contingent liabilities & commitment

Acceptances & endorsement (note- 19.1)
Letters of guarantee (note- 19.2)
Irrecoverable letters of credit (note- 19.3)
Bills for collection (note-19.4)
Other Commitments (note-19.5)

121,717,014,733	95,629,506,243
65,230,862,378	59,964,400,737
73,731,069,769	39,547,144,513
21,273,365,163	20,526,625,910
9,723,925,200	2,272,080,692
291,676,237,243	217,939,758,095

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

19.1 Acceptances & endorsements

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

88,653,907,826	72,908,541,938
33,063,106,907	22,720,964,305
121,717,014,733	95,629,506,243

19.2 Letters of guarantee

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

40,981,884,381	38,598,505,618
24,248,977,997	21,365,895,119
65,230,862,378	59,964,400,737

19.3 Irrecoverable letters of credit

Letters of credit (Inland)
Letters of credit (Foreign)
Back to back LC
Letters of credit EDF
Letters of credit EPZ

616,078,492	324,008,071
50,745,308,457	21,116,691,665
21,447,284,505	17,229,036,221
912,497,339	870,777,061
9,900,976	6,631,495
73,731,069,769	39,547,144,513

19.4 Bills for collection

Bills for collection
Foreign Bills for collection

13,125,385,296	13,574,675,495
8,147,979,867	6,951,950,415
21,273,365,163	20,526,625,910

19.5 Other Commitments

Documentary credit and short term trade related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments

-	-
9,723,925,200	2,272,080,692
-	-
-	-
9,723,925,200	2,272,080,692

2023	2022
Taka	Taka

20 Income Statement

Income

Interest, discount and similar income (note - 20.1)
Dividend income
Fees, commission and brokerage
Gains less losses arising from dealing in securities
Gains less losses arising from investment securities
Gain less losses arising from dealing in foreign currencies
Income from non-banking asset
Other operating income

43,542,471,539	37,182,200,704
206,590,018	178,569,508
5,797,038,753	4,383,768,586
-	-
4,337,111	9,040,399
1,588,182,967	3,515,705,784
-	-
239,814,676	263,842,890
51,378,435,064	45,533,127,871

Expenses

Interest paid on deposits and borrowings etc
Administrative expenses (note - 20.2)
Other operating expenses
Depreciation on banks assets

22,149,750,317	17,010,387,394
13,321,945,005	11,751,310,123
4,452,740,091	3,670,796,436
1,728,279,259	1,631,862,856
41,652,714,672	34,064,356,809
9,725,720,392	11,468,771,062

20.1 Interest, discount and similar income

Interest Income
Interest income from investments

37,881,518,594	31,684,836,835
5,660,952,945	5,497,363,869
43,542,471,539	37,182,200,704

UCB PLC has Islamic Banking Unit (Taqwa). Profit (income) and profit (paid) are included in Interest, discount and similar income and Interest paid on deposits and borrowings etc. respectively. Please see the relevant notes in the Financial Statements of UCB Islamic Banking.

20.2 Administrative expenses

Salary and allowances
Rent, taxes, insurance, electricity etc.
Legal expenses
Postage, stamps, telecommunications etc.
Stationery, printing, advertisements etc.
Chief Executive's salary and fees
Directors' fees
Auditors' fees
Repair of banks assets

8,539,916,432	7,658,696,939
2,039,834,071	1,623,559,944
90,864,365	94,587,412
221,997,247	219,090,942
1,688,042,867	1,694,262,239
16,435,484	14,098,442
3,178,349	3,544,387
1,150,000	1,725,000
720,526,190	441,744,818
13,321,945,005	11,751,310,123

Consolidated		United Commercial Bank PLC	
2023	2022	2023	2022
Taka	Taka	Taka	Taka

21 Interest Income

Interest on loans and advances	37,413,938,804	31,484,421,785	36,768,025,151	30,867,661,160
Interest on balances with other banks & Financial Institution	297,848,512	368,936,066	297,848,512	368,936,066
Interest on money at call on short notice	342,515,030	398,855,195	342,515,030	398,855,195
Interest on balance with foreign Bank	473,129,901	49,384,414	473,129,901	49,384,414
	38,527,432,247	32,301,597,460	37,881,518,594	31,684,836,835

UCB PLC has Islamic Banking Unit (Taqwa). Profit (Income) from Islamic Banking unit includes in Interest on loans and advances. Please see the relevant notes in the Financial Statements of UCB Islamic Banking.

22 Interests Paid on deposits and borrowings etc.

Interest paid on deposits (note - 22.1)	18,930,537,162	14,426,156,234	18,930,537,162	14,426,156,234
Interest paid on borrowings (note - 22.2)	3,308,459,867	2,661,311,471	3,219,213,155	2,584,231,160
	22,238,997,029	17,087,467,705	22,149,750,317	17,010,387,394

UCB PLC has Islamic Banking Unit (Taqwa). Profit paid on deposits, borrowings, etc. related to Islamic Banking unit includes in Interest paid on deposits and Interest paid on borrowings respectively. Please see the relevant notes in the Financial Statements of UCB Islamic Banking.

22.1 Interest paid on deposits

Savings Deposits	2,433,605,303	1,772,777,520
Special Notice Deposits	1,506,041,363	1,163,025,470
Fixed Term Deposits	11,891,187,434	8,027,114,747
Scheme Term Deposits	3,099,703,062	3,463,238,497
	18,930,537,162	14,426,156,234

22.2 Interest paid on borrowings

Borrowing from Bangladesh Bank	522,425,378	525,574,451
Borrowing from other Bank & financial institution	519,594,454	156,835,705
Borrowings from Bangladesh Bank - EDF	755,250,913	569,800,431
Subordinated Bond	908,617,842	911,605,115
Foreign currency borrowings	405,559,130	433,060,700
Other bank repo	3,504,667	(21,806,978)
Money at call on short notice	104,260,771	9,161,736
Re-issued/Buy Bonds	-	-
	3,219,213,155	2,584,231,160

23 Investment income

Interest income from investments (note - 23.1)	5,793,863,329	5,626,723,473	5,660,952,945	5,497,363,869
Non interest income from investments (note - 23.2)	210,977,129	187,749,907	210,977,129	187,749,907
	6,004,840,458	5,814,473,380	5,871,930,074	5,685,113,776

23.1 Interest income from investments

Government treasury bills/bonds	4,817,208,560	4,793,289,866
Sub-ordinated bonds	250,517,630	187,504,397
Term Placement (Islamic Banking Unit)	90,377,639	4,002,431
Short Notice Deposit Accounts (Islamic Banking Unit)	971,656	7,553,327
Perpetual Mudaraba Bond (Islamic Banking Unit)	19,659,795	14,322,106
Perpetual bonds	206,874,999	50,527,778
Reverse Repo with Other Bank	5,128,088	110,216,313
SUKUK Bond (note - 23.1.1)	51,705,093	26,765,787
Gain/(Loss) on revaluation on government securities (note - 23.1.2)	218,509,485	303,181,865
	5,660,952,945	5,497,363,869

23.1.1 SUKUK Bond

Bangladesh Government Investment in SUKUK	4,855,807	4,856,026
Bangladesh Government Investment in SUKUK (Islamic Banking Unit)	33,679,943	21,909,761
Private Sukuk Bond Under SPV (Islamic Banking Unit)	13,169,342	-
	51,705,093	26,765,787

23.1.2 Gain/(Loss) on revaluation on government securities

Gain on revaluation on government securities	221,975,431	306,364,223
Less : Loss on revaluation on government securities	(3,465,946)	(3,182,358)
	218,509,485	303,181,865

23.2 Non interest income from investments

Dividend on shares	206,590,018	178,569,508
Gain/(Loss) on sale of share (note - 23.2.1)	4,337,111	9,040,399
Prize money on prize bond	50,000	140,000
	210,977,129	187,749,907

23.2.1 Gain/(Loss) on sale of shares

Gain on sale of shares
Less : Loss on sale of shares

2023	2022
Taka	Taka
4,599,382	81,080,581
(262,271)	(72,040,182)
4,337,111	9,040,399

24 Commission, Fees, Exchange & Brokerage

Commission (note - 24.1)
Fees (note - 24.2)
Exchange earning (note - 24.3)

2023	2022	2023	2022
Taka	Taka	Taka	Taka
4,159,194,471	3,349,547,255	3,167,537,641	2,350,013,019
2,629,501,112	2,033,755,567	2,629,501,112	2,033,755,567
1,588,182,967	3,515,705,784	1,588,182,967	3,515,705,784
8,376,878,550	8,899,008,606	7,385,221,720	7,899,474,370

24.1 Commission

Remittance Inland
Remittance Foreign
Letters of guarantee
Letters of credit
Letters of credit (back to back)
Bangladesh Sanchaypatra/Paribarik Sanchaypatra
Acceptance
Exchange commission & rebate
Outward clearance
Marchent commission (Cards)
Others

2023	2022
Taka	Taka
8,426,066	8,817,440
7,991,393	9,649,895
582,291,330	484,879,716
573,812,833	445,180,075
639,354,301	369,675,197
10,362,758	34,360,256
1,068,465,233	717,311,772
209,737,173	232,395,419
1,906,091	1,952,807
24,681,653	23,918,606
40,508,810	21,871,836
3,167,537,641	2,350,013,019

24.2 Fees

Bills for collection
Account maintenance
Appraisal or processing
Online transaction
Cash incentive
FC endorsement
LC, BC & BG (others)
Debit card
Credit card
Arrangement
Agent Banking Systems
SMS banking
Miscellaneous

2023	2022
Taka	Taka
49,205,737	46,958,718
189,266,529	155,155,460
211,686,269	52,904,194
74,980,894	75,962,096
24,736,000	21,525,050
1,087,500	5,508,000
811,815,926	757,546,148
425,108,816	273,941,586
646,143,029	438,945,303
13,930,415	1,568,828
2,383,190	12,091,983
147,922,575	142,854,901
31,234,232	48,793,300
2,629,501,112	2,033,755,567

24.3 Exchange

Exchange earning (general)
Revaluation gain/(Loss) on foreign currency
FX Deal Discount Income

2023	2022
Taka	Taka
1,760,195,275	2,640,443,665
(70,593,598)	518,152,899
(101,418,710)	357,109,220
1,588,182,967	3,515,705,784

25 Other Operating Income

Income from locker rent
Premises rent
Swift charges
Recoveries from Operational Loss
Cheque Book Issuance
Gain on Sale of Fixed Assets
Corporate Income from Others
SME Income from Others
Retail Income from Others
Miscellaneous earning

2023	2022	2023	2022
Taka	Taka	Taka	Taka
17,460,300	15,520,100	17,460,300	15,520,100
526,168	536,280	526,168	536,280
61,286,854	64,928,919	61,286,854	64,928,919
-	6,050,000	-	6,050,000
81,323,532	80,632,338	81,323,532	80,632,338
7,091,502	-	7,091,502	-
2,432,983	110,906	2,432,983	110,906
31,754,920	51,589,376	31,754,920	51,589,376
37,061,933	44,286,993	37,061,933	44,286,993
111,160,259	56,130,333	826,484	47,979
350,098,451	319,785,244	239,764,676	263,702,890

26 Salaries and allowances

Basic salary
Allowances
Bonus
Provident fund and Welfare fund
Gratuity fund

2023	2022	2023	2022
Taka	Taka	Taka	Taka
4,489,673,356	3,989,479,777	3,749,566,057	3,226,427,601
1,785,658,376	1,439,238,533	1,785,658,376	1,439,238,533
1,614,082,303	1,654,527,321	1,614,082,303	1,654,527,321
430,609,696	378,503,484	430,609,696	378,503,484
960,000,000	960,000,000	960,000,000	960,000,000
9,280,023,731	8,421,749,115	8,539,916,432	7,658,696,939

27 Rent, taxes, insurance, electricity etc.

Rent premises
Rates & taxes
Rental charges
Insurance premium
Electricity, Water & Gas *

2023	2022	2023	2022
Taka	Taka	Taka	Taka
1,029,395,988	816,950,386	986,399,451	773,018,681
209,159,942	80,760,651	209,159,942	80,760,651
181,427,610	183,272,621	181,427,610	183,272,621
344,317,026	316,345,378	344,317,026	316,345,378
318,530,042	270,162,612	318,530,042	270,162,612
2,082,830,608	1,667,491,649	2,039,834,071	1,623,550,944

* **Compliance status of BRPD Circular No 28 Dated 26 July 2022:**

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 1st half of 2023 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. Despite increase in unit price and expansion of business unit overall electricity cost for the 1st half of 2023 shows decrease compared to the budgeted expenses for the 1st half of 2023. The progressive status has been summarised below:

	Actual, 2023 (January-June)	Budget, 2023 (January-June)	Savings in exp. (January-June)	Savings in % (January-June)
Pool Car Generator Etc.	137,571,747	154,080,357	16,508,610	10.71%
Electricity Water Gas etc.	159,265,021	182,676,979	23,411,958	12.82%

Consolidated		United Commercial Bank PLC	
2023 Taka	2022 Taka	2023 Taka	2022 Taka

28 Legal expenses

Legal and professional fees	89,086,222	98,232,077	80,463,955	85,095,033
Other legal charges	9,773,857	9,291,403	9,773,857	9,291,403
Stamp, power of attorney & notary public	626,553	200,976	626,553	200,976
	99,486,632	107,724,456	90,864,365	94,587,412

29 Postage, stamps, telecommunications etc.

Postage	45,602,081	42,298,483	45,602,081	42,298,483
Telecommunication expenses	43,632,274	45,624,120	43,632,274	45,624,120
Reuter	4,426,978	4,699,201	4,426,978	4,699,201
Internet	3,394,737	3,713,400	3,394,737	3,713,400
Online connectivity expenses	141,723,167	144,931,053	124,941,177	122,755,738
	238,779,237	241,266,257	221,997,247	219,090,942

30 Stationery, printing & advertisements etc.

	1,773,715,722	1,943,127,626	1,688,042,867	1,694,262,239
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30.1 Stationery and printing

Office Stationery	180,764,369	167,837,089	180,764,369	167,837,089
IT Stationery	88,173,904	52,209,372	88,173,904	52,209,372
Security Stationery	37,539,480	21,108,124	37,539,480	21,108,124
	306,477,753	241,154,585	306,477,753	241,154,585

30.2 Advertisement

Print Media (note - 30.2.1)	22,325,927	24,567,553	22,325,927	24,567,553
Electronic Media (note - 30.2.2)	171,601,544	158,358,224	171,601,544	158,358,224
Sponsorship	141,381,004	332,000,035	141,381,004	332,000,035
Business Development	203,117,940	84,014,298	203,117,940	84,014,298
Branding expenses	787,098,165	928,757,032	701,425,310	679,891,645
Promotional Material	127,922,450	129,589,454	127,922,450	129,589,454
Miscellaneous advertisement	13,790,940	44,686,445	13,790,940	44,686,445
	1,467,237,969	1,701,973,041	1,381,565,114	1,453,107,654

30.2.1 Print Media

News paper	21,189,130	23,291,119	21,189,130	23,291,119
Magazine	1,136,797	1,276,434	1,136,797	1,276,434
	22,325,927	24,567,553	22,325,927	24,567,553

30.2.2 Electronic Media

Television	36,780,881	16,696,850	36,780,881	16,696,850
Radio	-	1,304,100	-	1,304,100
Bill board & neon sign	134,820,663	140,357,274	134,820,663	140,357,274
	171,601,544	158,358,224	171,601,544	158,358,224

31 Chief Executive's salary and fees

Basic salary	13,235,484	12,098,442	13,235,484	12,098,442
Festival Bonus	2,200,000	2,000,000	2,200,000	2,000,000
Incentive Bonus	1,000,000	-	1,000,000	-
	16,435,484	14,098,442	16,435,484	14,098,442

32 Directors fees

Meeting fees	3,264,446	3,392,300	2,384,800	2,604,800
Other meetings' fees (travelling expenses)	793,549	939,587	793,549	939,587
	4,057,995	4,331,887	3,178,349	3,544,387

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 2023.

33 Auditors fees

	1,612,500	1,947,500	1,150,000	1,725,000
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	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
34 Depreciation and repair of bank's assets	2,556,626,841	2,154,511,753	2,448,805,449	2,073,607,674
34.1 Depreciation				
Furniture/fixtures	223,267,448	212,125,077	213,924,698	207,214,604
Vehicles	51,119,858	39,533,464	45,420,010	34,260,962
Office equipments	385,762,767	379,863,455	376,194,478	375,093,224
Computer equipments	380,089,875	287,708,355	308,614,922	227,827,812
Computer software	242,168,331	245,593,261	238,724,118	243,521,689
Immovable property (Building)	66,593,150	64,991,872	65,581,342	64,124,872
Right of Use(ROU) assets	479,819,691	479,819,692	479,819,691	479,819,692
	1,828,821,120	1,709,635,177	1,728,279,259	1,631,862,856
34.2 Repair & maintenance				
Furniture /fixtures (note - 34.2.1)	6,159,970	3,756,061	6,159,970	3,756,061
Vehicles	18,744,142	15,947,219	18,744,142	15,947,219
Office equipments	168,330,156	117,165,747	162,868,721	114,033,989
Computer equipments	9,215,238	567,798	7,397,143	567,798
Computer Software	484,336,567	276,647,153	484,336,567	276,647,153
Building & Premises	41,019,647	30,777,398	41,019,647	30,792,598
Repair building	-	15,200	-	-
	727,805,721	444,876,576	720,526,190	441,744,818
34.2.1 Furniture /fixtures				
Furniture/Fixture	5,412,813	3,754,451	5,412,813	3,754,451
Interior	747,157	1,610	747,157	1,610
	6,159,970	3,756,061	6,159,970	3,756,061
35 Other expenses				
Entertainment	91,608,612	72,068,171	81,717,663	72,068,171
Petrol, oil & lubricant	293,432,719	199,464,498	275,143,494	199,464,498
Subscription	27,431,967	20,800,668	26,544,318	20,800,668
Donation	352,923,319	235,424,820	352,893,319	235,424,820
Traveling	268,801,460	259,533,556	245,909,639	259,533,556
Cartage and freight	22,333,607	17,069,571	20,442,132	17,069,571
Hon. general	7,472,000	2,357,350	7,472,000	2,357,350
Fees commission & charges	742,217,199	957,489,197	176,355,037	149,999,777
Meeting Seminar and staff training	47,434,970	44,627,202	41,698,621	44,627,202
Fees Commission and Charges Debit Card	95,477,136	43,978,934	95,477,136	43,978,934
Fees Commission and Charges Credit Card Local	397,974,040	255,802,643	397,974,040	255,802,643
Liveries & uniforms	4,146,347	1,001,663	1,351,374	1,001,663
Operational Loss	-	-	-	-
Medical expenses	250,378,491	217,977,292	247,081,778	217,977,292
Car expenses	191,201,786	149,549,493	174,650,524	149,549,493
Loss on sale of assets	10,836	2,302,827	-	2,302,827
BATCH/BEFTN Charges	533,474	606,526	533,474	606,526
UCB Foundation	75,000,000	85,000,000	75,000,000	85,000,000
Interest expense for lease liabilities	228,965,220	249,755,744	228,965,220	249,755,744
Outsource Staff Expenses	1,974,997,445	1,629,343,193	1,968,016,574	1,629,343,193
Other Expenses	300,379,445	34,132,507	35,513,748	34,132,507
	5,372,720,073	4,478,285,856	4,452,740,091	3,670,796,436
36 Provision for Loans & Advances				
Unclassified Loans & advances	238,536,233	(593,928,633)	231,767,659	(593,928,633)
Classified loans & advances	3,963,743,034	6,256,378,780	3,953,363,056	6,163,562,757
Special General Provision for COVID_19	-	90,000,000	-	90,000,000
Recoveries from previously written off loan	(409,590,871)	(236,944,194)	(409,590,871)	(236,944,194)
	3,792,688,396	5,515,505,953	3,775,539,844	5,422,689,930
37 Provision for diminution in value of investments				
Provision required during the year	52,461,975	646,373,322	61,249,230	612,038,691
38 Other Provision				
Provision for other assets	320,356,588	-	320,356,588	-
Provision for off-balance sheet exposures	391,186,992	(482,028,218)	391,186,992	(482,028,218)
	711,543,580	(482,028,218)	711,543,580	(482,028,218)
Provision for Off-Balance Sheet Exposure				
Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 06 dated 25 April 2023.				
39 Provision for Taxation				
Provision for current tax has been calculated based on the profit before provision considering admissible & inadmissible expenses as per provision of the Income Tax Act 2023.				
Current Tax	3,339,864,344	3,473,872,045	2,986,535,476	3,133,378,030
Deferred tax expense/(income)	(500,262,728)	(1,239,507,786)	(494,234,025)	(1,241,348,975)
	2,839,601,616	2,234,364,259	2,492,301,451	1,892,029,055

Consolidated		United Commercial Bank PLC	
2023 Taka	2022 Taka	2023 Taka	2022 Taka

40 Earnings per Share (EPS)

Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".

Net Profit after Tax (Numerator)	2,197,668,287	3,298,647,127	2,685,086,287	4,024,011,154
Number of Ordinary shares outstanding (Denominator)	1,443,415,229	1,443,415,229	1,443,415,229	1,443,415,229
	1.52	2.29	1.86	2.79

EPS decreased due to Increase in operating expense.

41 Receipt from other operating activities

Exchange earning & brokerage	1,588,182,967	3,515,705,784	1,588,182,967	3,515,705,784
Other operating income	255,557,182	289,055,558	244,151,788	272,883,290
	1,843,740,149	3,804,761,342	1,832,334,755	3,788,589,074

42 Payment for other operating activities

Legal expenses	90,864,365	94,587,412	90,864,365	94,587,412
Directors' fees & other expenses	3,178,349	3,544,387	3,178,349	3,544,387
Auditors' fees	1,150,000	1,725,000	1,150,000	1,725,000
Repair of fixed assets	720,526,191	441,744,818	720,526,191	441,744,818
Other expenditures	4,315,815,572	3,502,530,120	4,223,774,871	3,421,040,691
	5,131,534,477	4,044,131,737	5,039,493,776	3,962,642,308

43 Increase/(decrease) of other assets

Investment in share of subsidiary companies.	(2,000,000,000)	(2,000,000,000)
Receivable from Subsidiary Company	(569,957)	3,288,579
Stock of Stationery & Stamps	(33,601,702)	(27,074,209)
Account with Stock Broker	137,605,186	424,697,106
Advance Payment	143,224,487	188,820,165
Advance Deposit	118,570	1,593,324
Suspense Account	(464,344,601)	1,034,755,800
Head Office General Account	(1,321,396)	2,518,715
Others	116,156,963	(1,528,845,283)
Increase / Decrease for the year	(2,102,732,449)	(1,900,245,802)

44 Increase/Decrease of other liabilities

Write-off of loans	(4,651,224,986)	(4,232,485,242)
Interest suspense account	3,928,939,210	1,621,353,810
Dividend payable	28,471,943	(17,420,886)
Sundry liabilities	1,383,257,668	959,560,832
Increase / Decrease for the year	689,443,836	(1,668,991,486)

45 Net Operating Cash Flows Per Share (NOCFPS)

Net Cash from operating activities	48,831,722,227	(18,631,702,416)	50,528,933,411	(19,759,325,562)
Number of Ordinary shares outstanding (Denominator)	1,443,415,229	1,443,415,229	1,443,415,229	1,443,415,229
Net Operating Cash Flows Per Share (NOCFPS)	33.83	(12.91)	35.01	(13.69)

NOCFPS increased due to the positive impact in operating assets and liabilities.

46 Net Asset Value Per Share (NAVPS)

Net Asset Value	41,578,518,156	40,178,114,136	42,844,522,984	40,956,658,267
Number of Ordinary shares outstanding (Denominator)	1,443,415,229	1,443,415,229	1,443,415,229	1,443,415,229
Net Asset Value Per Share (NAVPS)	28.81	27.84	29.68	28.37

NAVPS increased due to increase in investment revaluation reserve and gain on foreign exchange.

47 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	2,685,086,287	4,024,011,155
Provision for taxation	2,492,301,451	1,892,059,504
Provision for investment, shares & contingent liabilities	4,548,332,654	5,552,700,403
(Increase)/decrease interest receivable	80,171,787	297,933,621
Increase/(decrease) interest payable on deposits	796,598,694	(566,945,898)
Depreciation & amortization of fixed assets	1,728,279,258	1,631,862,855
Recoveries on loans & advances previously written-off	409,590,871	236,944,194
Income tax paid	(3,458,466,081)	(4,392,182,336)
Effect of exchange rate changes on cash and cash equivalents	(1,588,182,967)	(3,515,705,784)
Operating profit before changes in operating assets and liabilities	7,693,711,954	5,160,677,714
Operating profit before changes in operating assets and liabilities- as per cash flow statement	7,693,711,954	5,160,677,714

**ACNABIN**

Chartered Accountants

b. Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2023	Effective Rate	31-Dec-2022
Profit before income taxes as per profit & loss account	-	5,177,387,738	-	5,916,070,659
Income taxes as per applicable tax rate	37.50%	1,941,520,402	37.50%	2,218,526,497
Factors affecting the tax charge in current year				
Inadmissible expenses	38.10%	1,972,634,692	33.59%	1,987,425,015
admissible expenses in the current year	-18.71%	(968,861,441)	-19.52%	(1,154,696,704)
Tax from reduced tax rates for dividend	0.80%	41,318,004	0.60%	35,713,902
Tax from reduced tax rates for capital gain	0.00%	(86,181)	0.78%	46,381,320
Tax from reduced tax rates for prize bond	0.00%	10,000	0.00%	28,000
Effect of deferred tax income	-9.55%	(494,234,025)	-20.98%	(1,241,318,526)
Total income tax expenses	48.14%	2,492,301,451	31.98%	1,892,059,505



48 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 **5 (Five)** members of the Board as on 31 December 2023.

Name of the Members	Status with the Bank	Status in the Committee	Educational Qualification
Mr. Touhid Shipar Rafiquzzaman	Independent Director	Chairman	Master of Arts
Mr. Syed Kamruzzaman, FCMA	Director	Member	B. Com (Hons) in Accounting, FCMA
Mr. Muhammed Shah Alam, FCMA	Director	Member	M. Com in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	M.Sc. (Zoology), MBA (Human Resources Management), Ph.D (USA)
Mr. Kanak Kanti Sen, FCMA	Director	Member	M. Com in Management, FCMA

During the year 2023, the Audit Committee has conducted **6 (Six)** meetings. Details of the meeting are shown below by date-wise.

Details of the Audit Committee Meeting in the year 2023

Sl. No	Meeting No.	Held on
1	128	25-Apr-2023
2	129	14-May-2023
3	130	30-May-2023
4	131	24-Jul-2023
5	132	1-Oct-2023
6	133	23-Oct-2023

The Audit Committee discussed the following issues during the year 2023

1. Audited Financial Statements of the Bank for the year ended 31 December 2022 and the Auditors' Report thereon;
2. Appointment of external auditors and fixation of their remuneration;
3. Approval of the report of the Audit Committee for the annual report 2022;
4. Review of un-audited financial statements of the Bank for the 1st Quarter (Q1) ended 31 March 2023;
5. Discussion on compliance status of the recommendations by the Audit Committee of the Board (ACB) in its 127th meeting held on 21 December 2022 of Risk Based Internal Audit Findings (high risk issues);
6. Discussion on un-rectified compliance status of RBIA report as of March 2023;
7. Self-assessment of anti-fraud internal controls for the period from July to December 2022;
8. Approval of Internal Audit Strategic Plan (RBIA) for the year 2023;
9. Summary of Risk-Based Internal Audit Findings (high risk issues) of 07 branches
10. Un-audited financial statements of the Bank for the 2nd Quarter (Q2) ended 30 June 2023;
11. 'Annual Health Report' as of 31 December 2022;
12. Compliance status of the recommendations of the Audit Committee of the Board (ACB) in its 130th meeting held on 30 May 2023 of Risk Based Internal Audit Findings (high-risk issues) of 05 (Five) branches;
13. Effectiveness of Internal Control Policy, Practice & Procedure for the year 2022;
14. Self-assessment of anti-fraud internal controls for the period from January to June 2023;
15. Internal audit strategic plan (RBIA) for the year 2023;
16. Information system security Audit (IT Audit) strategic plan for the year 2023;
17. Updated summary of Risk Based Internal Audit findings (high risk issues) of 07 branches;
18. Un-audited financial statements of the Bank for the 3rd Quarter (Q3) ended 30 September 2023.



B. Board of Directors Meetings

During the year 2023, the Board of Directors has conducted **10 (Ten)** meetings. Details of the meeting are shown below by datewise.,

Name of the Members	Status with the Bank
Mrs. Rukhmila Zaman	Chairman
Mr. Bashir Ahmed	Vice Chairman
Mr. Anisuzzaman Chowdhury	ChairmanExecutive Committee
Mr. Touhid Shipar Rafiquzzaman	ChairmanAudit Committee
Mr. M.A.Sabur	ChairmanRisk Management Committee
Mr. Bazal Ahmed	Director
Mr. Nurul Islam Chowdhury	Director
Mrs. Roxana Zaman (Representative of Volkart Trading Limited)	Director
Mr. Asifuzzaman Chowdhury	Director
Ms. Afroza Zaman (Representative of Legendary Asset Management Limited)	Director
Mr. Md. Nasim Kalam	Director
Mrs. Masuma Parvin (Representative of Splendid Trading Limited)	Director
Mr. Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director
Mr. Muhammed Shah Alam, FCMA (Representative of Ardent Asset Management Limited)	Director
Mr. Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director
Mr. Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director
Dr. Aparup Chowdhury	Independent Director
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director
Mr. Md. Abdul Hannan	Independent Director
Mr. Arif Quadri	Managing Director & CEO

Details of the Board Meeting in the year 2023

Sl. No	Meeting No.	Held on
1	479	25-Jan-2023
2	480	15-Mar-2023
3	481	25-Apr-2023
4	482	14-May-2023
5	483	30-May-2023
6	484	22-Jun-2023
7	485	24-Jul-2023
8	486	23-Aug-2023
9	487	23-Oct-2023
10	488	24-Dec-2023

C. Executive Committee Meeting

During the year 2023, the Executive Committee has conducted **10 (Ten)** meetings. Details of the meeting are shown below by datewise.

Name of the Members	Status in the Committee
Mr. Anisuzzaman Chowdhury	Chairman
Mr. Bashir Ahmed	Member
Mr. M. A. Sabur	Member
Mr. Bazal Ahmed	Member
Mr. Nurul Islam Chowdhury	Member
Mrs. Roxana Zaman	Member
Mr. Asifuzzaman Chowdhury	Member



Details of the Executive Committee Meeting in the year 2023

Sl. No	Meeting No.	Held on
1	457	25-Jan-2023
2	458	15-Mar-2023
3	459	17-Apr-2023
4	460	31-May-2023
5	461	22-Jun-2023
6	462	31-Jul-2023
7	463	31-Aug-2023
8	464	27-Sep-2023
9	465	30-Oct-2023
10	466	24-Dec-2023

D. Risk Management Committee Meeting

During the year 2023, the Risk Management Committee has conducted **4 (Four)** meetings. Details of the meeting are shown below by datewise.

Name of the Members	Status in the Committee
Mr. M. A. Sabur	Chairman
Mr. Anisuzzaman Chowdhury	Member
Mr. Nurul Islam Chowdhury	Member
Ms. Afroza Zaman	Member
Prof. Dr. Iftekhar Uddin Chowdhury	Member

Details of the Risk Management Committee Meeting in the year 2023

Sl. No	Meeting No	Held on
1	38	15-Mar-2023
2	39	22-Jun-2023
3	40	15-Nov-2023
4	41	24-Dec-2023

E. Shariah Supervisory Committee Meeting

During the year 2023, the Shariah Supervisory Committee has conducted **4 (Four)** meetings. Details of the meeting are shown below by datewise.

Name of the Members	Status in the Committee
Prof. Dr. Mohammad Abdur Rashid	Chairman
Prof. Dr. A. F. M. Akbar Hossain	Member
Prof. Dr. K M Saiful Islam Khan	Member
Dr. Mohammed Nasir Uddin	Member
Dr. Mohammad Manjurur Rahman	Member

Details of the Shariah Supervisory Committee Meeting in the year 2023

Sl. No	Meeting No	Held on
1	8	6-Apr-2023
2	9	9-Jul-2023
3	10	31-Oct-2023
4	11	28-Dec-2023

49 Related Party Disclosers

49.1 (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 2023	Closing Share holding position as on 31 December 2023
Mrs. Rukhmila Zaman	Chairman	28,126,358	29,532,675
Mr. Bashir Ahmed	Vice Chairman	28,284,349	29,698,564
Mr. Anisuzzaman Chowdhury	Director	39,355,771	41,323,559
Mr. Touhid Shipar Rafiquzzaman	Independent Director	-	-
Mr. M. A. Sabur	Director	30,540,602	32,067,629
Mr. Bazal Ahmed	Director	28,181,894	29,590,986
Mr. Nurul Islam Chowdhury	Director	28,130,412	29,536,931
Mrs. Roxana Zaman (Representative of Volkart Trading Limited)	Director	28,147,927	29,555,323
Mr. Asifuzzaman Chowdhury	Director	39,667,545	41,650,921
Ms. Afroza Zaman (Representative of Legendary Asset Management Limited)	Director	28,147,927	29,555,323
Mr. Md. Nasim Kalam	Director	3,930,018	29,649,401
Mrs. Masuma Parvin (Representative of Splendid Trading Limited)	Director	28,147,927	29,555,323
Mr. Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director	28,829,612	30,271,092
Mr. Muhammed Shah Alam, FCMA (Representative of Ardent Asset Management Limited)	Director	28,147,927	29,555,323
Mr. Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director	28,125,248	29,531,510
Mr. Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	28,135,800	29,542,590
Dr. Aparup Chowdhury	Independent Director	-	-
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	-	-
Mr. Md. Abdul Hannan	Independent Director	-	-
Mr. Arif Quadri	Managing Director & CEO	-	-

49.1 (b): Name of the Directors and the entities in which they had interest as at 31 December 2023

Name of Directors	Status	Entities where they have interest.
Mrs. Rukhmila Zaman	Chairman	Aramit PLC. Aramit Cement PLC. Aramit Thai Aluminum Limited. Aramit Power Limited. Aramit Alu Composite Panels Limited. Aramit Steel Pipes Limited. Aramit Footwear Limited North West Securities Limited
Mr. Bashir Ahmed	Vice Chairman	Airmate Goodie Electrical Industries Limited Goodie Accessories (Pvt.) Ltd. International Distribution Company Bangladesh PLC. B & B Electronics. B & B Food & Beverage. B & B Electrical & Electronics. Dhaka Electrical & Electronics. Bard International. Petal Enterprise. Airmate Lighting & Electrical Solutaional Pvt. Ltd. Ariston Enterprise Mettle Emporium Yaman Impex Mega Trading Ltd. Future Distribution and Network Limited Beg Shipping Agency
Mr. Anisuzzaman Chowdhury	Chairman Executive Committee	Asif Steels Ltd. Javed Steel Mills Ltd. Vanguard Steel Ltd. Afroza Oil Ltd. Asif Synthetic Fibres Ltd. Holi Crescent Hospital Ltd. Ronny Chemical Industries Limited Navana Pharmaceuticals PLC.
Mr. Touhid Shipar Rafiquzzaman	Chairman Audit Committee	None
Mr. M.A.Sabur	Chairman Risk Management Committee	Masco Industries Limited Masco Cottons Limited Mascotex Limited Shanta Expressions Limited Tasniah Fabrics Limited Masco Printing & Embroidery Limited Masco Picasso Limited Masminu Energy Limited Masminu Footspree Limited Masco Shakib Cricket Academy Limited Masco Trims Limited Concept Knitting Limited Masco Properties Limited Masco Shares & Securities Limited Masco Poultry Limited Masco Srevices Limited Masco Cotspin Limited MAXIM Limited Masco Dairy Enterprise
Mr. Bazal Ahmed	Director	M/S Taj Accessories (Pvt.) Limited M/S Saikat Textile Industries Limited M/S Deen Fasions Limited

Mr. Nurul Islam Chowdhury	Director	Islam Steel Mills Ltd. Eastern Engineers (CTG.) Ltd. NAMS Trading Corporation NAMS Consulting & Sourcing Ltd. Bosphorus Fashion Ltd.
Mrs. Roxana Zaman (Representative of Volkart Trading Limited)	Director	Asif Steels Ltd. Javed Steels Ltd. Vanguard Steels Ltd. Afroza Oil Ltd Asif Cotton Mills Ltd. Asif Synthetic Fibers Ltd Volkart Trading Limited
Mr. Asifuzzaman Chowdhury	Director	Asif Steels Ltd. Javed Steel Mills Ltd. Vanguard Steel Ltd. Afroza Oil Ltd. Bhatiary Fruits & Vegetable Products (Pvt) Ltd. Bangladesh Fertilizer Ltd. Asif Cotton Mills Ltd. Asif Synthetic Fibres Ltd. JASA Corporation Ltd. Ronny Chemical Industries Ltd.
Ms. Afroza Zaman (Representative of Legendary Asset Management Limited)	Director	Asif Steels Ltd. Javed Steel Mills Ltd. Vanguard Steel Ltd. Afroza Oil Ltd. Bangladesh Fertilizer Ltd. Asif Cotton Mills Ltd. Asif Synthetic Fibres Ltd. Ronny Chemical Industries Ltd. Volkart Trading Ltd.
Mr. Md. Nasim Kalam	Director	M.A Kalam Ltd. United Overseas Ltd.
Masuma Parvin (Representative of Splendid Trading Limited)	Director	Navana Pharmaceuticals PLC Japan Bangladesh Friendship Hospital Pvt. Ltd Dhaka Evergreen Retirement Homes Pvt. Ltd.
Mr. Syed Kamruzzaman, FCMA	Director	North West Securities Limited
Mr. Muhammed Shah Alam, FCMA	Director	None
Mr. Kanak Kanti Sen, FCMA	Director	None
Mr. Md. Aksed Ali Sarker	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	None
Mr. Md. Abdul Hannan	Independent Director	None
Mr. Arif Quadri	Managing Director & CEO	None



49.2	Significant Contracts where Bank is a party and wherein Directors have interest:	Nil
49.3	Shares issued to Directors & Executives without consideration or exercisable at a discount:	Nil
49.4	Related Party Transactions:	Nil
49.5	Lending policies to related parties: Lending to related parties is affected as per requirement of section 27 (1) of the Bank company Act 1991.	Nil
49.6	Loans and advances to concern related to directors:	Nil
49.7	Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991:	Nil
49.8	Investment in securities of Directors and their related concern:	Nil

50 Events after Balance Sheet date

- a. The Board of Directors recommended to increase the authorised capital of the Bank from BDT 15,000,000,000 (Fifteen Hundred Crore) to BDT 25,000,000,000 (Twenty-Five Hundred Crore) in its meeting no. 490 held on 13 March 2024. This is subject to approval of regulatory authorities and approval of the shareholders in the 41st Annual General Meeting (AGM) of the Bank.
- b. The Board of Directors recommended 10% dividend (5% stock dividend and 5% cash dividend) for the year 2023 in its meeting no. 491 held on 29 April 2024.

General

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



United Commercial Bank PLC
Balance with Nostro Accounts [Balance with Foreign Bank]
As on 31 December 2023

Nostro Bank			Name of the Country		Currency	2023		2022		(Annexure-A)
			Amount in FC	Rate	Amount in BDT	Amount in FC	Rate	Amount in BDT		
AB Bank PLC	India	ACU	556,794.08	109.75	61,108,150.28	857,943.88	103.29	88,619,339.81		
Bank AL Bilad	Saudi Arabia	SAR	17,366.04	29.27	508,246.10	95,526.10	27.49	2,625,638.29		
Bank of Bhutan	Bhutan	ACU	129,184.14	109.75	14,177,959.37	4,645.70	103.29	479,866.90		
Commerz Bank AG	Germany	USD	827,583.62	109.75	90,827,302.30	9,179,200.97	103.29	948,144,452.03		
Commerz Bank AG	Germany	EUR	177,942.79	122.03	21,714,541.49	4,680,979.63	109.74	513,682,112.03		
Habib American Bank	USA	USD	18,225,695.47	109.75	2,000,270,077.83	7,406,675.00	103.29	765,055,458.77		
Habib Metropolitan Bank Limited	Pakistan	ACU	138,295.22	109.75	15,177,900.40	203.57	103.29	21,027.29		
HHFC Bank Limited	India	ACU	587,813.19	109.75	64,512,497.60	481,082.38	103.29	49,692,297.95		
ICICI Bank Limited, Hong Kong	Hong Kong	USD	93,299.14	109.75	10,239,580.62	500,238.75	103.29	51,671,011.13		
ICICI Bank Limited	India	ACU	285,339.26	109.75	31,315,983.79	2,149,905.55	103.29	222,069,549.00		
JP Morgan NY	USA	USD	28,881,816.06	109.75	3,169,779,312.59	(3,237,033.56)	103.29	(334,361,936.40)		
Mashreq Bank Psc	India	ACU	488,610.48	109.75	53,625,000.18	1,236,924.96	103.29	127,765,318.82		
Mashreq Bank Psc	USA	USD	26,791,101.92	109.75	2,940,323,435.72	15,142,144.30	103.29	1,564,072,968.54		
Nepal Bangladesh Bank	Nepal	ACU			-	746.80	103.29	77,138.99		
Peoples Bank Colombo	Sri Lanka	ACU	90.00	109.75	9,877.50	1,899.71	103.29	196,226.18		
Sonali Bank PLC	India	ACU	152,451.51	109.75	16,731,553.22	122,336.33	103.29	12,636,449.83		
Standard Chartered Bank Limited	India	ACU	613,761.35	109.75	67,360,308.16	1,854,940.24	103.29	191,601,785.73		
Standard Chartered Bank Limited	USA	USD	34,554,388.73	109.75	3,792,344,163.12	59,967,987.65	103.29	6,194,255,357.94		
State Bank of India	India	ACU	180,090.15	109.75	19,764,893.96	2,456.17	103.29	253,704.43		
Meezan Bank Limited	Pakistan	ACU	131,743.87	109.75	14,458,889.73	69,678.86	103.29	7,197,317.58		
Bank of Tokyo Mitsubishi	Japan	JPY	1,805,941.56	0.78	1,402,207.90	19,840,210.15	0.77	15,319,943.75		
Wells Fargo Bank N.A	USA	USD	8,248,972.98	109.75	905,324,784.56	5,219,383.31	103.29	539,124,194.42		
Mashreq Bank PSC	UAE	AED	20,635,945.60	29.89	616,723,859.51	6,062,706.83	28.13	170,533,565.08		
KOOKMIN Bank	Korea	USD	8,967.41	109.75	984,173.25	254,537.17	103.29	26,291,831.54		
Axis Bank Limited	India	ACU	217,360.84	109.75	23,855,352.19	-	-	97,650,027.42		
Yes Bank Limited	India	ACU	-	-	-	945,372.01	103.29	56,413,348.39		
Citi Bank N.A.New York, USA	USA	USD	15,567,999.62	109.75	1,708,587,958.30	546,150.39	103.29	38,861,378.69		
Mashreq Bank Psc NY (OBU)	USA	USD	222,956.40	109.75	24,469,464.90	376,225.80	103.29	2,069,596,412.27		
Habib American Bank, NY, (OBU)	USA	USD	9,674,840.89	109.75	1,061,813,787.68	20,036,231.14	103.29	70,606,981.12		
ICICI Bank Limited	India	USD	409,444.33	109.75	44,936,515.22	683,562.16	103.29	9,783,793.92		
Standard Chartered Bank Germany	Germany	EUR	269,807.80	122.03	32,924,922.96	89,155.80	109.74	12,963,850.51		
Punjab National Bank Limited	Pakistan	ACU	146,961.93	109.75	16,129,071.82	125,505.97	103.29	(58,922,489.91)		
Standard Chartered Bank, United Kingdom	United Kingdom	GBP	52,916.39	144.66	7,442,986.59	(474,025.23)	124.30	9,286,615.93		
Zhejiang Chouzhou Commercial Bank	China	CNY	169,093.63	109.75	18,558,025.89	89,905.83	103.29	3,232,825.81		
Zhejiang Chouzhou Commercial Bank	China	CNY	11,747.30	15.42	181,140.31	218,238.99	14.81	-		
Emirates NBD Bank (P.J.S.C)	India	ACU	430,441.87	109.75	47,240,995.23	-	-	-		
Nabil Bank Limited, Nepal	Nepal	ACU	746.80	109.75	81,961.30	-	-	-		
ICICI Bank Ltd, Hong Kong	Hong Kong	CNY	116,093.70	15.42	1,790,134.65	-	-	-		
Indusind Bank Limited, India	India	ACU	20,585.00	109.75	2,259,203.75	480.00	103.29	49,580.50		
						16,898,956,220		13,466,546,944		

United Commercial Bank PLC
Schedule of Fixed Assets
As on 31 December 2023

Particulars	COST				Rate	DEPRECIATION				Written down value as at 31 December 2023
	Balance as at 01 January 2023	Addition during the year	Adjustment during the year	Balance as at 31 December 2023		Balance as at 01 January 2023	Adjustment during the year	Charged during the year	Balance as at 31 December 2023	
Land	4,395,054,283	-	-	4,395,054,283	-	-	-	-	-	4,395,054,283
Building	2,623,253,671	-	-	2,623,253,671	2.5%	565,726,093	-	65,581,342	631,307,435	1,991,946,237
Furniture & Fixtures	2,693,736,543	108,263,953	44,151,279	2,757,849,217	10.0%	1,477,400,718	41,323,837	213,924,697	1,650,001,578	1,107,847,639
Office Equipment	2,713,986,040	374,254,248	40,696,377	3,047,543,911	20.0%	1,849,611,257	40,628,504	376,194,478	2,185,177,231	862,366,680
Computer Equipment	2,190,846,756	542,699,957	18,638,762	2,714,907,951	20.0%	1,277,492,966	18,621,460	308,614,922	1,567,486,428	1,147,421,524
Vehicles	610,872,113	29,895,000	19,488,236	621,278,877	20.0%	473,165,626	19,488,221	45,420,010	499,097,415	122,181,462
Computer Software	1,848,510,667	51,463,472	-	1,899,974,139	25.0%	1,213,827,493	-	238,724,118	1,452,551,611	447,422,528
Right of use assets (ROU)	5,590,566,138	-	-	5,590,566,138	-	1,810,954,027	-	479,819,691	2,290,773,718	3,299,792,420
Capital Expenditure Work In Progress	580,762,044	4,168,201,634	1,106,576,630	3,642,387,048	-	-	-	-	-	3,642,387,048
Total as on 31 Dec 2023	23,247,588,255	5,274,778,264	1,229,551,283	27,292,815,236		8,668,178,180	120,062,023	1,728,279,258	10,276,395,415	17,016,419,821

Particulars	COST				Rate	DEPRECIATION				Written down value as on 31 December 2022
	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	
Land	4,395,054,283	-	-	4,395,054,283	0.0%	-	-	-	-	4,395,054,283
Building	2,559,698,620	63,555,051	-	2,623,253,671	2.5%	501,601,221	-	64,124,872	565,726,093	2,057,527,578
Furniture & Fixtures	2,373,267,236	348,983,737	28,514,430	2,693,736,543	10.0%	1,294,317,579	24,131,465	207,214,604	1,477,400,718	1,216,335,825
Office Equipment	2,605,760,758	189,425,087	81,199,805	2,713,986,040	20.0%	1,554,036,419	79,518,386	375,093,224	1,849,611,257	864,374,783
Computer Equipment	1,687,141,874	553,392,024	49,687,142	2,190,846,756	20.0%	1,099,279,909	49,614,755	227,827,812	1,277,492,966	913,353,790
Vehicles	500,450,963	110,421,150	-	610,872,113	20.0%	438,904,664	-	34,260,962	473,165,626	137,706,487
Computer Software	1,439,719,789	408,790,878	-	1,848,510,667	25.0%	970,305,804	-	243,521,689	1,213,827,493	634,683,174
Right of use assets (ROU)	5,590,566,138	-	-	5,590,566,138	0.0%	1,331,134,335	-	479,819,692	1,810,954,027	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%	-	-	-	-	580,762,044
Total as on 31 Dec 2022	21,910,771,496	3,170,786,063	1,833,969,304	23,247,588,255		7,189,579,931	153,264,606	1,631,862,855	8,668,178,180	14,579,410,074

As on 31 December 2022

List of Non-Banking Assets

SL No.	Branch Name	Name of the account & Key Person	Catagories	Land Area	Mutation	Possession
1	Banani Branch	M/s Anacon Overseas	33(7)	Land Aera:31.4 Decimals, Mouza:Sreekhandia, Savar, Dhaka	No	Yes
2	Banani Branch	M/s Nadira Rahman and Nahinur Rahman	33(7)	1700 sft flat being no. A/7 at , Nekation, Gulshan-1	Yes	No
3	Elephant Road Branch	M/s. Maruf Sharee Fashion	33(7)	19.75 decimal Land at Diabari, PS-Mirpur, Dist- Dhaka.	No	No
4	Elephant Road Branch	M/s. Dolly Resort	33(7)	R.M of 438.50 dec land. Acquisition by RHD-220.81 dec land=rest 217.61 dec land value Tk.870.47 lac	No	No
5	Goalabazar Branch Sylhet	M/S Ratul Enterprise	33(7)	Land Area:2 Decimlas, Mouza: Bramogram, Osmananigar, Sylhet	Yes	No
6	Islampur Branch	M/s. Faridpur Medicine Store	33(7)	Land Aera:6 Decimals, Mouza;Badda, Guslhan, Dhaka	No	No
7	Islampur Branch	M/s. A. N. Enterprise	33(7)	Land Aera: 4.12 Decimals Mouza; Ramna, Dhaka.	No	No
8	Khatungonj	M/s. Albia Trading	33(7)	Equitable Mortgage of 7.50 decimal land Mouza-Bakalia.Ctg	No	No
9	Nayabazar Br.	M/s. Haque Steel Complex Ltd.	33(7)	104.25 decimal land situated within Dist- Narayangonj, Mouza- Dpa Idrakpur, PS & Sub- registry office: Fatullah	No	No
10	Principal Branch	M/s. Himalaya Marble	33(7)	01)Quantum of Land: 1) 1.60 katha land, Hatirpool, Dhaka. 2) 6.32 khata land 3) 6.06 katha land 4) 7.67 khatha land 5) 5 katha land Situating at Zoarshahara, Dhaka. 6) 13.63 khatha Paritra,Dhaka.	No	No
11	Principal Branch	M/s. Jenesis Fashions	33(7)	Land Aera:25.68 , 44 , 50.00, decimals, Mouza; Faridpur Teghoria Teghoria, Faridpur Dhaka	No	No
12	Uttara Branch	Md.Farhad Hossain	33(7)	Land Aera:910Stf & 0495 Ajutangsha , Mouza:Bailjuri, Dhaka Rajuk.	No	No
13	Elephant Road Branch	M/s. Vision Corporation	33(7)	41.00 decimals Land at Nandipara, Sabujbagh, Dhaka.	No	No
14	Elephant Road Branch	M/s. Bengal Jutex Ltd.	33(7)	18.864 bigha Land at Mouza-Bawnia, PS-Pollabi, Dist- Dhaka	No	No
15	Elephant Road Branch	M/s. Samiya Enterprise	33(7)	20.21 decimal & 46.00 dec. 02. at Mouza-Ibrahim Pur, PS-Kafrul & Mouza-Ulon, PS-Gulshan, Dist- Dhaka.	No	No
16	Elephant Road Branch	M/s. Shipu Enterprise.	33(7)	4.50 katha Land at Mouza-Choto sayek, PS-Mirpur, Dist- Dhaka.	No	No





SL No.	Branch Name	Name of the account & Key Person	Catagories	Land Area	Mutation	Possession
17	New Eskaton	M/s Catena Computers.	33(7)	1550 sft. Flat (along with undivided and un-demarcated 0.44 decimal land)	No	Yes
18	Principal Branch	M/s. Business Mart. Prop: Ayub Hassain.	33(7)	29.50 dec land, at Nandipara, Shobujbagh, Dhaka.	No	No
19	Principal Branch	M/s. Crystal Trading	33(7)	i) 12 Dec. of Land at Bakalia, Chittagong ii) 98 Dec. of Land at Kachkura, Uttara, Dhaka	No	No
20	Gulshan Branch	M/s Shah Alam & Nasrin Alam	33(7)	0087.50 Ajutangsha of land along with Flat no.6/C on the 6th floor of the 10th storied building constructed thereon measuring 1,025 sft, Dhaka city corporation Holding No. 33/6/C, Chamelibagh, 1st lane,	No	No
21	Noapara (Jessore) Branch	M/s. Mayur Enterprise.	33(7)	16.60 decimal land with building	No	No
22	Khatungonj	Solaiman & Brothers. Prop: Md. Solaiman	33(7)	8.00 dec and 10.00 dec at Mouza-West Solasahar, P.s- Panchlaish, Dist-Chittagong	No	No
23	Faridpur Branch	M/s National Electric	33(7)	16.04 Dec at North Alipur, PO- Ambikapur, Faridpur	Yes	No
24	O.R. Nizam Road	M/s Monowara Corporation	33(7)	0.10 acre of Land and 0.53 acre of Land at East Nasirabad, Panchlaish, Chittagong and Fultoli, Anowara, Chittagong.	Yes	Yes
25	O.R. Nizam Road	M/s. R.S.N. Fabric House	33(7)	I) RM of 8.75 Dec land at Nasirabad Housing Society owned by Rubaiyet-E-Hasnath II) RM of 8 decimal land at jalalabad	Yes	Yes
26	Dinajpur	M/s D.D Auto Rice Mill	33(7)	Land Area: 155 Decimal, Mouza: Vhuipara Dinaj pur	Yes	No
27	Elephant Road Branch	Awake Sons	33(7)	Land Aera 28 decimals	Yes	No
28	Principal Branch	M/s Rahima Composite,	33(7)	District- Dhaka, Mouza- Turag 8.25	No	No
29	Nabigonj	Tonmoy Traders	33(7)	Land area: 28 Decimal	No	No
30	Kanaipur	Tushar Electronics	33(7)	Land area: 50 Decimal	Yes	Yes
31	Kanaipur	Tapan Store	33(7)	Land area: 227.38 Decimal	Yes	Yes



United Commercial Bank PLC
Highlights on Overall Activities

Particulars	2023	2022
Paid-up Capital	14,765,484,750	14,062,366,430
Total Capital	55,214,433,306	52,673,818,523
Capital Surplus	357,386,362	2,266,167,347
Total Assets	685,012,410,972	628,076,829,196
Total Deposits	513,394,683,785	426,028,440,768
Total Loans & Advances	505,969,487,028	468,605,096,016
Total Contingent Liabilities & Commitments	291,676,237,243.0	217,939,758,095
Credit Deposit Ratio (%)	86.57	86.14
Percentage of Classified Loans against Total Loans and Advances	5.50	5.99
Operating Profit	9,725,720,392.0	11,468,771,062
Profit after Tax & Provision	2,685,086,287.0	4,024,011,154
Amount of Classified Loans during the year	(258,293,517.0)	10,340,395,101
Classified Loans and advance at the end of the year	27,819,391,979.0	28,077,685,496
Provision kept against Classified Loans	13,907,404,457.0	13,206,713,687
Provision Surplus/(Deficit)	-	-
Cost of Fund (%)	7.06	6.38
Interest Earning Assets	606,721,538,234	549,827,967,981
Non-interest earning Assets	78,290,872,738	78,248,861,215
Return on Investment (ROI) (%)	7.37	7.20
Return on Assets (ROA) (%)	0.41	0.67
Net Asset value per share	29.68	29.13
Income from Investments	5,871,930,074.0	5,685,113,776
Earning per share (Taka)	1.86	2.86
Net Income per share (Taka)	1.86	2.86
Price earning ratio (Times)	6.67	4.54



United Commercial Bank PLC
**Off-shore Banking Unit
Balance Sheet
As at 31 December 2023**

Notes	31.12.2023		31.12.2022
	USD	BDT	BDT
PROPERTY AND ASSETS			
Cash	-	-	-
In hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	3	10,307,242	1,131,219,768
In Bangladesh	-	-	-
Outside Bangladesh	10,307,242	1,131,219,768	2,179,064,772
Loans and advances	4	56,285,344	6,177,316,486
Loans, cash credits, overdrafts, etc.	12,829,977	1,408,089,994	1,815,165,437
Bills purchased and discounted	43,455,367	4,769,226,492	19,924,883,656
Fixed assets including premises, furniture and fixtures	5	3	234
Other assets	6	-	-
Non - banking assets	-	-	-
Total assets		66,592,588	7,308,536,488
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	7	59,600,000	6,541,100,000
Deposits and other accounts		-	-
Other liabilities	8	2,179,825	239,235,778
Total liabilities		61,779,825	6,780,335,778
Capital / Shareholders' equity		4,812,764	528,200,710
Paid up capital		-	-
Statutory reserve		-	-
Foreign currency gain		-	-
Other reserve		-	10,178,461
Surplus in profit and loss account / Retained earnings	9	4,812,764	518,022,249
Total liabilities and Shareholders' equity		66,592,588	7,308,536,488

Notes	31.12.2023		31.12.2022
	USD	BDT	BDT

Off Balance Sheet Items
Contingent liabilities

Acceptances and endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

Other contingent liabilities

Other commitments

Documentary credits and short term trade -related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Liabilities against forward purchase and sale

Other commitments

Total Off-Balance Sheet exposures including contingent liabilities

	100,354,121	11,013,864,787	2,975,622,399
Acceptances and endorsements	-	-	-
Letters of guarantee	100,354,121	11,013,864,787	2,975,622,399
Irrevocable letters of credit	-	-	-
Bills for collection	-	-	-
Other contingent liabilities	-	-	-
Other commitments	-	-	-
Documentary credits and short term trade -related transactions	-	-	-
Forward assets purchased and forward deposits placed	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-
Liabilities against forward purchase and sale	-	-	-
Other commitments	-	-	-
Total Off-Balance Sheet exposures including contingent liabilities	100,354,121	11,013,864,787	2,975,622,399

The annexed notes from 01 to 15 form integral part of these financial statements.



United Commercial Bank PLC
Off-shore Banking Unit
Profit and Loss Account
For the Year ended 31 December 2023

	Notes	2023		2022
		USD	BDT	BDT
Interest income	10	9,052,228	974,336,542	1,423,391,038
Interest paid on deposits, borrowings, etc.	11	6,061,200	652,397,290	559,503,012
Net interest Income		2,991,028	321,939,252	863,888,026
Investment Income		-	-	-
Commission, exchange, brokerage, etc.	12	176,224	18,967,826	54,623,298
Other operating income	13	-	-	-
Total operating income (A)		3,167,251	340,907,078	918,511,324
Salaries and allowances	14	14,567	1,567,903	1,211,050
Rent, taxes, insurance, electricity, etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.		-	-	-
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		15	1,151	138,921
Other expenditure	15	2,143	230,667	170,223
Total operating expenses (B)		16,725	1,799,721	1,520,194
Profit before provision (C=A-B)		3,150,526	339,107,357	916,991,130
Provision for loans and advances / investments				
Specific provision		-	-	-
General provision		(1,555,000)	(167,372,425)	(77,030,168)
Provision for Off Balance Sheet Exposure		(107,237)	(11,542,467)	6,914,979
Total provision (D)		(1,662,237)	(178,914,892)	(70,115,189)
Total profit before taxes (C-D)		4,812,764	518,022,249	987,106,319
Provision for taxation		-	-	-
Current tax		-	-	-
Deferred tax		-	-	-
Net profit after taxation		4,812,764	518,022,249	987,106,319

The annexed notes from 01 to 15 form integral part of these financial statements.



United Commercial Bank PLC
Off-shore Banking Unit
Cash Flows Statement
For the year ended 31 December 2023

	2023		2022
	USD	BDT	BDT
A) Cash flows from operating activities			
Interest receipts in cash	9,052,228	974,336,542	1,423,391,038
Interest payments	(6,061,200)	(652,397,290)	(559,503,012)
Fees and commission receipts in cash	176,224	18,967,826	54,623,298
Cash payments to employees	(14,567)	(1,567,903)	(1,211,050)
Cash payments to suppliers	-	-	-
Receipts from other operating activities	-	-	-
Payments for other operating activities	(2,143)	(230,667)	(170,223)
Cash generated from operating activities before changes in operating assets and liabilities	3,150,541	339,108,508	917,130,051
Increase / (decrease) in operating assets and liabilities			
Loans and advances to other banks	-	-	-
Loans and advances to customers	154,184,990	16,921,802,696	8,620,483,252
Other assets	-	-	-
Deposits from other banks / borrowings	(156,396,363)	(17,164,500,833)	(7,866,947,072)
Deposits from customers	-	-	-
Other liabilities	(1,156,243)	(126,897,712)	(44,747,912)
	(3,367,616)	(369,595,849)	708,788,268
Net cash from operating activities	(217,075)	(30,487,341)	1,625,918,319
B) Cash flows from investing activities			
Purchase / sale of property, plant and equipment	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-
Net cash used in investing activities	-	-	-
C) Cash flows from financing activities			
Retained earnings sent to Central Operation	(10,571,703)	(1,027,536,124)	(987,106,319)
Net Cash from financing activities	(10,571,703)	(1,027,536,124)	(987,106,319)
D) Net (decrease)/increase in cash and cash equivalents (A+ B + C)	(10,788,777)	(1,058,023,465)	638,812,000
E) Effects of exchange rate changes on cash and cash equivalents	-	10,178,461	104,872,957
F) Cash and cash equivalents at beginning of the year	21,096,019	2,179,064,772	1,435,379,815
G) Cash and cash equivalents at end of the year (D+E+F)	10,307,242	1,131,219,768	2,179,064,772
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	10,307,242	1,131,219,768	2,179,064,772
	10,307,242	1,131,219,768	2,179,064,772

The annexed notes from 01 to 15 form integral part of these financial statements.



United Commercial Bank PLC
Off-shore Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2023

1.1 Status of the units

Off-shore Banking Units of United Commercial Bank PLC, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission for 2 (two) units of Off-shore Banking Unit (OBU) vide letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. Presently the Bank has 1 (one) unit in Dhaka.

1.1.1 Principal activities

The principal activities of the unit is to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements
1.2.1 Basis of accounting

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Company Act 1991 (amendment 2023), Bangladesh Accounting Standards and other applicable directives issued by Bangladesh Bank.

1.2.2 Use of estimates and judgments

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

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

1.2.3 Foreign currency transaction
a) Foreign currency translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance

c) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

1.2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the International Accounting Standard (ISA)-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Reporting period

These financial statements cover from January 01 to December 31, 2023.

2 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency and figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 109.7500 (closing rate as at 31 December 2023) and Tk. 107.6350 (average rate).

3 Balance with other banks and financial institutions

In Bangladesh
Outside Bangladesh

2023		2022
USD	BDT	BDT
-	-	-
10,307,242	1,131,219,768	2,179,064,772
10,307,242	1,131,219,768	2,179,064,772

4 Loans and advances
i) Loans, cash credits, overdrafts, etc.

Loan (General)
Hire purchase
Lease finance
Term Loan

-	-	-
-	-	-
-	-	-
12,829,977	1,408,089,994	1,815,165,437
12,829,977	1,408,089,994	1,815,165,437

ii) Bills purchased and discounted
Payable Inside Bangladesh

Inland bills purchased

Payable Outside Bangladesh

Foreign bills purchased and discounted

-	-	-
43,455,367	4,769,226,492	19,924,883,656
43,455,367	4,769,226,492	19,924,883,656
56,285,344	6,177,316,486	21,740,049,093

5 Fixed assets
Cost

Furniture & Fixtures
Computer and equipments

18,986	1,479,935	1,479,935
809	63,027	63,027
19,794	1,542,962	1,542,962

Less: Accumulated Depreciation

Furniture & Fixtures
Computer and equipments

18,984	1,479,779	1,478,628
808	62,949	62,949
19,791	1,542,728	1,541,577

Written down value (WDV)

3	234	1,385
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6 Other assets

Advance deposits and advance rent
Interest Receivable
Foreign currency translation reserve

-	-	-
-	-	-
-	-	-
-	-	-

7 Borrowings from other banks, financial institutions and agents

Borrowings from Head office
Al Arafah Islami Bank PLC
CAIXA Bank Spain
Emirates Islamic Bank
Emirates NBD Bank PJSC (UAE)
National Bank of Ras Al-Khaimah (UAE)
Bank Muscat International
United Bank Limited-UAE
State Bank of India (Hong Kong)

-	-	11,466,353,531
12,100,000	1,327,975,000	1,053,585,540
21,000,000	2,304,750,000	1,611,366,120
11,500,000	1,262,125,000	663,139,134
15,000,000	1,646,250,000	1,008,963,094
-	-	4,235,000,700
-	-	1,342,805,100
-	-	723,048,900
-	-	206,585,400
59,600,000	6,541,100,000	22,310,847,518

8 Other liabilities

Interest payable
Provision for Loans & Advances
Provision for Off Balance Sheet Exposure

607,659	66,690,570	182,198,235
570,000	62,557,500	219,496,988
1,002,166	109,987,708	114,593,233
2,179,825	239,235,778	516,288,456



9 Retained earnings

Opening Balance
Current year profit
Retained earnings transferred to central operation
Effect of changes in exchange rate

2023		2022
USD	BDT	BDT
-	-	-
4,812,764	518,022,249	987,106,319
(4,812,764)	(518,021,853)	(987,078,834)
-	10,178,461.00	104,872,957
-	10,178,857	104,900,442

10 Interest income

Term Loan
Bills purchased & Discount
Others

Interest on loans and advances

Interest on balance with other banks and financial institutions
Interest received from foreign banks
Total Interest income

2023		2022
USD	BDT	BDT
1,342,103	144,457,250	103,551,615
7,071,110	761,098,914	1,288,837,306
-	-	-
8,413,213	905,556,164	1,392,388,921
336,083	36,174,329	18,458,712
302,932	32,606,049	12,543,405
9,052,228	974,336,542	1,423,391,038

11 Interest on deposits, borrowings, etc.

Interest paid on deposits
Interest paid on local bank accounts
Interest paid on Borrowings

-	-	-
-	-	-
6,061,200	652,397,290	559,503,012
6,061,200	652,397,290	559,503,012

12 Commission, exchange and brokerage

LC,BC & BG (Others) Fees and Charges
Exchange Gain/(Loss)
Income from Nostro
Revaluation Gain/(Loss) on foreign currency

142,517	15,339,786	35,510,558
31,562	3,397,163	16,496,982
2,145	230,877	2,615,758
-	-	-
176,224	18,967,826	54,623,298

13 Other operating income

Reimbursement Charge
Miscellaneous earnings

-	-	-
-	-	-
-	-	-

14 Salaries and allowances

Basic pay
Allowances
Bonus
Contribution to fund

7,084	762,485	597,368
3,969	427,207	329,332
2,805	301,961	224,612
708	76,250	59,738
14,567	1,567,903	1,211,050

15 Other expenditure

Foreign bank correspondence charges
Miscellaneous Expenses
Revaluation loss on foreign currency

-	-	-
2,143	230,667	170,223
-	-	-
2,143	230,667	170,223



United Commercial Bank PLC
Islamic Banking Unit
Balance Sheet
As at 31 December 2023

	Notes	31.12.2023 Taka	31.12.2022 Taka
PROPERTY AND ASSETS			
Cash	3	918,812,281	419,436,691
In hand (including foreign currencies)		16,433,837	17,914,893
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-
		902,378,444	401,521,798
Balance with other Banks and Financial Institutions	4	1,050,060,919	102,698
In Bangladesh		1,050,060,919	102,698
Outside Bangladesh		-	-
Placement with other banks and financial institutions		-	-
Investments in shares and securities	5	1,298,120,000	830,266,000
Government		715,620,000	830,266,000
Others		582,500,000	-
Investments	6	13,185,442,170	7,348,924,335
General Investment		12,890,561,304	7,348,924,335
Bills purchased and discounted		294,880,866	-
Fixed assets including premises, furniture and fixtures	7	22,711,109	39,890,081
Other assets	8	2,367,723,377	2,371,683,267
Non - banking assets		-	-
Total assets		18,842,869,856	11,010,303,072
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks, financial institutions and agents	9	322,536,839	56,951,294
Deposits and other accounts	10	17,226,699,084	10,536,515,298
Al-wadeeah current and other deposits accounts, etc.		2,249,773,362	1,562,754,577
Bills Payable		22,027,021	802,030
Mudaraba Savings Deposits		4,943,935,234	3,585,250,124
Mudaraba term Deposits		10,010,963,467	5,387,708,567
Other liabilities	11	1,293,633,933	416,836,480
Total liabilities		18,842,869,856	11,010,303,072
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Foreign currency gain		-	-
Other reserve		-	-
Deficit in profit and loss account / Retained earnings	12	-	-
Total Shareholders' equity		-	-
Total liabilities and Shareholders' equity		18,842,869,856	11,010,303,072

Notes	31.12.2023 Taka	31.12.2022 Taka
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Off Balance Sheet Items
Contingent liabilities

Acceptances and endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

Other contingent liabilities

Other commitments

Documentary credits and short term trade -related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Liabilities against forward purchase and sale

Other commitments

Total Off-Balance Sheet exposures including contingent liabilities

	9,295,750,089	3,429,548,298
Acceptances and endorsements	4,707,264,615	1,963,805,460
Letters of guarantee	209,122,107	55,292,199
Irrevocable letters of credit	3,074,843,896	1,393,989,622
Bills for collection	1,304,519,471	16,461,017
Other contingent liabilities	-	-
Other commitments		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Liabilities against forward purchase and sale	-	-
Other commitments	-	-
Total Off-Balance Sheet exposures including contingent liabilities	9,295,750,089	3,429,548,298

The annexed notes from 01 to 21 form integral part of these financial statements.



United Commercial Bank PLC
Islamic Banking Unit
Profit and Loss Account
For the Year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
Investment income	13	888,359,123	339,127,988
Profit paid on deposits, borrowings, etc	14	481,295,192	153,945,242
Net investment Income		407,063,931	185,182,746
Profit on Investment with bank and financial institutions		157,858,376	47,787,625
Commission, exchange, brokerage	15	196,994,878	76,211,694
Other operating income	16	10,609,857	277,350
Total operating income (A)		772,527,042	309,459,415
Salaries and allowances	17	41,945,173	31,043,390
Rent, taxes, insurance, electricity, etc.		8,906,852	4,438,567
Legal expenses		-	502,550
Postage, stamp, telecommunication, etc.		270,217	237,947
Stationery, printing, advertisements, etc.		33,969,191	7,642,983
Depreciation and repair of Bank's assets	18	18,788,049	21,069,138
Other expenditure	19	15,822,129	14,028,885
Total operating expenses (B)		119,701,611	78,963,460
Profit before provision (C=A-B)		652,825,431	230,495,955
Provision for investments	20	89,440,941	60,365,962
Other Provision	21	92,957,501	34,130,873
Total provision (D)		182,398,442	94,496,835
Total profit after taxes (C-D)		470,426,989	135,999,120

The annexed notes from 01 to 21 form integral part of these financial statements.



United Commercial Bank PLC
Islamic Banking Unit
Cash Flows Statement
For the year ended 31 December 2023

Notes	2023 Taka	2022 Taka
A) Cash flows from operating activities		
Profit receipts	1,024,648,402	373,898,036
Profit payments	(481,295,192)	(99,683,268)
Dividend receipt	-	-
Fees & Commission receipt	171,218,719	70,215,687
Recoveries from previously written off advances	-	-
Payments to employees	(41,945,173)	(31,043,390)
Payments to suppliers	(43,146,260)	(12,319,497)
Payment for Advance Income Tax	976,266	(1,508,802)
Receipt from other operating activities	10,609,857	4,438,540
Payment for other activities	(16,263,807)	(17,479,917)
Operating profit before changes in operating assets and Liabilities	624,802,812	286,517,389
Increase /Decrease in operating assets and liabilities		
Statutory Deposit	16,000	(16,000)
Purchase/Sale of trading securities	(767,870,000)	-
Loans and advances to customers	(5,836,517,835)	(6,623,348,791)
Other Assets	3,885,551	(1,470,457,789)
Deposit from Banks	295,574,781	50,201,507
Deposit from customers	6,394,609,005	7,571,327,476
Other liabilities	545,805,262	295,181,010
	635,502,764	(177,112,587)
B) Net Cash from operating activities (A)	1,260,305,576	109,404,802
Cash flows from investing activities		
Purchase/Sale of Securities	-	-
Purchase of Property, Plant & Equipments	(2,333,469)	(7,701,878)
Cash flows from investing activities (B)	(2,333,469)	(7,701,878)
C) Cash flows from financing activities		
Receipt from borrowing	265,585,545	(103,537,741)
Sub-Ordinated Bond	-	-
Cash received from issuing of Right shares	-	-
Cash dividend payment	-	-
Net cash flows from financing activities (C)	265,585,545	(103,537,741)
D) Net cash increase/decrease (A+B+C)	1,523,557,652	(1,834,817)
E) Effects of the changes of exchange rate on cash and cash equivalents	25,776,159	1,834,817
F) Cash and cash equivalent at beginning of the year	419,539,389	1,114,508,201
G) Closing cash and cash equivalent at the end of the period	1,968,873,200	1,114,508,201

The annexed notes from 01 to 21 form integral part of these financial statements.



United Commercial Bank PLC
Islamic Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2023

1.1 Status of the Islamic Banking units

Islamic Banking refers to a system of Banking or Banking activity that is consistent with the principles of the Sharia's (Islamic rulings) and its practical application through the development of Islamic economics. Sharia's prohibits the payment or acceptance of interest or excess (Riba) for the Lending and Borrowing of money. It carries out trade and other real economic activities to generate income rather than earning through trade of money (Interest). It also avoids Gharar (ambiguity) in any dealings or contracts and also avoids Maisir (gambling) in all activities. The principle also emphasises moral and ethical values in all dealings.

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely i-FLEXCUBE

1.1.1 Principal Activities and Nature of Business

The Islamic Banking units of UCB offers all kinds of Islamic Shari'ah based commercial Banking services to its customers through its windows following the provisions of the Bank Companies Act 1991 (as amended up to 2023), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah.

1.2 Deposits Principles

1.2.1 Shariah principles for receiving deposits

Islamic banks receive deposits under two principles:

- i) Al-Wadeeah principle.
- ii) Mudaraba principle.

1.2.1.1 Al-Wadeeah:

Fund which is deposited with Banks by the depositors with clear permission to utilize /invest the same is called Al-Wadeeah. Islamic banks receive deposits in Current Accounts on the basis of this Al-Wadeeah Principle. Islamic banks obtain permission from the AlWadeeah depositors to utilise the Funds at its own responsibility and the depositors would not share any profit or loss earned/incurred out of using of this funds by the bank. The banks have to pay back the deposits received on the principle of Al-Wadeeah on demand of the holders. The depositors have to pay government taxes and other charges, if any.

1.2.1.2 Mudaraba:

Mudaraba is a partnership of labour and capital, where one partner provides full capital and the other one manages the business. The capital provider is called Sahib-Al-Maal and the user of the capital is called Mudarib. As per Shariah principles, the Mudarib will conduct the business independently following Shariah principles. The Sahib-Al-Maal may provide advices, if he deems fit but he can not impose any decision over the Mudarib. Profit, if any, is divisible between the Sahib-Al-Maal and the Mudarib at a predetermined ratio, while loss, if any, is borne by the Sahib-Al-Maal. The deposits, received by Islamic banks under this principle are called Mudaraba Deposits. Here, the depositors invest as Sahib-Al-Maal and the bank manages the business as Mudarib.

The Mudaraba deposits include:

- i) Mudaraba Savings Deposits (MSD)
- ii) Mudaraba Short Notice Deposits (MSND)
- iii) Mudaraba Term Deposits (MTD).



1.2.1.3 Income Sharing Ratio (ISR)

UCB Taqwa - Islamic banking declares Income Sharing Ratio (ISR) between Bank and Customer, which is applicable on its Bangladeshi Taka UCB Taqwa Mudaraba Savings Account, UCB Taqwa Mudaraba SND Account, UCB Taqwa Mudaraba Term Deposit Account, UCB Taqwa Monthly Income Term Deposit, UCB Taqwa Monthly Deposit Scheme.

UCB Taqwa profit bearing accounts are operated under Shariah Mode "Mudaraba" where, it is a partnership business contract between Bank & Customer. Customer provides capital (Shaheb Al Maal) and bank manages the business (Mudarib). Income generated is distributed between partners as per agreed Income Sharing Ratio (ISR).

- UCB Taqwa does not offer any provisional rate for any types of Mudaraba Accounts.
- Profit rate will be determined every month according to the Income Sharing Ratio (ISR) between Bank and Customer and Income from investment.

1.3 Investment Principles & Investment Products

Islamic banks do not directly deal in money. They run business with money. The funds of Islamic banking are mainly invested in the following modes:

- 1) Musharaka;
- 2) Bai-Murabaha (Murabaha to the purchase orders);
- 3) Salam and agency;
- 4) Ijarah Muntahia Bittamleek (Hire Purchase);
- 5) Hire Purchase Shirkat al Melk (HPSM);

1.4 Significant Accounting Policies

1.4.1 Basis of preparation of the Financial Statements

Islamic Banking unit of the Bank is being operated in strict compliance with the rules of Islamic Shari'ah. The financial statements of the unit have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and as per provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009 with reference to the provisions of the Bank Companies Act, 1991 (as amended) and other circulars/ instructions of Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization.

In case any requirement of the Bank Companies Act 1991 (as amended) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Companies Act 1991 (as amended) and provisions and circulars issued by Bangladesh Bank shall prevail.

1.5 Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Islamic Banking units of UCB follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

- 1) Musharaka;
- 2) Bai-Murabaha (Murabaha to the purchase orders);
- 3) Salam and agency;
- 4) Hire Purchase Shirkat al Melk (HPSM);
- 5) Bai As Sarf (Currency exchange).

1.6 Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

1.7 Reporting period

These financial statements cover from January 01 to 31 December 2023.

2 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency and figures appearing in these financial statements have been rounded off to the nearest Taka.



3 Cash
Cash in hand

Local currency
Cash in ATM
Foreign currency

Balance with Bangladesh Bank and its agent Bank(s)

Local currency
Foreign currency

4 Balance with other banks and financial institutions

In Bangladesh
Outside Bangladesh

5 Investments in Shares and Securities

Perpetual Mudaraba Bond Investment
Investment in Un-Quoted Securities
Bangladesh Government Investment Sukuk
Private Sukuk Bond
Prize Bond

6 Investments
i) General Investments

General Investment

ii) Bills purchased and discounted
Payable Inside Bangladesh

Inland bills purchased

Payable Outside Bangladesh

Foreign bills purchased and discounted

7 Fixed assets
Cost

Furniture and Fixture
Office equipments
Computer and equipments
Computer software

Less: Accumulated Depreciation

Furniture and Fixture
Office equipments
Computer and equipments
Computer software

Written down value (WDV)

31.12.2023 Taka	31.12.2022 Taka
918,812,281	419,436,691
15,408,772	16,175,444
-	-
1,025,065	1,739,449
16,433,837	17,914,893
902,378,444	401,521,798
-	-
902,378,444	401,521,798
1,050,060,919	102,698
-	-
1,050,060,919	102,698
230,000,000	230,000,000
52,500,000	52,500,000
715,620,000	547,750,000
300,000,000	-
-	16,000
1,298,120,000	830,266,000
12,890,561,304	7,348,924,335
12,890,561,304	7,348,924,335
14,990,928	-
279,889,938	-
294,880,866	-
13,185,442,170	7,348,924,335
6,272,107	6,272,107
2,227,420	1,558,420
2,345,983	1,847,583
67,944,879	67,944,879
78,790,389	77,622,989
1,110,080	482,880
635,894	313,069
950,617	540,489
53,382,689	36,396,470
56,079,280	37,732,908
22,711,109	39,890,081

8 Other assets

Advance deposits and advance rent
Advance Income Tax Paid
Income & Compensation Receivable
Stock of Stationery & Stamps
Head Office General Account

31.12.2023 Taka	31.12.2022 Taka
-	-
532,536	1,508,802
39,695,639	16,984,457
325,070	152,300
2,327,170,132	2,353,037,708
2,367,723,377	2,371,683,267

9 Placement from other banks, financial institutions and agents

Borrowings from Head office
EDF Borrowing from Bangladesh Bank
Bangladesh Bank Pre-Financing Scheme

-	-
282,803,506	56,951,294
39,733,333	-
322,536,839	56,951,294

10 Deposits and other accounts

Inter Bank deposits
Other deposits

345,776,288	50,201,507
16,880,922,796	10,536,515,298
17,226,699,084	10,586,716,805

a. Al-Wadeeah Current and Other Deposits

Current deposits
Foreign currency deposits
Sundry deposits

788,330,303	566,336,240
125,069,632	84,892,252
1,336,373,427	911,526,085
2,249,773,362	1,562,754,577

b. Bills Payable

Pay order
Demand draft payable
Others Payable

22,027,021	802,030
-	-
-	-
22,027,021	802,030

c. Mudaraba Savings Deposits

Savings Bank deposits

4,943,935,234	3,585,250,124
4,943,935,234	3,585,250,124

d. Mudaraba Term Deposits

Fixed deposits
Special notice deposits
Scheme Deposits

7,879,410,949	4,655,601,033
2,037,962,514	731,425,534
93,590,004	682,000
10,010,963,467	5,387,708,567

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

17,226,699,084	10,536,515,298
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11 Other liabilities

Provision for Investment (Notes-11.1)
Provision for off-balance sheet exposure
Profit payable
Payable Tax, VAT and Excise Duty
Unearned Income
Compensation Realisable Account
Other Sundry Liabilities
Profit Suspense Account
Compensation Suspense Account
Head Office General Account

89,440,941	60,365,962
92,957,501	34,130,873
619,206,263	190,460,199
46,870,767	15,760,926
414,621,620	112,583,532
28,004,600	3,435,678
300,799	99,310
1,104,345	-
1,127,097	-
-	-
1,293,633,933	416,836,480



11.1 Provision for Investments

General Provision
Specific Provision

12 Retained Earnings

Opening Balance
Add: Transferred during for the year
Retained earnings transferred to central operation
Effect of changes in exchange rate

13 Investment Income

Term Investment
Bills purchased & Discount
Others

Interest on Investment

Income on balance with other banks and financial institutions
Islamic Bond _Islami Banking
Income received from foreign banks

Total Interest income

14 Profit paid on deposits, borrowings, etc.

Profit paid on deposits
Profit paid on local bank accounts
Profit paid on Borrowings

15 Commission, exchange and brokerage

Exchange Gain/(Loss)
Income from Commission
Income from Fees
Income from Brokerage

16 Other operating income

Income from Others

17 Salaries and allowances

Basic pay
Allowances
Bonus
Provident Fund and Welfare Fund

31.12.2023 Taka	31.12.2022 Taka
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89,440,941	60,365,962
-	-
89,440,941	60,365,962

-	-
-	-
-	-
-	-
-	-
-	-

2023 Taka	2022 Taka
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887,046,623	339,127,988
-	-
-	-
887,046,623	339,127,988

1,312,500	-
-	-
-	-
888,359,123	339,127,988

474,749,528	151,199,689
-	-
6,545,664	2,745,553
481,295,192	153,945,242

25,776,159	1,834,817
113,548,401	43,964,134
57,670,318	30,412,743
-	-
196,994,878	76,211,694

10,609,857	277,350
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26,265,073	20,009,223
10,059,369	6,387,158
2,975,554	2,311,037
2,645,177	2,335,972
41,945,173	31,043,390



18 Depreciation and repair of Bank's assets
Depreciation

Computer Equipment
Computer Software
Furniture and Fixture
Office Equipment

Repair and Renovation

Premises
Repair and Renovation Expense Supply Items
Vehicles
Repair Office Equipment
Software Maintenance Charge

19 Other Expenditure

Fees, Commission and Charges
Car Expense
Medical Expense
Other expense

20 Provision for Investments

Provision for Classified Investments
Provision for Unclassified Investments

21 Other Provision

Provision for Off Balance Sheet Exposure

2023 Taka	2022 Taka
410,128	360,677
16,986,219	16,986,219
627,199	482,880
322,825	290,880
18,346,371	18,120,656
1,200	-
199,136	1,244,532
138,482	42,475
98,860	87,975
4,000	1,573,500
441,678	2,948,482
18,788,049	21,069,138
67,778	376,862
2,003,890	3,732,718
1,289,991	1,099,007
12,460,470	8,820,298
15,822,129	14,028,885
-	-
89,440,941	60,365,962
89,440,941	60,365,962
92,957,501	34,130,873