

Independent Auditor's Report
To the Shareholders of Union Bank Ltd.
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Union Bank Ltd. ("the Bank"), which comprise the balance sheet as at 31 December 2018 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code & 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for maintenance of the required books of accounts & records and preparation & fair presentation of the Bank's financial statements in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of 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 financial statements, management is responsible for assessing 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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act 1991 (as amended in 2013 & 2018) 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 Responsibility section in forming the above opinion on the 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 Bank as disclosed in notes 2.11.5 and 2.11.7 to the financial statements appeared to be with immaterial control deficiencies as identified in the Management Report;
 - (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 Bank and its related entities;
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from Branches not visited by us;
- (iv) the expenditures incurred were for the purpose of the Bank's business for the year;

- (v) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as explained in note 2 as well as with related guidelines, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst the inspection team of Bangladesh Bank, external auditors' and the management of Union Bank Ltd. held on 27.03.2019;
- (vi) provisions as explained in note 11.2.1, 11.2.1 and 11.2.3 have been made for the Investments and off-balance sheet items which are in our opinion, doubtful of recovery;
- (vii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (viii) the information and explanations required by us have been received and found satisfactory;
- (ix) we have reviewed over 80% of the risk weighted assets of the Bank and spent around 3,632 person hours for the audit of the books and accounts of the Bank; and
- (x) Capital to Risk-weighted Asset Ratio (CRAR) has been maintained during the year as explained in note 12.4.

Dhaka,
28 March 2019

Syful Shamsul Alam & Co.
Syful Shamsul Alam & Co.
Chartered Accountants

**Auditors' Report and
Audited Financial Statements
of
Union Bank Limited
For the year ended 31 December 2018**

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2018

Particulars	Notes	December 2018 Taka	December 2017 Taka
PROPERTY AND ASSETS			
Cash	3	7,724,798,234	11,257,005,478
In hand (Including foreign currency)	3.1	1,319,429,525	801,321,303
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	6,405,368,709	10,455,684,175
Balance with other Banks and Financial Institutions	4.1	195,754,444	244,582,063
In Bangladesh		143,623,615	38,074,756
Outside Bangladesh		52,130,829	206,507,307
Placement with banks & Other Financial Institutions	4.2	7,663,887,421	9,263,887,421
Investments in Shares & Securities	5	5,113,459,441	4,984,525,024
Government		4,800,000,000	4,650,000,000
Others		313,459,441	334,525,024
Investments	6	119,934,385,113	100,753,547,130
General Investments etc.	6.A	100,053,401,658	84,268,614,957
Bills Purchased and Discounted	6.B	19,880,983,455	16,484,932,173
Fixed Assets Including Premises, Furniture and Fixtures	7	1,122,688,777	849,999,808
Other Assets	8	6,828,791,770	4,324,019,497
Non Banking Assets		-	-
Total Assets		<u>148,583,765,200</u>	<u>131,677,566,421</u>
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9	8,257,531,702	5,141,390,322
Deposits and Other Accounts	10	124,898,503,882	114,049,889,571
Mudaraba Savings Deposits	10.1	4,177,209,904	2,876,904,725
Mudaraba Term Deposits	10.2	81,458,894,473	80,432,924,516
Other Mudaraba Term Deposits	10.3	21,094,533,811	16,035,274,892
Al-Wadia Current Accounts and Other Accounts	10.4	17,464,009,063	14,185,117,907
Bills Payable	10.5	703,856,631	519,667,531
Other Liabilities	11	7,615,264,040	5,611,985,916
Deferred Tax Liabilities/(Assets)	11.a	(43,689,446)	(28,199,024)
Total Liabilities		<u>140,727,610,178</u>	<u>124,775,066,785</u>
Capital/Shareholders' Equity			
Paid-up Capital	12	5,272,960,000	5,272,960,000
Statutory Reserve	13	1,227,575,435	876,837,431
Other Reserve	14	145,749,665	145,749,665
Retained Earnings	15	1,209,869,922	606,952,540
Total Shareholders' Equity		<u>7,856,155,022</u>	<u>6,902,499,636</u>
Total Liabilities and Shareholders' equity		<u>148,583,765,200</u>	<u>131,677,566,421</u>

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2018

Particulars	Notes	December 2018 Taka	December 2017 Taka
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		5,868,736,973	3,079,016,917
Letter of Guarantees	16	605,602,026	315,956,779
Irrecoverable Letters of Credit	17	2,117,730,306	2,465,280,671
Bills for Collection	18	1,247,212,368	1,532,780,000
Other Contingent Liabilities		-	-
Total		<u>9,839,281,673</u>	<u>7,393,034,367</u>
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the bank not acknowledged as debt		-	-
Other-Commitments		-	-
Total		<u>-</u>	<u>-</u>
Total Off -Balance Sheet Items Including Contingent Liabilities		<u>9,839,281,673</u>	<u>7,393,034,367</u>

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

Managing Director

Director

Director

Chairman

See annexed auditor's report of even date

Dhaka
28 March 2019

Syful Shamsul Alam & Co.
Chartered Accountants

UNION BANK LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2018

Particulars	Notes	December 2018 Taka	December 2017 Taka
Investments Income	19	13,550,870,061	10,587,605,824
Profit Paid on Deposits	20	(9,583,740,019)	(6,905,419,048)
Net Investment Income		3,967,130,042	3,682,186,776
Income from Investment in Shares and Securities	21	137,873,199	61,680,973
Commission, Exchange and Brokerage	22	254,839,009	233,620,013
Other Operating Income	23	79,729,133	33,587,630
		472,441,341	328,888,616
Total Operating Income		4,439,571,383	4,011,075,392
Operating Expenses			
Salary and Allowances	24	1,118,798,277	849,834,207
Rent, Taxes, Insurances, Electricity etc.	25	335,738,366	303,826,381
Legal Expenses	26	735,948	1,010,223
Postage, Stamps, Telecommunication etc.	27	21,961,232	18,699,907
Stationery, Printings, Advertisements etc.	28	47,395,168	42,946,375
Chief Executives Salary and Fees	29	10,115,000	8,013,979
Auditors' Fees		690,000	345,000
Directors' Fees & Expenses	30	2,691,400	2,037,500
Shariah Supervisory Committee's Fees & Expenses	31	234,800	188,398
Depreciation and Repair of Bank's Assets	32	228,256,863	179,296,411
Zakat Expenses		26,500,000	20,000,000
Other Expenses	33	316,904,967	312,107,628
Total Operating Expenses		2,110,022,021	1,738,306,009
Profit/(Loss) before Provision and tax		2,329,549,362	2,272,769,383
Provisions for Classified Investments	11.2.a	346,800,000	157,000,000
Provisions for Unclassified Investments	11.2.a	199,000,000	360,900,000
Provisions for Off Balance Sheet items	11.2.a	22,000,000	5,000,000
Other Provisions	11.2.4	2,059,339	1,500,000
Provisions for diminution in value of investment in share	11.5	6,000,000	2,500,000
Total Provisions		575,859,339	526,900,000
Total Profit/(Loss) before Tax		1,753,690,023	1,745,869,383
Provision for Income Tax			
Current Tax	11.1	815,525,058	860,812,162
Deferred Tax Income	11.a	(15,490,422)	(5,024,979)
		800,034,636	855,787,183
Net Profit/(Loss) after Tax		953,655,387	890,082,200
Retained Earnings from Previous Year		606,952,540	66,044,217
Add: Net Profit/(Loss) after Tax		953,655,387	890,082,200
Profit available for Appropriation		1,560,607,927	956,126,417
Appropriations:			
Statutory Reserve		350,738,005	349,173,877
General Reserve		-	-
Dividend		-	-
Retained earnings		1,209,869,923	606,952,540
		1,560,607,927	956,126,417
Earnings Per Share (EPS)	34	1.81	1.69

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

Managing Director

Director

Director

Chairman

See annexed auditor's report of even date

Dhaka
28 March 2019

Syful Shamsul Alam & Co.
Chartered Accountants

UNION BANK LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
A. Cash Flow from Operating Activities			
Investments income receipts		13,222,782,940	10,639,984,913
Profit paid on deposit		(9,118,796,036)	(6,336,096,383)
Fee and Commission receipts		254,839,009	233,620,013
Dividend receipts		135,000	275,644
Payments to employees		(1,085,758,737)	(821,735,711)
Payments to suppliers		(47,395,168)	(42,946,375)
Income tax paid		(935,901,748)	(859,144,306)
Receipts from other operating activities	35	79,729,133	33,587,630
Payments for other operating activities	36	(760,587,039)	(702,737,048)
Operating Profit before changes in Operating Assets & Liabilities		1,609,047,354	2,144,808,377
Changes in Operating Assets & Liabilities			
(Increase)/ Decrease Investments to Customers		(19,180,837,983)	(33,603,356,380)
(Increase)/ Decrease of Other Assets	37	(1,115,885,000)	(854,516,530)
Increase/ (Decrease) Deposits from Customers		10,848,614,311	39,799,330,535
Increase/ (Decrease) of Other Liabilities	38	116,634,998	87,121,758
Cash Flow from Operating Assets and Liabilities		(9,331,473,674)	5,428,579,383
Net Cash Flow from Operating Activities		(7,722,426,320)	7,573,387,760
B. Cash Flow from Investing Activities			
Payments to Investment in Shares and Securities		(128,934,417)	(1,116,045,810)
Purchases of Property, Plant and Equipment		(445,815,506)	(155,352,102)
Net Cash Used in Investing Activities		(574,749,923)	(1,271,397,912)
C. Cash Flow from Financing Activities			
Increase/(Decrease) in Share Capital		-	-
Increase/(Decrease) in Other reserve		-	-
Increase/(Decrease) in Placement from Banks & other Financial Institutions		3,116,141,380	5,000,670,679
Net Cash Flow from Financing Activities		3,116,141,380	5,000,670,679
D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)		(5,181,034,863)	11,302,660,527
E. Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents		-	-
F. Beginning Cash & Cash Equivalents		20,765,474,962	9,462,814,435
G. Ending Cash & Cash Equivalents (D+E+F)		15,584,440,099	20,765,474,962
The above closing Cash and Cash Equivalents include:			
In hand (Including foreign currency)	3.1	1,319,429,525	801,321,303
Balance with Bangladesh Bank and its agent bank(s)	3.2	6,405,368,709	10,455,684,175
Balance with other Banks and Financial Institutions	4.1	195,754,444	244,582,063
Placement with banks & Other Financial Institutions	4.2	7,663,887,421	9,263,887,421
		15,584,440,099	20,765,474,962

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

Managing Director

Director

Director

Chairman

See annexed auditor's report of even date

Dhaka
28 March 2019

UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2018	5,272,960,000	876,837,431	145,749,665	606,952,540	6,902,499,636
Changes in Accounting Policy	-	-	-	-	-
Restated Balance	5,272,960,000	876,837,431	145,749,665	606,952,540	6,902,499,636
Surplus/Deficit on account of revaluation of properties	-	-	-	-	-
Surplus/Deficit on account of revaluation of investments	-	-	-	-	-
Currency Translation Differences	-	-	-	-	-
Net Gains and Losses not Recognized in the Income Statement	-	-	-	-	-
Net Profit for the year	-	-	-	953,655,387	953,655,387
Dividends					
Stock	-	-	-	-	-
Cash	-	-	-	-	-
Transfer to Statutory Reserve	-	350,738,005	-	(350,738,005)	-
Transfer to Retained Earnings	-	-	-	-	-
Issue of Share Capital during the year	-	-	-	-	-
Balance as on 31 December 2018	5,272,960,000	1,227,575,435	145,749,665	1,209,869,922	7,856,155,022
Balance as on 31 December 2017	5,272,960,000	876,837,431	145,749,665	606,952,540	6,902,499,636

Managing Director

Director

Director

Chairman

Dhaka

28 March 2019

UNION BANK LIMITED
LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)
As at 31 December 2018

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash	2,590,198,234	-	-	-	5,134,600,000	7,724,798,234
Balance with banks & Other Financial Institutions	195,754,444	-	-	-	-	195,754,444
Placement with banks & Other Financial Institutions	-	3,273,887,421	4,300,000,000	90,000,000	-	7,663,887,421
Investments in Shares and Securities	350,000,000	1,830,000,000	2,663,459,441	270,000,000	-	5,113,459,441
Investments	10,523,000,000	33,619,600,000	65,483,800,613	7,462,300,000	2,845,684,500	119,934,385,113
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	657,603,412	465,085,365	1,122,688,777
Other Assets	472,000,000	645,100,000	2,763,100,000	2,948,591,770	-	6,828,791,770
Non-banking Assets	-	-	-	-	-	-
Total Assets	14,130,952,678	39,368,587,421	75,210,360,054	11,428,495,182	8,445,369,865	148,583,765,200
Liabilities						
Placement from Banks & Other Financial Institutions	1,279,000,000	6,978,531,702	-	-	-	8,257,531,702
Deposits and Other Accounts	8,625,303,882	43,544,600,000	42,894,100,000	24,114,500,000	5,720,000,000	124,898,503,882
Other Liabilities	119,200,000	141,850,904	5,956,800,000	1,353,723,690	-	7,571,574,594
Total Liabilities	10,023,503,882	50,664,982,606	48,850,900,000	25,468,223,690	5,720,000,000	140,727,610,178
Net Liquidity Gap	4,107,448,796	(11,296,395,185)	26,359,460,054	(14,039,728,508)	2,725,369,865	7,856,155,022

Managing Director

Director

Director

Chairman

Dhaka

28 March 2019

UNION BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

1. The Bank and its activities

1.1 Status of the Bank

Union Bank Limited (UBL) was incorporated (No.C-107837/13) in Bangladesh on 07 March 2013 as a banking company under Companies Act 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus-operandi are substantially different from other conventional Banks. It obtained permission from Bangladesh Bank on 10 March 2013 to commence its business (Ref: BRPD (P-3)/745(60)/2013-1153). Presently the Bank carries banking activities through its 77 (seventy seven) branches operating as per Islamic Shariah prevailing in the country. The Bank has no overseas branches as at 31 December 2018.

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

1.2 Nature of business/principal activities of the Bank

All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Sharia'h, the provisions of the Bank Company Act 1991 and Bangladesh Bank's directives.

The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, discounting bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers, and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization and investing activities comprising short-term, long-term, import and export financing. Financing activities are extended to different sectors of the economy that could be grouped into several sectors including Rural & Agriculture, Garments & Textiles, Jute, Cement & Bricks, Tannery, Steel & Engineering, Food & Beverage, Chemical & Pharmaceuticals, Printing & Packaging, Glass & Ceramics and Miscellaneous.

At a glance, the principal activities of the bank are:

- (a) To facilitate and handle all kinds of commercial banking services to its customers authorized by Bangladesh Bank.
- (b) To facilitate the export and import business of Bangladesh.
- (c) To take part in international banking services etc.

2 Significant accounting policies and basis for preparation of Financial Statements

2.1 Statements of Compliance

The financial statements of the Bank are made up to 31 December 2018 and are prepared under the historical cost convention on a going concern basis and in accordance with the BRPD Circular # 15 dated 09 November 2009, with reference to the " First Schedule of Section 38(4) of the Bank Company Act 1991 as amended and by Bangladesh Bank BRPD Circular # 14 dated 25 June 2003, Other Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), The Companies Act 1994, The Bank Company Act 1991, The Income Tax Ordinance 1984, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and other laws and rules applicable in Bangladesh.

2.1.1 Departures from IFRS

In case the requirements of guidelines and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and International Financial Reporting Standards (IFRSs), the guidelines and circulars issued by Bangladesh Bank prevails. As such the Bank has departed from those requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i. Provision on investments and off-balance sheet exposures

IFRS: As per IAS 39 "Financial Instruments: Recognition and Measurement" an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

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 and BRPD circular No. 16 dated 18 November 2014 a general provision at 0.25% to 5% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad & loss investments have to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) depending on the duration of overdue. Again as per BRPD Circular No.14 dated 23 September 2012 and BRPD Circular No.19 dated 27 December 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures but 0% against bills for collection under off-balance sheet exposures as per BRPD Circular no. 07 dated 21 June 2018, and circular no 13 dated October 18,2018. Such provision policies are not specifically in line with those prescribed by "IAS 39 "Financial Instruments: Recognition and Measurement".

ii. Recognition of investment income in suspense

IFRS: Investment to customers are generally classified as 'loans and receivables' as per IAS 39 "Financial Instruments: Recognition and Measurement" and investment income is recognized through effective interest rate method over the term of the investment. Once an investment is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once an investment is classified, investment income on such investment are not allowed to be recognized as income, rather the corresponding amount needs to be credited to profit suspense account, which is presented as liability in the balance sheet.

iii. Investment in shares and securities

IFRS: As per requirements of IAS 39 "Financial Instruments: Recognition and Measurement" investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" 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 revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

iv. Revaluation gains/losses on Government securities

IFRS: As per requirement of IAS 39 "Financial Instruments: Recognition and Measurement" where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and income from investments recognized through the profit and loss account.

Bangladesh Bank: 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 recognized 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. Profit on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

v. Other comprehensive income

IFRS: As per IAS 1 "Presentation of Financial Statements" 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 which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi. Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IAS 39 "Financial Instruments: Recognition and Measurement". As such full disclosure and presentation requirements of IFRS 7 "Financial Instruments: Disclosures" and IAS 32 "Financial Instruments: Presentation" cannot be made in the financial statements.

vii. Financial guarantees

IFRS: As per IAS 39 "Financial Instruments: Recognition and Measurement", financial guarantees are contracts that require an entity 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 terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

viii. Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank that are required to be kept as part of cash reserve requirement, should be treated as other asset as it is not available for use in day to day operations as per IAS 7 "Statement of Cash Flows".

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

ix. Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the 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 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow statements is to be prepared following a mixture of direct and indirect methods.

x. Non-banking asset

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, there must exist a face item named Non-banking asset.

xi. Presentation of intangible asset

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

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009.

xii. Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiii. Investments net of provision

IFRS: Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, provision on investments is presented separately as liability and cannot be netted off against investments.

xiv. Revenue

As per IAS 18 "Revenue", revenue should be recognized on accrual basis but due to the unique nature of Islamic Banks, income from investment under Mudaraba, Musharaka, Bai-Salam, Bai-as-Sarf and Ijarah modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

2.1.2 Authorization of the financial statements for issue

The financial statements of the Bank have been authorized for issue by the Board of Directors on 28 March 2019.

2.1.3 Changes in accounting standards

No new International Financial Reporting Standards (IFRSs) have been adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRSs) during the year that are effective for the first time for the financial year 2018 that have a significant impact on the Bank Company and accordingly no new accounting standards have been applied in preparing these financial statements.

2.1.4 Prior period adjustments

Prior period adjustments, if any, is recognized respectively as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.2 Basis of Preparation of Financial Statements

The Financial Statements of Union Bank Limited (UBL) represent Balance Sheet and Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity and Liquidity Statement which comprise of the financial information/ transaction of all branches. All significant inter-branches transactions are eliminated on preparation of these financial statements.

2.3 Use of estimates and Judgements

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

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

2.4 Going concern

When preparing financial statements, management makes an assessment of the Bank's ability to continue as a going concern. The Bank prepares financial statements on a going concern basis.

2.5 Accruals and Deferrals

Accruals and deferrals have been made as per the guidance of IAS # 1: Presentation of Financial Statements. In order to meet their objectives, financial statements except for Cash Flow Statement and related information are prepared on accrual basis of accounting. Under this basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in accounts and reported in the financial statements of the year to which they relate.

2.6 Revenue Recognition

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

2.6.1 Income from Investments

Income from investments has been accounted for on accrual basis except investment under Musharaka, Mudaraba and Bai-Salam. Income in case of Musharaka is accounted for on realization basis. The bank does not charge any rent during the gestation/interim period of investment under hire purchase, but it fixes the rent of the assets at a higher price in such a way to cover its expected rate of return. Such income is recognized on realization basis.

Income was calculated on daily product basis and charged periodically.

2.6.2 Income from Investments in Share and Securities

Investment in shares and securities are recorded at cost. Provisions have been made against probable losses on the basis of year end reviewed by the management and in compliance with Bangladesh Bank circulars.

As per IAS-18 "Revenue" dividend income from investments in shares is recognized when the "Bank's" right to receive dividend is established. Bank recognized dividend income when:

- a. It is probable that economic benefits, associated with transaction will flow to the entity; and
- b. The amount of the revenue can be measured reliably.

Gain on sale of shares transferred to other income on realization basis.

Profit on investment in Bangladesh Govt. Islamic Investment Bond is recognized on accrual basis.

2.6.3 Commission Income

Commission and discount on Bills Purchased and Discounted are recognized at the time of realization. Commission charged to customers on letter of credit and guarantees are credited to income at the time of effecting the transactions.

2.6.4 Profit/Rent/Compensation Suspense Account prohibited by Sharia'h

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per circulars issued by the Bangladesh Bank. Moreover, income which are irregular (doubtful) as per Sharia'h are not included in the distributable income of the Bank.

Compensation on unclassified overdue Bai-Murabaha investments is charged as per Islamic Sharia'h such compensation is not shown as income of the Bank. This fund is transferred to Union Bank Foundation as per policy of the Bank.

Profit received from the balances held with foreign banks and foreign currency charging account with Bangladesh Bank are also not credited to regular income since it is not permissible as per Sharia'h.

2.6.5 Profit paid and Other Expenses

Profit paid and other expenses incurred by the Bank are recognized on accrual basis.

2.6.6 Dividend Payments

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders. The proposed dividend for the year ended 31 December 2018 has not been recognized as a liability in the balance sheet in accordance with the IAS # 10: Events After the Balance Sheet Date.

Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

2.7 Foreign Currency Transactions

2.7.1 Foreign Currency

Items included in the financial statements of each entity of the bank are measured using the currency of the primary economic environment in which entity operates i.e. functional currency. The financial statements of the bank are presented in Taka which is bank's functional and presentation currency.

2.7.2 Foreign Currency Translations

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per IAS # 21. Assets and liabilities in foreign currencies as at 31 December 2018 have been converted into Taka currency at the average of the prevailing buying and selling rates of the concerned foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no BRPD(R) 717/2004-959 dated 21 November 2004.

2.7.3 Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date. The outstanding balances for the same as at 31 December 2018 have been shown in the Balance Sheet under Off-Balance Sheet items.

Exchange rates with major foreign currencies as on 31 December 2018 were as:

Currency Name	Exchange Rate (Taka)
US \$	83.9500
Euro	100.3325
Yen	0.7915
ACU	83.9500
GBP	108.7139
CHF	87.5411
SGD	62.4818
AUD	60.4939
CAD	62.5014

2.7.4 Translation gains and losses

As per provision of IAS # 21: The Effects of Changes in Foreign Exchange Rates, foreign currency transactions are translated into Taka at rates prevailing on the dates of such transactions. The resulting exchange transaction gains and losses arising through foreign currency buying and selling transactions effected on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

2.8 Assets and their basis of valuation

2.8.1 Cash and Cash Equivalents

As per provision of IAS # 7 Cash Flow Statements of Banks and Similar Financial Institutions for the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including: cash and balances with central banks, treasury bills, and other eligible bills, amounts due from other banks and dealing securities other than those which are not available to finance the UBL day to day operations.

2.8.2 Investments

a) Investments are stated in the balance Sheet at the net amount excluding unearned income and profit receivable.

b) Provision for Investments Impairment:

As per instructions contained in Bangladesh Bank BCD circular no 34, dated November 16, 1989, BCD circular no 20, dated 27 December 1994, BCD circular no 12, dated September 04, 1995, BRPD circular no 16, dated December 06, 1998, BRPD circular no 09, dated May 2001, BRPD circular no 05, dated June 05, 2006, BRPD circular no 14, dated September 23, 2012, BRPD circular no 19, dated December 27, 2012, BRPD circular no. 05, dated May 29, 2013, BRPD circular no. 16, dated November 18, 2014, BRPD circular no. 08, dated August 02, 2015, BRPD circular no. 12, dated August 20, 2017 and BRPD circular no. 15, dated September 20, 2017 respectively specific provisions are made against non performing investments are at the following rates:

Provision on Substandard Investments	20%
Provision on Doubtful Investments	50%
Provision on Bad & Loss Investments	100%

As per instructions of BRPD circular nos. 16, 09, 08, 05, 14, 19, 05, 16, 08, 12, 15, 07 and 13 dated December 06, 1998, May 14, 2001, October 2005, June 05, 2006, September 23, 2012, December 27, 2012, May 29, 2013, November 18, 2014, August 02, 2015, August 20, 2017, September 27, 2017, June 21, 2018 and October 18, 2018 respectively an amount has been set aside up of the total unclassified investments as on the balance sheet date at the following rates:

General Provision on:

- All Unclassified Investments of Small and Medium Enterprise (SME) 0.25%
- All Unclassified Investments (Other than investments under Consumer Financing, SME Financing, Housing Finance, Investment to professionals to set up business, Investment to Brokerage Houses, Merchant Banks, Stock Dealers etc.,) 1.00%
- Unclassified Consumer Financing (Other than Housing Finance and Investment for Professionals to set up business) 5.00%
- Unclassified Investment to Housing Finance and Investment for Professionals to set up business under Consumer Financing Scheme 2.00%
- Unclassified Investment to Brokerage House, Merchant Banks, Stock dealers, etc. 2.00%
- Off-Balance sheet Exposure (Except inward and outward bills for collection) 1.00%

Provision for Short-term Agricultural and Micro-Credits:

- All unclassified investments (irregular & regular) 1.00%
- Classified as “Sub-Standard” & “Doubtful” 5.00%
- Classified as “Bad/Loss” 100.00%

c) When an investment is deemed to be uncollectible, it is written off against the related provision for impairments. Subsequent recoveries of such investments are credited to the income statement.

d) Investment are normally written off, when there is no chance of recovery of these amounts in accordance with BRPD Circular no. 02, Dated 13 January 2003. A separate Investment Monitoring and Recovery Division (IMRD) has been set up at the Head Office, which monitors investment Written-off and legal action through the Money Court. The process of Write-offs does not undermine or affect the amount claimed against the borrower by the Bank.

2.8.3 Investment in shares and securities

Investment in shares and securities (other than government treasury securities) are initially measured at fair value (which is actually the cost) and subsequently accounted for depending on their classification as either held to maturity, fair value through profit or loss, or available for sale.

Investment in Bangladesh Government Islamic Investment Bond (BGIIIB) is measured both initially and subsequently at cost, which is also the fair value.

2.8.3.1 Valuation Method

Considerable value of Investments has been considered as follows:

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

2.8.4 Off setting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.8.5 Property, Plant and Equipment

All property and equipment are classified and grouped on the basis of their nature as required in as per provision of IAS # 16: Property, Plant and Equipment.

The major categories of property and equipment held by the bank are furniture and fixtures, office equipment's, motor vehicles and books.

As guided in paragraph 30 of IAS # 16 Property Plant and Equipment: all property and equipment are stated at historical cost less accumulated depreciation. The opening and closing carrying amounts of all property and equipment are presented including the amount of additions, disposals and depreciation charged during the year as required IAS # 16. Maintenance expenses that does not increase the value of assets is charged to profit & loss account.

Depreciation on Property, Plant and Equipment

As required in paragraph 43 of IAS # 16 Property Plant and Equipment depreciation has been charged on property and equipment at the following rates using reducing balance method, except on office equipment, motor vehicles on which straight-line method is applied.

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

Depreciation on addition to fixed assets is charged in compliance with International Accounting Standard (IAS) # 16.

2.9 Statutory Reserve

As per section 24 of Bank Company Act 1991 (amended up to 2013), at least 20% of the profit before tax is transferred to the statutory reserve each year until the balance of the reserve equates with the paid-up capital.

2.10 Liabilities and Provisions

2.10.1 Taxation

Tax expenses represent the sum of the tax which are payable during the current period.

2.10.1.1 Current Tax

Provision for corporate current income tax has been made @ 37.50% as prescribed in the Finance Act 2018 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with IAS # 12: Income Taxes.

2.10.1.2 Deferred Tax

Deferred tax is recognized in compliance with IAS 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of balance sheet. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of balance sheet and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. As shown in note no. 11.a.

2.10.2 Retirement Benefits of Employees

Required in IAS # 19: Employee Benefit, provident fund and gratuity benefits are given to eligible employee of the bank in accordance with the locally registered rules and the entity shall disclose the amount recognized as an expense for defined contribution plan.

2.10.2.1 Provident Fund

Provident fund benefits are given to employees of UBL in accordance with the locally registered Provident Fund Rules. The employees' provident fund is administered by a Board of Trustees and is funded by contributions of employees and the Bank at predetermined rates in equal proportion. These contributions are invested separately from the assets of UBL and the profit on such contributions credited to the members' account. The Fund is recognized by the National Board of Revenue (NBR) vide their letter # PFR(UBL)/LTU/2013-2014/1057(1-3) dated 30/04/2014.

2.10.2.2 Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits if his/her length of service is at least six (06) years. Adequate provision has been made for gratuity in line of IAS # 19 "Employee Benefits". The Fund is recognized by the National Board of Revenue (NBR) vide their letter No. 08.01.0000.035.02.0043.2016/28 dated 02/04/2017.

2.10.2.3 Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. But the provision for WPPF as per Bangladesh Labour Act 2006 as amended 2013 contradicts with the Bank Company Act 1991, section 11 sub section b(ii) . As such the Bank did not make any provision during the year for WPPF.

2.10.2.4 Social Security Benevolent Fund

The Bank operates a social security benevolent fund by all employees' contribution for the sake of death and disability of employees.

2.10.3 Deposits and Other Accounts

Deposit include non-profit bearing deposits, saving deposits, term deposits etc. They are brought to account at the gross value of the outstanding balance. Profit paid is charged to the Income Statement.

2.10.4 Contingent Liabilities, Commitments and Other Off-Balance Sheet items

As required in IAS # 37, Contingent Liabilities, commitments and other Off-Balance Sheet items are presented in details in the financial statements as per BB Circular no. BRPD 14 Dated 25 June 2003 and BRPD -15 Dated 09 November 2009.

2.10.5 Sharing of Investment Income

In case of investments, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba fund is shared by the bank and the Mudaraba depositors at the pre-determined ratio fixed by the bank.

2.10.6 Zakat

Zakat is paid by the bank at the rate of 2.58% (instead of 2.50% as the bank maintains its account following Gregorian year) on the closing balances of share premium, statutory reserve, general reserve and exchange equalization account. Payment of zakat on paid up capital and deposits is the responsibility of the shareholders and depositor's respectively.

2.11 Others

2.11.1 Cash Flow Statement

Cash Flow Statement is prepared in accordance with IAS 7 "Statement of Cash Flows", and as per "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.11.2 Liquidity Statement

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

- Balance with other Banks and financial institutions are on the basis of their maturity term;
- Investments are on the basis of their respective maturity and repayment schedule;
- Fixed assets are on the basis of their useful lives;
- Other assets are on the basis of their realization / amortization;
- Borrowing from other Banks, financial institutions and agents, etc. are as per their maturity / repayment term;
- Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.11.3 Comparative Information

As guided in paragraph 36 and 38 of IAS # 1 presentation of financial statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

2.11.4 Earnings Per Share (EPS)

2.11.4.1 Basic Earnings Per Share

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

2.11.4.2 Diluted Earnings Per Share

No diluted earnings per share are required to calculate for the year as there was no such component existed during the year under review.

2.10.5 Functional and Presentation Currency

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

2.12 Risk Management

In the ordinary course of business, the bank is exposed to a variety of risks the most important of which are investments risk, liquidity risk, market risk, operational risk, legal risk, and profit rate risk. These risks should be identified, measured and monitored through various control mechanisms across the bank in order to ensure risk-adjusted business constantly and to prevent undesirable events in day to day business operations. The policies and procedures for managing these risks are outlined in the notes below. The Bank has designed and implemented a framework of controls to identify, monitor and manage these risks, which are as follows:

2.12.1 Investments Risk

Investments risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of investments risk arises when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. To manage investments risk, the bank applies investment limits to its customers and obtains adequate collaterals. Investments risks are monitored, reviewed and analyzed by the Executive Risk management committee (ERM) in its monthly meeting as well as Board Risk management committee (BRMC) in its quarterly meetings.

2.12.2 Foreign Exchange Risk

Since Foreign Exchange Risk involves purchase and sale of any national currency against other national currency, thus Foreign Exchange Risk is the chance of loss due to unexpected movement of market price of the currencies of different countries or the price of the assets denominated by foreign currencies. The Foreign Exchange Risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions.

Treasury Division independently conducts the transactions and the Back Office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market-to-Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement.

2.12.3 Asset Liability Management Risk

Asset Liability Management is the key success of any financial intermediary especially for Banks. Asset Liability Committee (ALCO) of the Bank monitors Balance Sheet Risk and liquidity risks of the bank. The Balance Sheet Risk encompasses most part of the Asset Liability risk and deal with change in earnings due to change in rate of profit, foreign exchange rates which are not of trading nature on the other hand, liquidity risk can be defined as the risk or chance of failure to meet up any withdrawal /disbursement request by a counterparty/customer. Asset Liability Committee (ALCO) reviews Liquidity requirement of the bank, the maturity of assets and liabilities, deposits and investments pricing strategy and the Liquidity contingency plan. The primary objective of the Asset Liability Committee (ALCO) is to monitor and avert significant volatility in Net Investments Income (NII), investment value and exchange earnings for the purpose of taking future action plan for better interest of the organization.

2.12.4 Prevention of Money Laundering and Terrorist Financing Risk

Money Laundering is the criminal practice of filtering ill-gotten gains or dirty money through a series of transaction so as to give the money a clean look that it appears to have originated from legal activities. It is a process of filtering money obtained through predicate offence such as corruption, fraud, drug trafficking etc. through the financial system. Money Laundering now a days is one of the greatest challenges that the Governments, Banks and Financial Institutions face in the globalize financial system.

Union Bank Limited identified the money laundering as one of its core risk areas and has been making all out efforts to prevent money laundering. For mitigating the risk, the bank has a designated Chief Anti-Money Laundering Compliance Officer (CAMLCO) at Central Compliance Unit under Anti-Money Laundering Division, Head Office, who has sufficient authority to implement and enforce corporate wide AML policy, procedure & measure and who is reporting directly to the Senior Management and the Board of Directors. Moreover, every branch of our bank has a designated Branch Anti-Money Laundering Compliance Officer (BAMLCO) under Branch Anti-Money Laundering Compliance Unit, who independently reviews the transaction of accounts, with verification of Know Your Customer (KYC) and Suspicious Transaction Report (STR). They are also sending Cash Transaction Report (CTR) to the Central Compliance Unit, Head Office on monthly basis by using FIU Reporting System Software provided by Bangladesh Bank and finally we send the same to Anti-Money Laundering Department of Bangladesh Bank. The Central Compliance Unit has also arranged Training/Workshop for developing awareness and skill regarding AML activities of Executives and Officers of the bank and conducting inspection regarding AML activities of our branch. Bank has established a Manual for Prevention of Money Laundering and issues circulars time to time giving specific guidelines in accordance with Bangladesh Bank guidelines, regulations, Anti-Money Laundering Act, 2012 & Anti Terrorism Act, 2012. All the guidelines and circulars issued by Bangladesh Bank from time to time are being strictly complied with by Central Compliance Unit and branches of the Bank.

2.11.5 Internal Control and Compliance Risk

Internal Control & Compliance is considered as an eye of an organization. It is a mirror of operations and keeps record of the same. The primary objectives of internal control system are to help the bank to perform in a better height through the use of its resources & under the guidance of Internal Control system; bank identifies its weakness and takes appropriate measures to overcome the same. The main objectives of Internal Control are to ascertain the efficiency and effectiveness of activities, reliability, completeness and timeliness of financial and management information, compliance with applicable laws and regulations.

Operational loss arises for the cause of errors and fraud due to lack of internal control and compliance. Internal Control & Compliance Division undertakes periodical and special audit & inspection of its branches and departments/divisions of Head Office for reviewing its operation and compliance of the statutory requirement. The Audit Committee of the Board of Directors plays a vital role in providing a bridge between the Board and Management. The committee reviews the Financial Reporting process, Audit process and the Bank's process for compliance with laws, regulations and code of conduct.

2.12.6 Information & Communication Technology Risk

Banks are increasingly using sophisticated digital technology for banking activities with a view to achieving more customer satisfaction with less cost. In addition, it increases the efficiency of the banking and payment system, benefiting consumers and merchants leading to bring additional risks. These risks must be balanced against benefits i.e. must be controlled. Under this advanced and highly technical ICT environment banks must ensure that critical systems are not threatened by the risk exposures the banks take. For this purpose, a risk management process consisting of assessing risks, controlling risk exposure, and monitoring risks should be in place.

Information assets are critical to the services provided by the Bank to its customers. Protection and maintenance of these assets are vital to its sustainability. In order to ensure protection of critical IT assets from unauthorized access modification, disclosure and destruction, the Bank has already taken initiatives, which safeguard the interest of customers.

In this context bank is implementing a core banking software (Ababil) ensuring adequate security. To protect sensitive information of core banking software and other software in the event of any disaster, the bank implementing a disaster recovery site. The Bank has already developed its own ICT policies for various operation and services which are closely in line with the ICT guidelines of Bangladesh Bank.

The Bank has developed fault tolerance plan of human resources with detail job description for each IT personnel, segregation of duties of IT tasks and system support in respect of severity. Training is a key component of ICT Risk Management. The Bank has been continuously conducting training sessions on sensitive IT tasks (i.e. operational procedure, Business Continuity Planning, Disaster Recovery Planning etc.) for relevant employees. The Bank management has been putting continuous efforts to improve IT Operation Management, Problem Management, Change Management, Asset Management and Request Management to maintain maximum uptime of automated banking business. The Bank has been maintaining adequate physical security inside its workplace to properly protect ICT resources. The Bank is strictly following the Information Security Standard of Bangladesh Bank covering Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing. The bank is regularly conducting internal ICT audit to all its' branches and Head Office divisions to ensure proper implementation of the ICT policies.

2.12.7 Internal audit

Internal Audit is used as an important element to ensure good governance of UBL. Internal Audit activity of UBL is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/ guidelines of regulatory authority etc.

During the year 2018, Audit Division of Internal Control & Compliance Wing conducted inspection on most of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Controls & Compliance.

2.12.8 Fraud and forgeries

Fraud means wrongful or criminal deception intended to result in financial or personal gain. It will never be possible to eliminate all frauds and no system is completely fraud proof, since many fraudsters are able to bypass control systems put in place. UBL continuously pays attention to implement and improve the anti-fraud internal controls for prevention of fraud and forgery. UBL assesses /evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterly basis as per the items/ areas mentioned in the prescribed checklist of Bangladesh Bank. During the year 2018, no incident of fraud have been detected by the Bank.

2.13 Risk Based Capital Adequacy

Basel Accord is a set of agreements set by the Basel Committee on Bank Supervision (BCBS), which provides recommendations on banking regulations in regards to credit risk, market risk and operational risk. The purpose of the accord is to ensure that financial institutions have enough capital on account to meet obligations and absorb unexpected losses. As such, Basel-III has been introduced for improving the banking sector's ability to absorb shocks arising from financial and economic stress, reducing the risk of spill over from the financial sector to the real economy and improving risk management and governance as well as strengthening banks transparency and disclosures. The ultimate objectives of Basel-III are to strengthen the capital framework, enhance risk coverage, supplement the risk-based capital requirement with a leverage ratio, reduce pro-cyclicality and promote counter cyclical buffers, address systemic risk through introducing a global liquidity standard. For implementation of Basel-III in Bangladesh, a roadmap has been released by Bangladesh Bank vide BRPD Circular # 18, dated 21 December 2014. Under the Basel-III framework, banks have to maintain additional Capital Conservation Buffer (CCB) at 0.625 % per year from 2016 to 2019 where aggregated CCB will be 2.50% at the end of 2019 and at that stage total Capital to Risk Weighted Asset Ratio (CRAR) will be at 12.50%. Apart, as a part of liquidity coverage, banks need to implement Liquidity Coverage Ratio (LCR) at $\geq 100\%$, Net Stable Funding Ratio (NSFR) $>100\%$ and Leverage Ratio at minimum 3% simultaneously. Details Calculation of Risk Based Capital Adequacy is shown in note 12.4

2.14 Stress Testing

Stress testing is one of the sophisticated risk management techniques that has been used to determine the reactions of different financial institution under a set of exceptional, but plausible assumptions through a series of test. At institutional level, stress testing techniques provide a way to quantify the impact of change in a number of risk factors on the assets and liabilities portfolio of the institution. Presently stress testing is being done by considering five different risk factors namely Profit rate, sale value of collateral, non-performing loans, stock price and foreign exchange rate.

UBL supplements their analysis of risk with stress testing. They perform stress tests because value-at-risk calculations are based on relatively recent historical data and only purport to estimate risk up to a defined confidence level. Therefore, they only reflect possible losses under relatively normal market conditions.

2.15 Reporting Period

The accounting year is 01 January to 31 December. The reporting year of 2018 is from 01 January 2018 to 31 December 2018.

2.16 Regulatory and legal compliance

Among others, the Bank complied with the requirements of the following circular, rules and regulations:

- a) The Bank Company Act, 1991 as amended
- b) The Companies Act, 1994
- c) "Guidelines for Islamic Banking" and BRPD Circular No. 14 dated 25.06.2003 issued by Bangladesh Bank through BRPD
- d) Other circulars, rules and regulations issued by Bangladesh Bank from time to time.
- e) Income Tax Ordinance, 1984
- f) VAT Act, 1991
- g) Standards issued by AAOIFI
- h) The Stamp Act-1899
- i) The Customs Act-1969
- j) The Money Laundering Prevention Act, 2012
- k) The Anti-Terrorism (Amendment) Act, 2012 etc.

2.17 Compliance with Financial Reporting Standards as applicable in Bangladesh subject to departure described in note-2.1, where we have followed Bangladesh Bank guideline:

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Not Applicable
12	13	Fair Value Measurement	Complied
Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Costs	Not Applicable
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Separate Financial Statements	Not Applicable
18	28	Investments in Associates and Joint Ventures	Not Applicable
19	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
20	31	Interest in Joint Ventures	Not Applicable
21	32	Financial Instruments: Presentation	Complied
22	33	Earnings per Share	Complied
23	34	Interim Financial Reporting *	Complied
24	36	Impairment of Assets	Complied
25	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
26	38	Intangible Assets	Complied
27	39	Financial Instruments: Recognition and Measurement	Complied
28	40	Investment Property	Not Applicable
29	41	Agriculture	Not Applicable

(*) Complied while the quarterly and half-yearly interim financial reports were prepared during the year.

2.18 General

2.18.1 The figures have been rounded off to the nearest Taka.

2.18.2 Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison.

	31.12.2018	31.12.2017
	Taka	Taka
3 CASH		
3.1 Cash in Hand		
In Local Currency	1,317,296,155	798,366,575
In Foreign Currencies	2,133,370	2,954,728
	1,319,429,525	801,321,303
3.2 Balance with Bangladesh Bank and its Agent Bank		
In Local Currency	6,298,032,266	10,394,563,486
In Foreign Currencies	107,336,443	61,120,689
	6,405,368,709	10,455,684,175
	7,724,798,234	11,257,005,478
3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Companies Act, 1991 and subsequent BCD Circular No.13 dated May 24,1992; BRPD Circular No. 12 dated September 06, 1998, BRPD Circular No.12, dated September 20, 1999, BRPD Circular No. 22 dated November 06, 2003, BRPD Circular No. 03 dated 17 February, 2005 and BRPD Circular No. 11 & 12 dated 25 August 2005, Bangladesh Bank Letter # DOS (SR) 1153/120-A/2009-46 dated 22 March 2009, MPD circular # 01 dated 04 May 2010, MPD circular # 04 & 05 dated 01 December 2010, MPD circular # 01 dated 23 June 2014 and MPD circular # 01 dated 03 April 2018.		
3.4 Cash Reserve Ratio (CRR): 5.50% of Average Demand and Time Liabilities		
Required Reserve	5,134,551,462	5,786,839,980
Actual Reserve maintained	6,266,961,887	10,370,618,850
Surplus/(Short)	1,132,410,425	4,583,778,870
3.5 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:		
Required Reserve	5,134,551,462	4,896,556,906
Actual Reserve held	7,294,883,235	10,059,770,031
Surplus/(Short)	2,160,331,773	5,163,213,125
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS AND PLACEMENT		
4.1 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
A. Inside Bangladesh		
Al-Wadiah Current Accounts		
Janata Bank Ltd.	13,320	20,085
Others Accounts:		
Mudaraba Short Notice Deposits		
First Security Islami Bank Ltd.	67,927,289	30,356,856
Prime Bank Ltd.	20,052	20,627
NRB Global Bank Ltd.	2,549,425	-
AB Bank Ltd.	70,000,000	-
Trust Bank Ltd.	3,015,097	605,811
Islami Bank Bangladesh Ltd.	98,432	7,071,377
	143,610,295	38,054,671
	143,623,615	38,074,756

B. Outside Bangladesh

Particulars	Currency	Amount	Rate	31.12.2018 Taka	31.12.2017 Taka
Current Account					
Banco De Sabadell S.A., Spain	EURO	65,078.79	100.3325	6,529,518	-
Sonali Bank (UK) Limited, UK	GBP	-	-	-	158,375
Sonali Bank (UK) Limited, UK	USD	50,000.00	83.9500	4,197,500	-
Sonali Bank (UK) Limited, UK	ACU	-	83.9500	-	1,346,244
Habib American Bank, New York, USA	USD	414,664.34	83.9500	34,811,071	84,312,832
Kookmin Bank, Korea	USD	54,271.87	83.9500	4,556,123	120,140,378
Axis Bank Limited, Kolkata	ACU	4,625.59	83.9500	388,318	-
Meezan Bank Limited, Karachi	ACU	5,368.25	83.9500	450,665	-
AB Bank Ltd., Mumbai, India	ACU	4,787.01	83.9500	401,869	479,365
United Bank of India, Kolkata, India	ACU	5,369.43	83.9500	450,764	14,151
Sonali Bank Limited, Kolkata	ACU	3,375.34	83.9500	283,360	-
Mizuho Bank Ltd. Tokyo, Japan	JPY	-	-	-	55,212
National Bank of Pakistan, Tokyo, Japan	JPY	77,878.00	0.7915	61,640	750
				52,130,829	206,507,307
Total (A+B)				195,754,444	244,582,063

	31.12.2018 Taka	31.12.2017 Taka
4.1.1 Maturity-wise Grouping (Inside and Outside Bangladesh)		
Payable on Demand	195,754,444	244,582,063
Up to Three Months	-	-
Three Months to One Year	-	-
One Year to Five Years	-	-
Above Five Years	-	-
	195,754,444	244,582,063
4.2 Placement with banks & Other Financial Institutions		
Reliance Finance Limited	3,273,887,421	3,273,887,421
Phoenix Finance and Investments Ltd.	90,000,000	90,000,000
Union Capital Ltd.	1,100,000,000	1,100,000,000
Industrial and Infrastructure Development Finance Company Ltd.	-	1,100,000,000
International Leasing and Financial Services Ltd.	1,100,000,000	1,100,000,000
Islamic Finance and Investment Ltd.	1,100,000,000	1,100,000,000
First Finance Ltd.	1,000,000,000	1,000,000,000
FAS Finance and Investment Ltd.	-	500,000,000
	7,663,887,421	9,263,887,421
4.2.1 Maturity-wise Grouping (Placement with banks & other FI)		
Payable on Demand	-	-
Up to Three Months	3,273,887,421	3,273,887,421
Three Months to One Year	4,300,000,000	5,900,000,000
One Year to Five Years	90,000,000	90,000,000
Above Five Years	-	-
	7,663,887,421	9,263,887,421
5 INVESTMENTS IN SHARES AND SECURITIES		
Government Securities		
Bangladesh Govt. Islamic Investment Bonds	4,800,000,000	4,650,000,000
Others		
Subordinated Bond	270,000,000	300,000,000
Quoted Shares (Note - 5.1)	43,459,441	34,525,024
	313,459,441	334,525,024
	5,113,459,441	4,984,525,024
5.1 Quoted Shares		
Name of Companies	Acquisition cost	Acquisition cost
CVO Petrochemical Refinery Limited	-	229,493
Bengal Windsor Thermoplastics Ltd.	5,838,069	-
Doreen Power Generations and Systems Limited	-	1,932,780
Bangladesh Submarine Cable Company Ltd.	1,221,032	-
Bashundhara Paper Mills Ltd.	5,285,540	-
Nahee Aluminum Composite Panel Ltd.	-	973,091
Lafarge Surma Cement Ltd.	-	3,478,860
Bangladesh Thai Aluminium	-	5,883,741
IDLC Finance Ltd.	8,705,220	-
IPDC Finance Ltd.	4,463,952	-
Miracle Industries Ltd.	8,205,877	-
Navana CNG Ltd.	1,729,693	-
National Polymer	-	5,169,075
Nurani Dyeing & Sweater Ltd.	-	8,212,720
Ratanpur Steel Re-Rolling Mills Ltd.	-	4,812,955
SAIF Powertec Ltd.	2,754,694	-
National Tubes Ltd.	-	2,947,307
Tallu Spinning Mills Ltd.	2,488,526	885,002
Western Marine Shipyard Ltd.	616,195	-
Zaheen Spinning Ltd.	2,150,643	-
	43,459,441	34,525,024
5.2 Market Value of Quoted Shares	35,020,563	32,224,500

	31.12.2018	31.12.2017
	Taka	Taka
5.3 Maturity Grouping of Investments in Shares and Securities		
On Demand	-	-
One Month to three Months	2,180,000,000	2,100,000,000
Three Months to One Year	2,663,459,441	2,584,525,024
One Year to Five Years	270,000,000	300,000,000
More than Five Years	-	-
	<u>5,113,459,441</u>	<u>4,984,525,024</u>
6 INVESTMENTS (All Inside Bangladesh)		
General Investments etc. (Note-6.A)	100,053,401,658	84,268,614,957
Bills Purchased and Discounted (Note - 6.B)	19,880,983,455	16,484,932,173
	<u>119,934,385,113</u>	<u>100,753,547,130</u>
6.A General Investment etc.		
Inside Bangladesh		
Bai Murabaha (Hypo)	537,128,006	1,458,439,749
Bai Murabaha against MTDR	28,450,913,530	32,217,421,289
Bai Murabaha TR (Non INST)	53,903,624,566	36,255,863,099
Bai Murabaha TR (INST)	1,682,856,513	-
Bai Murabaha (Post Import) TR	2,368,999,398	2,708,144,656
Bai Murabaha (TR) SME	2,832,098,043	2,656,133,996
Bai Murabaha Agriculture	695,718,016	582,532,633
Bai Murabaha (TR) Agriculture	134,282,930	156,191,993
Bai Murabaha (TR) Women Entrepreneur	12,044,095	15,119,812
Bai Murabaha General	1,153,452,333	3,089,266,914
Bai Muazzal Real Estate (Short Term)	732,864,486	638,721,944
Bai Muazzal (Guarantee)	4,251,451	516,234
HPSM (Real Estate)	1,944,218,402	971,235,717
HPSM (Transport)	230,713,774	53,025,005
HPSM (SME)	502,286	-
HPSM House Building Staff	345,684,500	225,531,375
HPSM Rural Housing	2,148,837	2,284,755
HPSM House Building General	207,441,320	169,770,763
HPSM Industrial Term	815,181,642	661,759,892
HPSM Machinery	2,546,636,639	2,100,820,939
HPSM Machinery Women Entrepreneur	1,421,806	1,419,306
Car Leasing Scheme Staff	59,638,656	67,018,506
Murabaha EDF Investment	1,255,717,488	125,050,562
Bai Istisna	93,555,604	69,690,718
HPSM Consumer Durables (Scheme)	42,307,337	42,655,100
	<u>100,053,401,658</u>	<u>84,268,614,957</u>
Outside Bangladesh	-	-
	<u>100,053,401,658</u>	<u>84,268,614,957</u>
6.B Bills Purchased and Discounted		
Payable in Bangladesh	19,880,983,455	16,484,932,173
Payable outside Bangladesh	-	-
	<u>19,880,983,455</u>	<u>16,484,932,173</u>
	<u>119,934,385,113</u>	<u>100,753,547,130</u>
6.1 Maturity Grouping of Investments		
Payable on Demand	10,523,000,000	12,073,500,000
Up to Three Months	33,619,600,000	28,879,600,000
Three Months to One Year	65,483,800,613	53,456,500,000
One Year to Five Years	7,462,300,000	3,417,147,130
Above Five Years	2,845,684,500	2,926,800,000
	<u>119,934,385,113</u>	<u>100,753,547,130</u>

	31.12.2018	31.12.2017
	Taka	Taka
6.2 Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted		
Investments to Directors of other Banks	6,599,175,588	7,741,531,571
Investments to Chief Executive and Other high Officials	-	-
Investments to Customers Group	87,774,576,922	73,569,907,712
Investments to Industry	25,121,883,108	19,117,228,605
Investment to staff	438,749,495	324,879,242
	119,934,385,113	100,753,547,130
6.3 Investments to Customers amounting to 10% or more of UBL's Total Regulatory Capital		
Number of Clients	23	24
Amount of Outstanding Investments:		
Funded	11,614,200,000	8,117,500,000
Non-funded	1,555,900,000	1,666,600,000
	13,170,100,000	9,784,100,000
6.4 Sector wise Investments		
Agriculture	831,801,620	743,666,265
Ready Made Garments (RMG)	1,766,576,605	1,236,095,987
Textile	6,733,555,113	5,178,305,666
Ship Building	136,016,664	125,795,109
Ship Breaking	-	-
Other Manufacturing industry	1,888,683,613	1,536,282,512
SME Investment	2,844,265,557	2,667,731,475
Construction	2,785,211	2,656,358
Power, Gas	1,262,328,316	1,300,439,453
Transport, Storage and Communication	184,258,225	9,456,410
Trade Service	88,206,664,285	75,663,051,075
Commercial real estate financing	4,186,881,130	3,257,764,461
Residential real estate financing	248,327,268	190,761,012
Consumer Investment	970,314,626	676,985,513
Capital market	892,842,996	1,401,854,179
Non Banking Financial Institutions (NBFI)	-	-
Others	9,779,083,884	6,762,701,655
	119,934,385,113	100,753,547,130
6.5 Geographical Location-wise Investments		
Urban		
Dhaka	61,512,269,511	51,377,837,064
Chattogram	43,640,951,301	36,164,969,204
Barishal	50,620,523	37,901,572
Rajshahi	181,066,591	191,204,261
Khulna	68,937,384	72,847,158
Rangpur	9,725,831	1,006,310
Sylhet	38,889,762	72,692,241
Mymensingh	43,167,774	38,111,770
	105,545,628,677	87,956,569,580
Rural		
Dhaka	407,722,341	539,039,086
Chattogram	13,764,829,982	12,065,877,439
Barishal	-	-
Rajshahi	16,254,131	12,335,778
Khulna	-	-
Rangpur	162,748,510	121,072,041
Sylhet	37,201,472	58,653,206
Mymensingh	-	-
	14,388,756,436	12,796,977,550
	119,934,385,113	100,753,547,130

	31.12.2018 Taka	31.12.2017 Taka
6.6	Classification of Investments as per Bangladesh Bank (BRPD) Circular	
	<u>Unclassified</u>	
	Standard	117,633,908,413
	Special Mention Account	1,135,693,027
	118,769,601,440	97,877,876,402
	<u>Classified:</u>	
	Sub-standard	432,029,023
	Doubtful	63,823,722
	Bad & Loss	668,930,930
	1,164,783,674	55,983,114
	119,934,385,113	83,408,010
	100,181,474,792	432,681,214
	119,934,385,113	100,753,547,130
6.7	Particulars of Required Provision for Investments and Off Balance sheet Items	
	<u>Classification status</u>	
	<u>Unclassified (a)</u>	
	Standard	1,163,169,460
	Special Mention Account	11,369,540
	1,174,539,000	997,845,210
	<u>Classified (b)</u>	
	Sub - Standard	15,937,954
	Doubtful	5,877,679
	Bad and Loss	503,645,367
	525,461,000	9,210,617
	96,000,000	16,056,810
	1,796,000,000	158,327,705
	1,796,000,000	183,595,132
	96,000,000	73,930,344
	1,796,000,000	1,277,355,182
	Required Provision for Investments (a+b+c)	1,796,000,000
	Total Provision Maintained	1,901,919,545
	Provision Excess/ (Shortfall)	105,919,545
	105,919,545	73,544,818
	* Details of provision is shown in note 2.8.2	
6.8	Particulars of Investments	
i)	Investments considered good in respect of which the Bank Company is fully secured	68,584,300,000
ii)	Investments considered good for which the bank holds no Security other than the debtors personal security	51,350,085,113
iii)	Investment considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	-
iv)	Investments considered bad or doubtful not provided for	-
	Total	119,934,385,113
		100,753,547,130
v)	Investments due by directors or executives of the banking company or any of them taken either severally or jointly with any other person.	-
vi)	Investments due by companies or firms in which the directors of the bank company are interested as directors partners or managing agents or in case of private companies, as members.	-

	31.12.2018	31.12.2017
	Taka	Taka
vii) Maximum total amount of investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	-	-
viii) Maximum total amount of investments, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
ix) Investment due from other banking companies	-	-
x) Total amount of classified Investments on which profit is not credited to income	592,711,337	524,421,264
a. Movement of classified Investments		
Opening balance	572,072,338	47,651,074
Increase/ (Decrease) during the year	592,711,337	524,421,264
	1,164,783,675	572,072,338
b. Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet	503,645,367	158,327,705
c. Profit credited to the profit/Rent/Compensation Suspense	132,069,802	65,129,264
xi) Amount of written off Investment:		
a. Cumulative amount	-	-
b. Amount written off during the period	22,770,123	-
c. Total amount of written off (a+b)	22,770,123	-
d. Amount recovered against such written- off up to this year	-	-
e. Amount of investment written- off against which suit has been filled to recover the same.	-	-
6.9 Security against Investments including bills purchased & discounted:		
Collateral of movable/immovable assets	68,584,300,000	52,336,109,102
Local banks & financial institutions guarantee	-	-
Government Guarantee	-	-
Foreign Banks guarantee	-	-
Export documents	18,987,123,102	14,741,720,881
Fixed deposits receipts:		
Own MTDR	28,450,913,529	32,217,421,334
MTDR of other Banks	-	-
Government Bonds	-	-
Personal guarantee	-	-
Other security	3,912,048,482	1,458,295,813
Unsecured	-	-
	119,934,385,113	100,753,547,130
6.10 Maturity Grouping of Bills Purchased and Discount		
Payable within one month	1,000,783,455	1,992,432,173
Over one month but less than three months	2,490,400,000	3,633,000,000
Over three months but less than six months	16,389,800,000	10,859,500,000
Six Months and Above	-	-
	19,880,983,455	16,484,932,173

	31.12.2018 Taka	31.12.2017 Taka
7	FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES AT COST LESS ACCUMULATED DEPRECIATION (ANNEXURE-A)	
	781,344,464	692,595,059
Furniture & Fixtures	814,988,443	457,965,043
Office Equipment	101,456,719	101,456,719
Vehicles	254,304	211,603
Books	1,698,043,930	1,252,228,424
Less: Accumulated Depreciation	575,355,153	402,228,616
	1,122,688,777	849,999,808
8	OTHER ASSETS	
Inter - branch Transaction Account (Note - 8.a)	389,599,438	129,964,639
Accrued Income on MTDR	534,906,142	81,920,617
Advances, Deposits and Prepayment (Note - 8.1)	3,130,565,482	2,365,237,554
Advance Income Tax	2,546,910,291	1,611,008,543
Stock of Stationery	8,457,934	9,373,993
Suspense Account (Note - 8.2)	216,790,009	125,330,086
Stamps on Hand	1,562,474	1,184,065
	6,828,791,770	4,324,019,497
8.a	Inter-branch transaction account represents outstanding Inter-branch and Head Office transaction (net) originated but yet to be responded at the balance sheet date. However, the status of non respondent entries on 31.12.2018 have been reconciled on 27.03.2019.	
8.1	Advance, Deposits and Prepayment	
Advance against Rent - Office	312,076,192	312,365,990
Prepayment	2,818,489,290	2,052,871,564
	3,130,565,482	2,365,237,554
8.2	Suspense Account	
Sundry Debtors	216,790,009	104,440,085
Advance against TA/DA	-	50,300
Advance against New Branch	-	20,839,701
	216,790,009	125,330,086
9	PLACEMENT FROM BANK AND OTHER FINANCIAL INSTITUTIONS	
	Inside Bangladesh	
Bangladesh Bank (Refinance Scheme)	6,410,000	16,665,586
Bangladesh Govt. Islami Investment Bond Funds	7,000,000,000	5,000,000,000
Bangladesh Bank Export Development Fund (EDF)	1,251,121,702	124,724,736
	8,257,531,702	5,141,390,322
	Outside Bangladesh	
	-	-
	8,257,531,702	5,141,390,322
A.	Security- wise grouping	
Secured Placement	-	-
Unsecured Placement	8,257,531,702	5,141,390,322
	8,257,531,702	5,141,390,322
B.	Repayment Nature wise Grouping	
Repayable on demand	-	-
Others	8,257,531,702	5,141,390,322
	8,257,531,702	5,141,390,322

	31.12.2018	31.12.2017
	Taka	Taka
C. Maturity Analysis		
Repayable on Demand	-	-
Repayable within One Month	1,279,000,000	5,000,000,000
One Month to Six Months	6,978,531,702	141,390,322
Six Month to One Year	-	-
One Year to Five Years	-	-
Five Years to Ten Years	-	-
Unclaimed Deposits Ten Years and Over	-	-
	<u>8,257,531,702</u>	<u>5,141,390,322</u>
10 DEPOSITS AND OTHER ACCOUNTS		
Mudaraba Savings Deposits (Note-10.1)	4,177,209,904	2,876,904,725
Mudaraba Term Deposits (Note-10.2)	81,458,894,473	80,432,924,516
Other Mudaraba Term Deposits (Note-10.3)	21,094,533,811	16,035,274,892
Al-Wadia Current Accounts and Other Accounts (Note-10.4)	17,464,009,063	14,185,117,907
Bills Payable (Note-10.5)	703,856,631	519,667,531
	<u>124,898,503,882</u>	<u>114,049,889,571</u>
10.1 Mudaraba Savings Deposits		
As per BRPD Circular No. 06, dated 24 June 2007, total saving bank deposits amount is bifurcated into:		
9 % of total Mudaraba Savings Deposits	375,948,891	258,921,425
91% of total Mudaraba Savings Deposits	3,801,261,013	2,617,983,300
	<u>4,177,209,904</u>	<u>2,876,904,725</u>
10.2 Mudaraba Term Deposits- Maturity wise Grouping		
Payable on Demand	1,128,342,893	86,470,973
Up to Three Months	39,132,918,697	41,019,529,008
From Three Months to Six Months	22,051,288,798	16,880,015,347
Above Six Months to One Year	17,602,509,737	20,925,671,324
Above One Year to Two Years	1,532,531,459	1,513,104,650
Above Two Years	11,302,889	8,133,214
	<u>81,458,894,473</u>	<u>80,432,924,516</u>
10.3 Other Mudaraba term Deposits		
Mudaraba Monthly Savings Scheme	2,991,947,972	1,767,279,339
Mudaraba Double Benefit Deposits Scheme	7,603,036,073	6,801,759,131
Mudaraba Monthly Profit Scheme	9,053,249,381	6,523,239,495
Mudaraba Millionaire Savings Scheme	880,954,629	609,982,619
Mudaraba Kotipoti Deposit Scheme	70,138,729	53,522,610
Mudaraba Marriage Scheme	30,110,186	13,790,902
Mudaraba Pension Deposit Scheme	527,627	393,377
Mudaraba Hajj Deposit Scheme	18,979,143	9,839,836
Mudaraba Union Pension Prokolpa	96,915,615	67,237,530
Mudaraba Muhor Savings Scheme	10,123,928	2,816,850
Mudaraba Corepoty Sanchaya Scheme	315,347,118	173,088,703
Mudaraba Barakah Deposit Scheme	23,203,410	12,324,500
	<u>21,094,533,811</u>	<u>16,035,274,892</u>
10.4 Al-Wadiah Current Accounts & Other Deposit Accounts		
Al-wadiah Current Deposits	4,473,047,451	2,799,631,705
Mudaraba Short Notice Deposits	12,306,491,146	10,780,621,583
Sundry Deposits (Note-10.4.1)	684,470,466	604,864,619
	<u>17,464,009,063</u>	<u>14,185,117,907</u>

	31.12.2018	31.12.2017
	Taka	Taka
10.4.1 Sundry Deposits		
Security Deposits	294,867,293	322,627,442
Sundry Creditors	42,217,410	71,553,103
Income Tax Deduction at Source -Profit on Deposits	114,010,660	79,153,791
Income Tax on Local L/C	118,100	56,025
Income Tax on Export bill (Foreign)	3,803,389	1,064,380
Income Tax on Export bill (Local)	11,865,490	2,684,830
Income Tax on Local/Buying Agents Commission	154,118	64,469
Excise Duty on Deposit & Investment	90,405,128	76,652,607
Tax on Honorarium	12,500	13,400
VAT on Online Charge	34,343	4,364
VAT on Commission TT/DD/PO/LG	39,693	29,648
VAT on Service Charge and Others	3,172,301	1,809,852
VAT Deduction Bills Paid	1,760,961	4,020,595
VAT Deduction from advertisement Bill	21,009	15,150
VAT on Rent and Others	1,631,006	2,069,410
VAT on Directors Fee	-	27,600
VAT on L/C	2,079,334	907,262
VAT on Postage	22,989	16,828
VAT on Security Service	12,326	60,356
VAT on Swift Charge	139,509	63,446
VAT on L/C Advising Charge	137,017	17,961
VAT on EXP Issue Charge	7,890	510
VAT on Acceptance Commission	4,368,916	3,099,347
VAT on Bank Guarantee Commission	133,473	57,461
VAT on Professional Fee	3,900	2,640
VAT on FDD Collection charge	64,411	4,740
VAT on commission on export bill	683,033	291,794
VAT on income from ATM	32,391	91,939
VAT in Misc. Earnings	39,004	23,204
Income Tax Deduction at Source - Office rent	550,273	696,832
Income Tax Deduction at Source - Bills	1,796,182	1,999,961
Income Tax Deduction at Source - Advertising Bill	3,140	4,040
Income Tax Deduction at Source-Employee's	2,933,089	1,812,875
Income Tax on Directors' Fee	17,600	18,400
Income Tax on Indenting Commission	268,409	-
Income Tax on Professional Fee	3,435	6,245
Marginal Deposit Export	45,037,804	3,586,621
F.C. Held against B.B L/C	33,850,306	14,636,738
Sundry Deposit - Swift charge	8,438,208	4,839,383
Sundry Deposit LAC (Export)	5,641,723	1,503,238
S/D/A/C ATM Charge collection Account	41,564	212,933
D&B Credit report collection fee	2,178	2,298
ATM Charge (NPSB)	447,261	120,542
S/D/A/C VAT on Polli Bidyut Samity	4,120,004	3,146,971
Central Fund (RMG Sector)	141,172	43,130
NR. Taka A/C Small World Finance	2,096,415	1,931,451
Security Deposit A/C Small World Finance	813,000	813,000
NR. Taka A/C Wall Street Finance	214,578	685,038
NR. USD A/C Wall Street Finance	505,493	-
NR. Taka A/C Xpress Money Services	1,447,582	-
Security Deposit A/C Xpress Money Services	837,500	-
Security Deposit A/C Wall Street	744,000	744,000
Income Tax on Cash Subsidy against export	29,565	-
S/D Cash incentive against export	53,970	35,340
NR. Tk. A/C Transfast Remittance	1,862,671	805,679
SD. A/C Transfast Remittance, LLC	735,750	735,750
	684,470,466	604,864,619

	31.12.2018	31.12.2017
	Taka	Taka
10.5 Bills Payable		
Pay Order Issued	703,856,631	519,667,531
Demand Draft Issued	-	-
	703,856,631	519,667,531
10.6 Maturity wise Grouping of Deposits and Other Accounts		
Repayable within One Month	8,625,303,882	7,113,289,571
One Month to Three Months	43,544,600,000	39,944,000,000
Three Months to One Year	42,894,100,000	42,732,400,000
One Year to Five Years	24,114,500,000	19,341,500,000
Repayable over Five Years	5,720,000,000	4,918,700,000
	124,898,503,882	114,049,889,571
10. A Deposits received from Banks (Note A-1)	29,572,235,414	17,596,274,103
10.B Deposits received from other than Bank		
Payable on Demand (Note B-1)	6,237,323,439	4,183,085,280
Other Deposits (Note B-2)	89,088,945,029	92,270,530,188
	95,326,268,468	96,453,615,468
	124,898,503,882	114,049,889,571
10. A.1 Deposits Received from Banks		
AB Bank Limited	205,985,086	5,229
Bangladesh Development Bank Ltd.	250,000,000	-
Bangladesh Commerce Bank Ltd.	1,000,000,000	-
Janata Bank Ltd.	1,800,000,000	1,300,000,000
Islami Bank Bangladesh Ltd.	15,276,683,783	11,658,466,529
Al-Arafah Islami Bank Ltd.	1,000,000,000	1,000,000,000
National Bank Ltd.	1,280,000,000	1,280,000,000
Agrani Bank Ltd.	4,000,000,000	600,000,000
Sonali Bank Ltd.	1,128,543,750	500,000,000
Social Islami Bank Ltd.	710,916,150	-
Probashi Kallayan Bank Ltd.	155,604,395	-
Rupali Bank Ltd.	2,250,000,000	1,250,000,000
Trust Bank Ltd.	5,506,507	5,317,931
Uttara Bank Ltd.	500,000,000	-
South Bangla Agriculture and Commerce Bank Ltd.	89,432	78,225
First Security Islami Bank Ltd.	6,785,274	9,053
NRB Global Bank Ltd.	2,121,037	2,397,136
	29,572,235,414	17,596,274,103
Maturity wise Grouping of Deposits Received from Banks		
Repayable on Demand	-	-
Repayable within One Month	10,208,087,269	8,166,274,103
Repayable over One Month but within Six Months	19,208,543,750	9,430,000,000
Repayable over Six Months but within one Year	155,604,395	-
Repayable over One Year but within Five Years	-	-
Repayable over Five Years but within Ten Years	-	-
Unclaimed Deposits for Ten Years and above	-	-
	29,572,235,414	17,596,274,103
B-1 Payable on Demand		
Al-wadiah Current Deposits	4,473,047,451	2,799,631,705
Mudaraba Saving Deposits (9%) (Note-10.1)	375,948,891	258,921,425
Bills Payable (Note-10.5)	703,856,631	519,667,531
Sundry Deposits (Note-10.4.1)	684,470,466	604,864,619
	6,237,323,439	4,183,085,280

	31.12.2018	31.12.2017
	Taka	Taka
B- 2 Other Deposits		
Mudaraba Saving Deposits (91%) (Note-10.1)	3,801,261,013	2,617,983,300
Mudaraba Term Deposits	62,094,746,328	71,002,924,516
Mudaraba Short Notice Deposits	2,098,403,877	2,614,347,480
Other Mudaraba Term Deposits (Note-10.3)	21,094,533,811	16,035,274,892
	89,088,945,029	92,270,530,188
11 OTHER LIABILITIES		
Inter - branch Transaction Account	-	-
Provision for Taxation (Note-11.1)	2,802,011,265	1,986,486,207
Accumulated Provision against Investments (Note-11.2)	1,901,919,545	1,350,900,000
Accrued Profit and Expenses Payable (Note-11.3)	2,443,536,670	1,978,592,687
Provision for Gratuity (Note-11.4)	35,307,446	23,567,446
Provisions for diminution in value of Investments in share (Note-11.5)	8,500,000	2,500,000
Provision for Zakat	26,500,000	20,000,000
Other provisions (Note-11.2.4)	8,559,339	6,500,000
Provident Fund	325,108	761,472
Benevolent Fund	161,395	819,421
Provision for Incentive Bonus	141,850,904	110,000,000
Provision for Audit fee	345,000	345,000
Clearing adjustment account	3,008,619	2,952,186
Compensation Realized	20,803,930	14,822,267
ATM Adjustment (NPSB)	2,671,289	3,976,460
Settlement account Foreign Remittance	88,668	237,838
Profit Rent Suspense	132,069,802	65,129,264
Compensation Receivable	46,610,547	31,217,917
Others	40,994,513	13,177,751
	7,615,264,040	5,611,985,916
11.1 Provision for Taxation		
Opening balance	1,986,486,207	1,125,674,045
Add : Provision made during the year	815,525,058	860,812,162
Less: Adjustment/settlement during the year	-	-
Closing balance	2,802,011,265	1,986,486,207
Tribunal order has been completed and waiting for the notice of the demand for the assessment year 2014-2015 and assessment year 2015-2016 at first Appellate stage. Assessment year 2016-2017, 2017-2018 and 2018-2019 return have been submitted u/s 82BB of Income Tax Ordinance 1984 but not yet completed and assessment for the year 2019-2020 not yet due.		
11.2 Accumulated Provision against Investments		
Specific Provision for Classified Investments (Note -11.2.1)	530,019,545	200,000,000
General Provision for Unclassified Investments (Note -11.2.2)	1,274,900,000	1,075,900,000
General Provision for off- balance sheet exposure (Note -11.2.3)	97,000,000	75,000,000
	1,901,919,545	1,350,900,000
11.2.1 Movement in Specific Provision for Classified Investments		
Provision held at the beginning of the year	200,000,000	43,000,000
Fully Provided Debts written off	(16,780,455)	-
Recoveries of amounts previously written off	-	-
Specific Provision for the year (Note-11.2.a)	346,800,000	157,000,000
Recoveries and Provisions no longer required	-	-
Net Charge to Profit and Loss Account	-	-
Provision held at the end of the year	530,019,545	200,000,000
11.2.2 General Provision for Unclassified Investments		
Provision held at the beginning of the year	1,075,900,000	715,000,000
Addition/transfer during the year (Note-11.2.a)	199,000,000	360,900,000
Provision held at the end of the year	1,274,900,000	1,075,900,000

	31.12.2018	31.12.2017
	Taka	Taka
11.2.3 General Provision for off-balance sheet exposure		
Provision held at the beginning of the year	75,000,000	70,000,000
Addition/transfer during the year (Note-11.2.a)	22,000,000	5,000,000
Provision held at the end of the year	97,000,000	75,000,000
11.2.4 Other Provisions		
Provision held at the beginning of the year	6,500,000	5,000,000
Addition/transfer during the year	2,059,339	1,500,000
Provision held at the end of the year	8,559,339	6,500,000
Other provisions consist of provision for Good Borrower, Climate Risk Fund and ICT Equipment Insurance Premium Fund.		
11.2.4.1 Provision for Good Borrower		
Provision held at the beginning of the year	6,500,000	5,000,000
Addition/transfer during the year	1,000,000	1,500,000
Provision held at the end of the year	7,500,000	6,500,000
To comply BRPD Circular no. 6 dated March 19, 2015, BRPD letter no-16 dated 30 December 2015 and BRPD letter no-3 dated 16 February 2016 the Bank has been maintaining a provision of lump sum amount for incentive of good borrower.		
11.2.a Provision for Investments during the year		
Specific Provision for Classified Investments	346,800,000	157,000,000
General Provision for Unclassified Investment	199,000,000	360,900,000
General Provision for off- balance sheet exposure	22,000,000	5,000,000
	567,800,000	522,900,000
11.3 Accrued Profit and Expenses Payable		
Mudaraba Term Deposit Receipt	1,722,604,796	1,415,171,183
Mudaraba Monthly Benefit Savings Scheme	134,811,440	75,437,818
Mudaraba Double Benefit Savings Scheme	468,478,103	413,652,360
Mudaraba Monthly Profit Scheme	47,983,727	30,253,164
Mudaraba Pension Prokolpa	5,181,982	3,266,176
Mudaraba Marriage Deposit Scheme	1,133,363	498,537
Mudaraba Hajj Deposit Scheme	763,743	357,872
Mudaraba Millionaire Savings Scheme	44,717,199	30,195,339
Mudaraba Kotipoti Deposit Scheme	3,293,467	2,563,444
Mudaraba Pension deposit Scheme	50,832	36,984
Mudaraba Mohor Saving Scheme	328,752	84,155
Mudaraba Creopoty Sanchaya Prokalpa	13,341,344	6,792,866
Mudaraba Barakah Deposit Scheme	847,922	282,789
	2,443,536,670	1,978,592,687
11.4 Provision for Gratuity		
Opening Balance	23,567,446	17,867,446
Add: Provision made during the year	35,240,000	23,500,000
	58,807,446	41,367,446
Less: Adjustment	23,500,000	17,800,000
Closing Balance	35,307,446	23,567,446

	31.12.2018 Taka	31.12.2017 Taka
11.5 Provisions for diminution in value of Investments in share		
Opening Balance	2,500,000	-
Add: Provision made during the year	6,000,000	2,500,000
	8,500,000	2,500,000
Less: Adjustment	-	-
Closing Balance	8,500,000	2,500,000
11.a Deffered Tax Liabilities/(Assets)		
Opening Balance	(28,199,024)	(23,174,045)
Add: Addition during the year	(15,490,422)	(5,024,979)
	(43,689,446)	(28,199,024)
Less: Adjustment	-	-
Closing Balance	(43,689,446)	(28,199,024)
12 CAPITAL		
AUTHORISED CAPITAL		
1,000,000,000 Ordinary Shares of Taka 10 each.	10,000,000,000	10,000,000,000
12.1 Issued, Subscribed and Paid-Up Capital		
527,296,000 Ordinary Shares of Taka 10 each issued	5,272,960,000	5,272,960,000
12.2 Category of shareholding as at 31 December 2018		
<u>Name of Category</u>	<u>Percentage (%)</u>	<u>Percentage (%)</u>
Sponsors/Directors	100.00	100.00
Financial Institutes	-	-
Non-Resident Bangladeshi	-	-
General Public	-	-
	100.00	100.00
12.3 Classification of Shareholders by holding position as at 31 December 2018		
<u>Shareholding Range</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
Less than 500 Shares	-	-
501 to 5000 Shares	-	-
5001 to 10,000 Shares	-	-
10,001 to 20,000 Shares	-	-
20,001 to 30,000 Shares	-	-
30,001 to 40,000 Shares	-	-
40,001 to 50,000 Shares	-	-
50,001 to 100,000 Shares	-	-
100,001 to 1,000,000 Shares	-	-
Over 1,000,001 Shares	527,296,000	100.00
	527,296,000	100.00

	31.12.2018 Taka	31.12.2017 Taka
12.4 Regulatory Capital Requirement in line with Basel-III		
<u>I. Tier - 1 Capital</u>		
<u>a. Common Equity Tier-1 Capital (CET-1)</u>		
Paid up Capital	5,272,960,000	5,272,960,000
Statutory Reserve	1,227,575,435	876,837,431
Other Reserve	145,749,665	145,749,665
Retained Earnings	1,209,869,922	606,952,540
	7,856,155,022	6,902,499,636
<u>b. Additional Tier –1 Capital (AT-1)</u>	-	-
	-	-
Total Tier 1 Capital (a + b)	7,856,155,022	6,902,499,636
<u>II. Tier –2 Capital</u>		
General Provision	1,371,900,000	1,150,900,000
	1,371,900,000	1,150,900,000
A. Total Regulatory Capital (I+II)	9,228,055,022	8,053,399,636
B. Total Risk Weighted Assets	90,145,366,888	68,696,648,753
C. Minimum Capital Requirement	9,014,536,689	6,869,664,875
D. Capital Surplus/(Shortfall); (A - C)	213,518,333	1,183,734,761
Capital to Risk Weighted Assets Ratio (CRAR)	10.24%	11.72%
Capital to Risk Weighted Assets Ratio (CRAR):	Held	Held
a. Common Equity Tier-1 Capital to Risk Weighted Assets	8.71%	10.05%
b. Tier - 1 Capital to Risk Weighted Assets	8.71%	10.05%
c. Tier - 2 Capital to Risk Weighted Assets	1.52%	1.68%
Total (b+c)	10.24%	11.72%

The Bank has maintained the CRAR ratio of 10.24% for the year ended 31 December 2018 where the minimum required CRAR is 10% excluding Capital Conservation Buffer 1.875%. Apart from that necessary initiatives are taken for maintaining Capital Conservation Buffer (CCB) at 2.50% by the end of 31 December 2019.

In addition to comply the requirement of Capital to Risk Weighted Asset Ratio (CRAR) as per Bangladesh Bank BRPD Circular No. 18 dated 21 December 2014 on Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III); the Board of Directors in its 50th meeting on 15 September 2018 and Shariah Supervisory Committee in its 24th meeting on 17 December 2018 have approved to issue 7 (seven) years "Union Bank Mudaraba Subordinated Bond" of Taka 4,000 Million. In this regard, Bangladesh Securities and Exchange Commission has given consent to issue Union Bank Mudaraba Subordinated Bond of Taka 4,000 Million vide BSEC letter no. BSEC/CI/DS-94/2018/878 dated 20 December 2018 and Bangladesh Bank has given No Objection Certificate (NOC) vide BRPD(BFIS)661/14B(P)/2018-9715 dated 27 December 2018 for considering the same under Tier-II capital accordingly.

13 STATUTORY RESERVE		
Opening Balance	876,837,431	527,663,554
Transferred during the year from Profit & Loss A/C	350,738,005	349,173,877
Closing Balance	1,227,575,435	876,837,431
14 OTHER RESERVE	145,749,665	145,749,665
15 RETAINED EARNINGS		
Opening Balance	606,952,540	631,004,217
Add: Net Profit after tax for the year	953,655,387	890,082,200
Less: Transferred to Statutory Reserve	350,738,005	349,173,877
Less: Transferred to Paid up Capital	-	564,960,000
Closing Balance	1,209,869,922	606,952,540

	31.12.2018	31.12.2017
	Taka	Taka
16 LETTER OF GUARANTEES		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Letters of Guarantee - Local	605,602,026	315,956,779
Letter of Guarantee - Foreign	-	-
	605,602,026	315,956,779
16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	605,602,026	315,956,779
	605,602,026	315,956,779
17 IRREVOCABLE LETTERS OF CREDIT		
Letters of Credit - Cash	1,653,071,250	2,031,129,192
Letter of Credit - Cash Inland	-	-
Back to Back Letters of Credit - Local	306,633,285	291,252,479
Back to Back Letters of Credit - Foreign	158,025,771	142,899,000
	2,117,730,306	2,465,280,671
18 BILLS FOR COLLECTION ISSUED BY THE BANK		
Foreign Documentary Bills	356,897,050	215,417,000
Outward Bills	-	-
Inland Documentary Bills	890,315,318	1,317,363,000
	1,247,212,368	1,532,780,000
19 INVESTMENT INCOME		
Profit Received from:		
Deposit with Other Banks	603,383,674	340,895,252
Bai Murabaha - General	249,479,396	1,150,418,242
Bai Murabaha Hypothecation	25,845,131	80,686,440
Bai Murabaha against MTDR	3,642,300,850	2,618,772,283
Bai Murabaha - TR	5,717,927,200	3,559,152,642
Bai Murabaha - Agriculture	56,423,317	62,184,075
Musharaka - MDB	2,033,126,218	1,662,436,948
Bai Muajjal General	-	949,984
Bai Muajjal Guarantee	166,887	70,761
Bai Muajjal Real Estate	80,402,785	18,694,444
Bai Murabaha Post Import Bill - TR	336,916,170	259,252,746
HPSM Transport	20,090,473	4,614,748
HPSM Industry	84,885,398	91,391,059
HPSM Real Estate	183,765,906	118,368,572
HPSM Employees House Building	13,072,625	9,999,052
HPSM Machinery	220,926,071	194,446,425
HPSM Consumer Durables	5,311,220	4,861,753
HPSM SME	1,986	111,037
HPSM Rural House Building	1,752,757	3,732,385
Quard against MTDR	-	1,445,550
Bill Purchased - Foreign	410,561	1,107,314
Bai Murabaha Import Bill (MIB)	86,856,825	379,544,048
Bai Murabaha EDF Investments	13,015,683	1,712,980
Back to Back Bill	103,245,178	16,105,688
Bai Muajjal against Import Bill	63,978,682	-
Bai Istisna	7,585,068	6,651,396
	13,550,870,061	10,587,605,824

	31.12.2018	31.12.2017
	Taka	Taka
20 PROFIT PAID ON DEPOSITS		
Profit Paid on:		
Mudaraba Term Deposit	6,476,253,366	4,941,044,842
Mudaraba Double Benefit Deposits Scheme	847,030,567	750,916,762
Mudaraba Monthly Savings Scheme	225,499,205	125,848,939
Mudaraba Monthly Benefit Savings Scheme	800,707,436	606,971,307
Bangladesh Government Islami Bond	380,694,904	71,157,315
Mudaraba Savings Deposits	110,941,282	75,755,867
Mudaraba Short Notice Deposits	624,222,057	257,746,449
Mudaraba no Frill Savings Deposits	189,496	92,478
Mudaraba Marriage Scheme	1,972,113	970,973
Mudaraba Union Pension Prokolpo	8,547,200	5,971,841
Mudaraba Pension Deposit Scheme	57,045	38,163
Mudaraba Millionaire Deposit Scheme	75,886,650	51,996,018
Mudaraba Hajj Deposit Scheme	1,215,397	531,878
Mudaraba Mohor Savings Scheme	503,959	116,252
Mudaraba Corepoty Savings Scheme	21,979,238	11,006,943
Mudaraba Kotipoti Deposit Scheme	6,596,360	4,970,215
Mudaraba Barakah Deposit Scheme	1,443,744	282,806
	<u>9,583,740,019</u>	<u>6,905,419,048</u>
21 INCOME FROM INVESTMENT IN SHARES AND SECURITIES		
Bangladesh Govt. Islamic Investment Bond	102,257,736	23,259,689
Other Bond	30,642,500	31,587,500
Profit/(Loss) on sale of shares	4,837,963	6,558,140
Dividend Income	135,000	275,644
	<u>137,873,199</u>	<u>61,680,973</u>
22 COMMISSION, EXCHANGE AND BROKERAGE		
Commission	198,575,476	145,918,503
Exchange Gain	56,263,533	87,701,510
Exchange Earning	66,403,826	98,119,718
Less: Exchange Loss	10,140,293	10,418,208
	<u>254,839,009</u>	<u>233,620,013</u>
23 OTHER OPERATING INCOME		
Account maintenance charge	27,966,212	21,669,203
Clearing cheque processing fee	152,061	153,447
Investment processing fee	24,952,184	798,525
Miscellaneous Earnings	26,658,676	10,966,455
	<u>79,729,133</u>	<u>33,587,630</u>

	31.12.2018	31.12.2017
	Taka	Taka
24 SALARY AND ALLOWANCES		
Basic Salary	359,669,739	285,805,287
Bonus	183,691,602	152,445,788
Bank's Contribution to Staff Provident Fund	30,104,473	22,169,362
Gratuity	35,240,000	23,500,000
House Rent Allowance	184,650,202	138,028,106
Conveyance Allowance	30,670,150	17,320,701
Leave Fare Allowance	114,970,403	73,279,783
Entertainment Allowance	29,844,339	27,707,498
Medical Allowance	45,576,176	33,486,242
Utility Services	45,358,525	33,338,707
House Maintenance Allowance	47,536,542	34,535,603
Bengali New Year Allowance	6,003,131	4,057,134
Other Allowances	5,482,995	4,159,996
	<u>1,118,798,277</u>	<u>849,834,207</u>
25 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Rent	239,348,432	224,605,477
Insurance	57,287,408	47,273,216
Rates and Taxes	3,497,357	2,798,235
Water Charges	791,697	536,033
Gas Charges	354,636	279,879
Electric Bills	34,458,836	28,333,541
	<u>335,738,366</u>	<u>303,826,381</u>
26 LEGAL EXPENSES		
Law Charges	91,750	48,100
Stamp	41,163	26,180
Other Professional Charges	603,035	935,943
	<u>735,948</u>	<u>1,010,223</u>
27 POSTAGE, STAMP AND TELECOMMUNICATION etc.		
Telephone - Office	4,521,402	3,871,120
Telegram, Telex, Internet, Fax and Email charge	8,952,038	8,524,919
Stamp	38,970	22,590
Telephone - Residence	5,682	7,170
Swift charge	4,418,676	3,082,343
Postage	4,024,464	3,191,765
	<u>21,961,232</u>	<u>18,699,907</u>
28 STATIONERY, PRINTING AND ADVERTISEMENT etc.		
Publicity and Advertisement	19,698,651	22,617,353
Printing and Stationery	27,696,517	20,329,022
	<u>47,395,168</u>	<u>42,946,375</u>
29 CHIEF EXECUTIVE'S SALARY & FEES		
Basic Pay	3,900,000	2,954,704
House Rent Allowances	1,500,000	1,136,425
Leave Fare Allowance	1,500,000	1,136,425
Bonus	1,650,000	1,650,000
Bengali New Year Allowance	65,000	-
House Maintenance Allowance	1,500,000	1,136,425
	<u>10,115,000</u>	<u>8,013,979</u>

	31.12.2018	31.12.2017
	Taka	Taka
30 DIRECTORS' FEES & EXPENSES		
Fees	1,536,400	1,104,000
Travel	1,155,000	933,500
	2,691,400	2,037,500
31 SHARIA'H SUPERVISORY COMMITTEE'S FEES AND EXPENSES		
Fees	174,800	147,200
Travel	60,000	41,198
	234,800	188,398
32 DEPRECIATION AND REPAIRS TO FIXED ASSETS		
Depreciation on Fixed Assets (Annexure - A)	173,126,537	134,774,400
Repairs:	55,130,326	44,522,011
Office equipment	24,710,972	19,563,937
Renovation and Maintenance of Office Premises	32,757	20,741
Furniture and Fixtures	216,140	253,027
Repair & Maintenance of Vehicle	30,170,457	24,684,306
	228,256,863	179,296,411
33 OTHER EXPENSES		
Car Expense	48,792,149	39,841,396
Wages	126,720,977	101,417,491
Traveling	10,418,149	9,008,741
Donation and Subscription:		
Donation	43,869,570	84,534,050
Subscription	8,182,467	3,047,422
Newspaper and Periodicals	412,878	381,796
Entertainment	18,734,695	16,121,352
Conveyance	5,546,011	4,928,398
Bank charges	4,226,999	5,759,097
Holiday Banking allowances	1,033,505	894,082
Medical Expense	6,739,072	5,098,845
Training, Seminar and Workshop	3,311,553	4,087,914
Photocopy, Photograph & Toner	2,172,512	2,061,766
Generator Expenses	5,272,906	4,875,884
Washing and Cleaning	424,620	313,967
Online Expenses	2,632,599	2,734,260
Office Maintenance	8,683,989	8,221,199
Crockery Expense	244,921	396,927
Meeting Expenses	14,064,233	12,606,163
ATM Expenses	2,997,731	2,849,141
Miscellaneous Expenses	2,423,431	2,927,737
	316,904,967	312,107,628
34 EARNINGS PER SHARE (EPS)		
A. Net Profit after Tax	953,655,387	890,082,200
B. Weighted Average Number of Ordinary Shares	527,296,000	527,296,000
Earnings Per Share (A/B)*	1.81	1.69

* Prior period EPS has been restated to comply with IAS-33 "Earning Per Share".

	31.12.2018	31.12.2017
	Taka	Taka
35 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Account maintenance charge	27,966,212	21,669,203
Clearing cheque processing fee	152,061	153,447
Investment processing fee	24,952,184	798,525
Miscellaneous Earnings	26,658,676	10,966,455
	79,729,133	33,587,630
36 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Rent, Taxes, Insurances, Electricity etc.	335,738,366	303,826,381
Legal Expenses	735,948	1,010,223
Postage, Stamps, Telecommunications etc.	21,961,232	18,699,907
Directors' fees	2,691,400	2,037,500
Sharia'h Supervisory Committee's fees and expenses	234,800	188,398
Auditor's Fee	690,000	345,000
Repair of Fixed Assets	55,130,326	44,522,011
Zakat Expenses	26,500,000	20,000,000
Other Expenses	316,904,967	312,107,628
	760,587,039	702,737,048
37 INCREASE / DECREASE OF OTHER ASSETS		
Inter - branch Transaction Account	389,599,438	129,964,639
Advances, Deposits and Prepayment	3,130,565,482	2,365,237,554
Stock of Stationery	8,457,934	9,373,993
Suspense Account	216,790,009	125,330,086
Stamps on Hand	1,562,474	1,184,065
	3,746,975,337	2,631,090,337
(Increase)/Decrease during the year	(1,115,885,000)	(854,516,530)
38 INCREASE / DECREASE OF OTHER LIABILITIES		
Provision for Zakat	26,500,000	20,000,000
Benevolent Fund	161,395	819,421
Clearing Adjustment Account	3,008,619	2,952,186
Others	244,643,088	133,906,497
	274,313,102	157,678,104
Increase /(Decrease) during the year	116,634,998	87,121,758
39 NUMBER OF EMPLOYEES		
Executives and Officers	1,188	1,050
Members of Staff (Contractual)	289	258
	1,477	1,308

40 RELATED PARTY TRANSACTIONS

During the year, the Bank carried out some transaction with related party in the normal course of business and on an arm's length basis. The name of this related party, nature of this transaction and total value has been set out in accordance with provisions of International Accounting Standard # 24 (IAS# 24) Related Party disclosure and as defined in the BRPD Circular no. 14 issued by the Bangladesh Bank on June 25, 2003. The significant related party transactions during the year were as follows:

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

<u>Name of the Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Total Value (in Taka)</u>
Times Securities Ltd.	Trading of Share (Investment of Share)	Common Director	<u>43,903,913</u>

ii) Related Party Transactions Nil

iii) Shares issued to Directors and Executives without consideration or exercisable at discount Nil

iv) Lending to Related Parties is effected as per requirements of Section 27 (1) of the Bank Companies Act, 1991. Nil

v) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991 Nil

vi) Investment in the Securities of Directors and their related concern Nil

41 DIRECTORS' INTEREST IN DIFFERENT BUSINESSES OR ENTITIES

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
1	Shahidul Alam	Chairman	Managing Director Galco Steel (Bangladesh) Ltd. Prasad Paradise Resorts Ltd. S. Alam Vegetable Oil Ltd. Norinco Engineering Ltd. Director Reliance Brokerage Services Ltd. Proprietor M/s. Tazin Enterprise Sonali Traders
2	Ahsanul Alam	Vice Chairman	Managing Director Genesis Textiles Accessories & Apparels Ltd. Western Designers Ltd. Chairman Hasan Abasan (Pvt) Ltd. Director Norinco Engineering Ltd. Proprietor Genesis Enterprise Chief Executive S. Alam & Co.

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
3	Hussain Muhammad Ershad	Director	Chairman Podagonj Cold Storage Ltd.
4	Ms. Marzina Sharmin	Director	Managing Director Unique Investment & Securities Limited Times Securities Limited Director Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd. Proprietor M/s. Marzina Trading
5	Shahedul Huq	Director	Managing Partner Crystal Bridge (Pvt) Ltd. Proprietor S. Huq Properties Ltd.
6	Rashedul Alam	Director	Managing Director Global Trading Corporation Ltd. Director S. Alam Steels Ltd. Bangladesh Petro Chemical Ltd. S. Alam Hatchery Ltd. Ocean Resorts Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd. Proprietor Rafe Enterprise Khurshed Poribohon Sangstha
7	Showkat Hossain, FCA	Director	Senior Partner Hoda Vasi Chowdhury & Co. Director Chattogram WASA
8	Ms. Farzana Begum	Director	Managing Director Shah Amanat Prakritik Gas Co. Ltd. Lion Securities & Investment Ltd. Director Global Trading Corporation Ltd Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd. Proprietor M/s. Farzana Trading Enterprise

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
9	Mohammad Fazlay Morshed	Director	Managing Director MRM Trading Ltd. Chattogram Logistic Ltd. Worth Avenue Steels Ltd. Adviser C&A Fabrics Ltd.
10	Mohammad Manzoor Alam Seth	Director	Adviser C&A Accessories Ltd. Partner Shobel Engineers & Construction
11	Ziauddin Ahmed	Director	Managing Director Ashik Garments Ltd. Chairman First Communication (IGW) Ltd.
12	Ms. Halima Begum	Director	Proprietor Brothers Syndicate Halima Trading Enterprise
13	Ms. Sarwar Jahan Maleque	Director	Director JESCO Bangladesh Ltd. Vice Chairman JESCO Capital Management Ltd.
14	Dr. Mehe Zebunnesa Rahman	Director	Director, BBA Programme & Asst. Prof. North South University
15	Md. Abdul Quddus	Independent Director	EX- Managing Director NRB Global Bank Ltd. EX- Chief Executive Officer (CEO) First Security Islami Bank Foundation
16	Md. Enayet Ullah, FCA	Independent Director	Partner Shafiq Basak & Co. Chartered Accountants Ex-Adviser Shafiq Basak & Co. Chartered Accountants Ex-Partner Khan Wahab Shafique Rahman & Co. Chartered Accountants

42 AUDIT COMMITTEE

a) Constitution

Name	Status with the Bank	Status with the Committee	Educational Qualification
Showkat Hossain, FCA	Director	Chairman	B. Com, Fellow Chartered Accountant
Ms. Farzana Begum	Director	Member	B. A.
Mohammad Fazlay Morshed	Director	Member	B. Com.
Md. Abdul Quddus	Independent Director	Member	M. A. Economics
Md. Enayet Ullah, FCA	Independent Director	Member	B. Com, Fellow Chartered Accountant

b) During the year under review, the Audit Committee of the Board conducted 05 (Five) meeting.

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

A strong powerful division formed for internal audit and inspection as well as compliance thereof.

The division is divided into three separate units i.e. Audit & Inspection , Compliance and Monitoring to implement effective internal control and compliances headed by highly experienced bankers.

Audit and Inspection unit is established with a view to carrying out comprehensive internal audit in the branch level and ensure the transparency and accountability in the banking operations in light of the guidelines of the regulatory authorities and policies set by the bank with regular intervals.

Monitoring Unit is established with a view to implementing proper banking practices in the branches. Day to day operations is the focusing area to implement the rules and procedures of the regulatory bodies, bank's policies and other prudential guidelines.

Compliance unit is established to take effective measures for collection and timely submission of compliances of internal, external and Bangladesh Bank Inspection Reports.

The committee is placing its report regularly to the Board of Directors of the bank mentioning its review and recommendations on internal system, compliance of rules and regulations and establishment of good governance within the organization.

The board has given the responsibility to implement internal control system in the bank as per requirement of core risk management and framework provided by the Bangladesh Bank.

43 EVENTS AFTER BALANCE SHEET DATE

a) The Board of Directors of the Bank in its 57th Board meeting held on 28 March 2019 approved the financial statements of the Bank for the year ended 31 December 2018 and the same for issue.

b) As per Bangladesh Bank Letter no. BRPD(P-3)/745(60)/2013-1122, dated 10 March 2013 and Bank's communication with Bangladesh Bank vide their letter no. UBL/HO/2019/25 dated 15 January 2019, UBL/HO/2017/250 dated 28 August 2017, UBL/HO/2016/120 dated 28 February 2016 and Bangladesh Bank response against this letter vide their letter no. BRPD(P-3)/745(63)/2019-1098, the Bank required to start the process of raising capital/ fund through initial public offerings (IPO) in 2019.

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

Managing Director

Director

Director

Chairman

Dhaka

28 March 2019

UNION BANK LIMITED
SCHEDULE OF FIXED ASSETS
As on 31 December 2018

Figure in Taka

Particulars	C O S T				D E P R E C I A T I O N				Written down value as on 31 December'18
	Balance as on 01 January'18	Addition during the period	Sales/Transfer during the period	Balance as on 31 December'18	Balance as on 01 January'18	Charged for the period	Adjustment on sale/transfer during the period	Balance as on 31 December'18	
Furniture & Fixtures	692,595,059	88,749,405	-	781,344,464	140,675,904	59,311,854	-	199,987,758	581,356,706
Office Equipment	457,965,043	357,023,400	-	814,988,443	194,147,756	102,703,089	-	296,850,845	518,137,598
Vehicles	101,456,719	-	-	101,456,719	67,354,047	11,074,134	-	78,428,181	23,028,538
Books	211,603	42,701	-	254,304	50,909	37,460	-	88,369	165,935
Total Dec' 2018	1,252,228,424	445,815,506	-	1,698,043,930	402,228,616	173,126,537	-	575,355,153	1,122,688,777
Total Dec' 2017	1,096,876,322	155,352,102	-	1,252,228,424	267,454,216	134,774,400	-	402,228,616	849,999,808

UNION BANK LIMITED
FINANCIAL HIGHLIGHTS
For the year ended 31 December 2018

Figure in Taka

SL #	Particulars	2018	2017
1	Paid-up Capital	5,272,960,000	5,272,960,000
2	Total Regulatory Capital	9,228,055,022	8,053,399,636
3	Total Regulatory Capital Surplus/(deficit)	213,518,333	1,183,734,761
4	Total Assets	148,583,765,200	131,677,566,421
5	Total Deposits	124,898,503,882	114,049,889,571
6	Total Investments	119,934,385,113	100,753,547,130
7	Total Contingent Liabilities and Commitments	9,839,281,673	7,393,034,367
8	Investment Deposit Ratio (in %)	96.03%	88.34%
9	Percentage of Classified Investments against total Investments (in %)	0.97%	0.57%
10	Profit before Provision and Tax	2,329,549,362	2,272,769,383
11	Amount of Classified Investments	1,164,783,675	572,072,338
12	Provision kept against Classified Investments	530,019,545	200,000,000
13	Investments Provision Surplus/(deficit)	105,919,545	73,544,818
14	Cost of Fund	10.31%	9.35%
15	Profit Earning Assets	132,907,486,419	115,246,541,638
16	Non-profit Earning Assets	15,676,278,781	16,431,024,783
17	Income from Investments	13,550,870,061	10,587,605,824
18	Return on Investment (ROI)(in %)	11.30%	10.51%
19	Income from Investment in Shares & securities	137,873,199	61,680,973
20	Return on Investment in Shares & securities (ROI)(in %)	2.70%	1.24%
21	Return on Assets (ROA)(in %)	0.68%	0.83%
22	Earnings Per Share (Tk.)	1.81	1.69
23	Net Income Per Share (Tk.)	1.81	1.69
24	Price Earnings Ratio (Times)	N/A	N/A