

**Independent Auditor's Report and
Audited Financial Statements
of
Union Bank Limited**
As at and for the year ended 31 December 2021



কে. এম. হাসান এন্ড কোং
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Independent Auditor's Report
To the Shareholders of Union Bank Limited
Report on the audit of the financial statements

Opinion

We have audited the financial statements of Union bank Limited (the "Bank"), which comprise the balance sheet as at 31 December 2021, 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 and other explanatory information.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2021, and of its profit and loss account and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note- 2 and comply with the Bank Company Act, 1991 (as amended up to date) the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for 2021. These matters were addressed in the context of the audit of the financial statements, and in forming the Auditors' opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Description of key audit matters	Our response to key audit matters
Measurement of provision for investments	
<p>The process for estimating the provision for investments portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the total gross Investments of BDT 193,822 million (2020: BDT 166,337 million) and provision for investments of BDT 5,284 million (2020: BDT 4,109 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, investments disbursement procedures, monitoring and provisioning Process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Investments; <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank Guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh bank guidelines • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.
See note no. 6 and 11 to the financial statements	
Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
See note no. 7, 11 and 20 to the financial statements	



Description of key audit matters	Our response to key audit matters
Measurement of deferred tax assets	
<p>The Bank reports net deferred tax assets to totaling BDT 97.90 million as at 31 December 2021.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note no. 8.3.1 to the financial statements	
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Legal and regulatory matters	
<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p>	<p>We focused on this area because the Bank operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the financial statements</p>



Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than financial statements and our Auditors' report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' report.

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

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

Responsibilities of management and those charged with governance for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank 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 Companies 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 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 the 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 Auditors' 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 judgement 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 Auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Companies Act, 1991 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 Auditors' Responsibility section in forming the above opinion on the financial statements 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 the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and in the financial statements;



- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report agree with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for Investments which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4,200 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka, Bangladesh
Date: 28 April 2022

Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants
DVC No: 2204 281758 AS140136



UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash			
In hand (Including foreign currency)	3	8,353,449,515	7,195,891,435
Balance with Bangladesh Bank and its agent bank(s)	3.1	1,207,822,446	825,991,310
(Including foreign currency)	3.2	7,145,627,069	6,369,900,125
Balance with other Banks and Financial Institutions			
In Bangladesh	4.1	354,647,804	232,229,412
Outside Bangladesh		69,212,323	93,870,582
		285,435,481	138,358,830
Placement with banks & Other Financial Institutions	4.2	5,469,784,155	5,718,811,530
Investments in Shares & Securities			
Government	5	12,030,420,000	7,688,051,408
Others		10,440,420,000	7,463,970,000
		1,590,000,000	224,081,408
Investments			
General Investments etc.	6	193,822,280,481	166,337,195,954
Bills Purchased and Discounted	6.A	188,105,717,264	149,536,346,400
	6.B	5,716,563,217	16,800,849,554
Fixed Assets Including Premises, Furniture and Fixtures	7	4,054,545,287	3,763,215,812
Other Assets	8	18,333,075,866	19,096,180,885
Total Assets		<u>242,418,203,108</u>	<u>210,031,576,436</u>
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9	10,033,749,650	9,649,997,064
Deposits and Other Accounts	10	200,229,794,529	172,710,507,951
Mudaraba Savings Deposits	10.1	9,406,334,184	7,245,509,172
Mudaraba Term Deposits	10.2	108,919,670,985	96,010,891,579
Other Mudaraba Term Deposits	10.3	48,866,097,485	42,707,178,422
Al-Wadia Current Accounts and Other Accounts	10.4	31,735,974,901	25,554,877,551
Bills Payable	10.5	1,301,716,974	1,192,051,227
Mudaraba Subordinated Bond		4,000,000,000	4,000,000,000
Other Liabilities	11	18,144,122,377	14,515,451,219
Total Liabilities		<u>232,407,666,556</u>	<u>200,875,956,234</u>
Capital/Shareholders' Equity			
Paid-up Capital	12.1	5,589,337,600	5,589,337,600
Statutory Reserve	13	2,414,624,395	1,968,151,671
Other Reserve	14	145,749,665	145,749,665
Retained Earnings	15	1,860,824,892	1,452,381,266
Total Shareholders' Equity		<u>10,010,536,552</u>	<u>9,155,620,202</u>
Total Liabilities and Shareholders' equity		<u>242,418,203,108</u>	<u>210,031,576,436</u>



UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		2,590,271,534	4,149,886,886
Letters of Guarantee	16	1,897,210,885	1,699,306,414
Irrevocable Letters of Credit	17	2,757,426,735	1,546,252,267
Bills for Collection	18	3,148,551,768	3,174,870,684
Other Contingent Liabilities		-	-
Total		10,393,460,922	10,570,316,251
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		-	-
Total Off -Balance Sheet Items Including Contingent Liabilities		10,393,460,922	10,570,316,251

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


Managing Director


Director


Director


Chairman

See annexed auditor's report of even date

Place: Dhaka, Bangladesh
Dated: 28 April 2022


Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants
DVC: 2204281758 AS140136



UNION BANK LIMITED
PROFIT AND LOSS STATEMENT
For the year ended 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
Investments Income	19	19,450,306,835	19,740,126,917
Profit Paid on Deposits	20	(13,400,469,156)	(14,291,980,638)
Net Investment Income		6,049,837,679	5,448,146,279
Income from Investment in Shares and Securities	21	174,152,095	195,066,492
Commission, Exchange and Brokerage	22	226,316,393	192,143,415
Other Operating Income	23	130,809,542	123,757,818
Total Operating Income		531,278,030	510,967,725
Operating Expenses		6,581,115,709	5,959,114,004
Salary and Allowances	24	1,663,899,788	1,407,236,899
Rent, Taxes, Insurances, Electricity etc.	25	381,450,278	421,773,319
Legal Expenses	26	4,767,618	7,089,692
Postage, Stamps, Telecommunication etc.	27	26,748,261	23,355,180
Stationery, Printings, Advertisements etc.	28	75,248,527	82,487,626
Chief Executives Salary and Fees	29	12,567,259	12,247,950
Auditors' Fees	30	345,000	345,000
Directors' Fees & Expenses	31	2,316,200	1,968,200
Shariah Supervisory Committee's Fees & Expenses	32	454,000	316,600
Depreciation and Repair of Bank's Assets	33	297,361,446	224,351,439
Zakat Expenses		55,000,000	44,000,000
Other Expenses		462,965,703	515,526,647
Total Operating Expenses		2,983,124,080	2,740,698,552
Profit/(Loss) before Provision and tax		3,597,991,629	3,218,415,452
Provisions for Classified Investments	11.2.a	925,654,000	-
Provisions for Unclassified Investments	11.2.a	144,000,000	600,000,000
Provisions for Off Balance Sheet items	11.2.a	-	-
Special General Provisions for Covid - 19	11.2.a	290,974,006	394,000,000
Other Provisions	11.5	5,000,000	1,000,000
Provisions for diminution in value of investment in share		-	-
Total Provisions		1,365,628,006	995,000,000
Total Profit/(Loss) before Tax		2,232,363,623	2,223,415,452
Provision for Income Tax		1,375,429,088	1,235,275,896
Current Tax	11.1	1,375,429,088	1,235,275,896
Deferred Tax Income	8.3.1	(15,429,088)	(275,896)
Net Profit/(Loss) after Tax		872,363,623	988,415,452
Retained Earnings from Previous Year		1,452,381,266	1,508,442,504
Add: Net Profit/(Loss) after Tax		872,363,623	988,415,452
Profit available for Appropriation		2,324,744,889	2,496,857,956
Appropriations:			
Statutory Reserve	13	446,472,725	444,683,090
Start-up Fund		8,723,636	9,884,000
CSR Fund		8,723,636	9,884,000
Stock Dividend		-	316,377,600
Cash Dividend		-	263,648,000
Retained earnings		1,860,824,892	1,452,381,266
Earnings Per Share (EPS)	34	1.56	1.77

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


Managing Director


Director


Director


Chairman

See annexed auditor's report of even date

Place: Dhaka, Bangladesh
Dated: 28 April 2022


Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
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UNION BANK LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
A. Cash Flow from Operating Activities			
Investments income receipts		19,811,747,432	20,031,311,190
Profit paid on deposit		(13,421,372,080)	(14,182,693,379)
Fee and Commission receipts		226,316,393	192,143,415
Dividend receipts		259,522	235,153
Payments to employees		(1,630,704,563)	(1,495,677,087)
Payments to suppliers		(75,248,527)	(82,487,626)
Income tax paid		(1,290,468,713)	(1,220,668,678)
Receipts from other operating activities	35	130,809,542	123,757,818
Payments for other operating activities	36	(1,058,011,177)	(1,066,426,110)
Operating Profit before changes in Operating Assets & Liabilities		2,693,327,829	2,299,494,696
Changes in Operating Assets & Liabilities			
(Increase)/ Decrease Investments to Customers		(27,485,084,527)	(19,877,621,006)
(Increase)/ Decrease of Other Assets	37	1,896,454,796	(9,594,244,553)
Increase/ (Decrease) Deposits from Customers		27,519,286,578	22,490,587,097
Increase/ (Decrease) of Other Liabilities	38	620,407,652	971,907,211
		2,551,064,499	(6,009,371,251)
Net Cash Flow from Operating Activities		5,244,392,328	(3,709,876,555)
B. Cash Flow from Investing Activities			
Payments to Investment in Shares and Securities		(4,342,368,592)	(1,603,984,020)
Purchases of Property, Plant and Equipment		(254,827,225)	(217,725,051)
Net Cash Used in Investing Activities		(4,597,195,817)	(1,821,709,071)
C. Cash Flow from Financing Activities			
Receipts from Issuance of Mudaraba Subordinated Bond		-	-
Increase/(Decrease) in Share Capital		-	-
Increase/(Decrease) in Other reserve		-	-
Increase/(Decrease) in Placement from Banks & other Financial Institutions		383,752,586	3,356,144,622
Net Cash Flow from Financing Activities		383,752,586	3,356,144,622
D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)		1,030,949,097	(2,175,441,004)
E. Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents		-	-
F. Beginning Cash & Cash Equivalents		13,146,932,377	15,322,373,381
G. Ending Cash & Cash Equivalents (D+E+F)		14,177,881,474	13,146,932,377
The above closing Cash and Cash Equivalents include:			
In hand (Including foreign currency)	3.1	1,207,822,446	825,991,310
Balance with Bangladesh Bank and its agent bank(s)	3.2	7,145,627,069	6,369,900,125
Balance with other Banks and Financial Institutions	4.1	354,647,804	232,229,412
Placement with banks & Other Financial Institutions	4.2	5,469,784,155	5,718,811,530
		14,177,881,474	13,146,932,377

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


Managing Director


Director


Director


Chairman

Place: Dhaka, Bangladesh
Dated: 28 April 2022



UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2021	5,589,337,600	1,968,151,671	145,749,665	1,452,381,266	9,155,620,202
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 Profit and Loss Statement	-	-	-	-	-
Net Profit for the year	-	-	-	872,363,623	872,363,623
Dividends					
Stock	-	-	-	-	-
Cash	-	-	-	-	-
Transfer to Statutory Reserve	-	446,472,725	-	(446,472,725)	-
Transfer to Start-up Fund	-	-	-	(8,723,636)	(8,723,636)
Transfer to CSR Fund	-	-	-	(8,723,636)	(8,723,636)
Transfer to Retained Earnings	-	-	-	-	-
Issue of Share Capital during the year	-	-	-	-	-
Balance as on 31 December 2021	5,589,337,600	2,414,624,395	145,749,665	1,860,824,892	10,010,536,552
Balance as on 31 December 2020	5,589,337,600	1,968,151,671	145,749,665	1,452,381,266	9,155,620,202


Managing Director


Director


Director


Chairman

Place: Dhaka, Bangladesh
Dated: 28 April 2022



UNION BANK LIMITED
LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)
As at 31 December 2021

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	1,758,149,515	-	-	-	6,595,300,000	8,353,449,515
Balance with banks & Other Financial Institutions	354,647,804	-	-	-	-	354,647,804
Placement with banks & Other Financial Institutions	3,706,984,155	1,762,800,000	-	-	-	5,469,784,155
Investments in Shares and Securities	650,000,000	2,980,000,000	3,080,020,000	5,320,400,000	-	12,030,420,000
Investments	30,440,800,000	57,872,900,000	91,089,880,481	5,546,800,000	8,871,900,000	193,822,280,481
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	450,424,300	3,604,120,987	4,054,545,287
Other Assets	11,736,000,000	533,600,000	5,938,000,000	125,475,866	-	18,333,075,866
Non-banking Assets	-	-	-	-	-	-
Total Assets	48,646,581,474	63,149,300,000	100,107,900,481	11,443,100,166	19,071,320,987	242,418,203,108
Liabilities						
Placement from Banks & Other Financial Institutions	657,200,000	4,895,300,000	4,481,249,650	-	-	10,033,749,650
Deposits and Other Accounts	19,847,594,529	59,070,000,000	77,183,600,000	38,349,800,000	5,778,800,000	200,229,794,529
Mudaraba Subordinated Bond	-	-	-	-	4,000,000,000	4,000,000,000
Other Liabilities	379,000,000	1,635,600,000	5,426,166,248	8,118,700,000	2,584,656,129	18,144,122,377
Total Liabilities	20,883,794,529	65,600,900,000	87,091,015,898	46,468,500,000	12,363,456,129	232,407,666,556
Net Liquidity Gap	27,762,786,945	(2,451,600,000)	13,016,884,583	(35,025,399,834)	6,707,864,858	10,010,536,552


Managing Director


Director


Director


Chairman

Place: Dhaka, Bangladesh
Dated: 28 April 2022



UNION BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

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 104 (One Hundred and Four) branches and 31 (Thirty one) sub-branches operating as per Islamic Shariah prevailing in the country. The Bank has no overseas branches as at 31 December 2021.

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 2021 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 IAS/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

IAS/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

IAS/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

IAS/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

IAS/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

IAS/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

IAS/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)

IAS/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

IAS/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

IAS/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

IAS/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. Recognition of Lease Rent of the Office premises

IAS/IFRS: As per IFRS 16, specifies single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a leased liability representing its obligation to make lease payments.

Bangladesh Bank : As per BRPD circular no. 14 dated 25 June 2003 (First Schedule of under section 38 of Banking Company Act, 1991, lease rent of the office Premises must be shown in the Profit and Loss account under "Rent, taxes, insurance, electricity etc."

Income Tax Ordinance 1984: According to section 53A of the act, where any specified person is a tenant/lessee in respect of a house property, the tenant has obligation to deduct tax from the rent of such house property which is preclude to treat it's shown Asset (right-of-use asset) and the lease liability instead of as direct expense.

VAT act, 2012 : According to VAT S-074 (Place and establishment renter) refer to any person, Organization or Corporation, who or whose has got the right to use of the place and establishment for certain period or renewal after period expire against consideration. VAT will be payable on basis of use of place and establishment for such period.

xiii. Off-balance sheet items

IAS/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.

xiv. Investments net of provision

IAS/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.

xv. Revenue

As per IFRS 15 "Revenue from Contract with Customers", 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 April 2022.

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 IFRS 15 "Revenue from Contract with Customers".

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 IFRS 15 "Revenue from Contract with Customers" 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 2021 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 2021 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 2021 have been shown in the Balance Sheet under Off-Balance Sheet items.



Exchange rates with major foreign currencies as on 31 December 2021 were as:

Currency Name	Exchange Rate (Taka)
USD	85.3500
Euro	98.3571
JPY	0.7543
ACU	85.3500
GBP	115.6488
CHF	94.0329
SGD	63.3058
AUD	62.3013
CAD	66.9490

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's BRPD circular no. 14, dated September 23, 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, BRPD circular no. 15, dated September 27, 2017, BRPD Circular no. 01, dated January 03, 2018, BRPD Circular no. 01, dated February 20, 2018, BRPD Circular no. 07, dated June 21, 2018, BRPD Circular no. 13, dated October 18, 2018, BRPD Circular no. 03, dated April 21, 2019, BRPD Circular no.16, dated July 21, 2020, BRPD Circular no. 17, dated September 28, 2020 and BRPD Circular no. 52, dated October 20, 2020 respectively specific provisions are made against non performing investments are at the following rates:

Particulars	Rates
Provision on Substandard Investments:	
Cottage, Micro, Small and Medium Enterprise (CMSME)	5%
Other than Cottage, Micro, Small and Medium Enterprise (CMSME)	20%
Provision on Doubtful Investments:	
Cottage, Micro, Small and Medium Enterprise (CMSME)	20%
Other than Cottage, Micro, Small and Medium Enterprise (CMSME)	50%
Provision on Bad & Loss Investments	100%

As per instructions of BRPD circular nos. 14, 05, 16, 08, 12, 15, 01, 01, 07, 13, 03, 16, 17 and 52 dated September 23, 2012, May 29, 2013, November 18, 2014, August 02, 2014, August 02, 2015, August 20, 2017, September 27, 2017, January 03, 2018, February 20, 2018, June 21, 2018, October 18, 2018, April 21, 2019, July 21, 2020, September 28, 2020 and October 20, 2020 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:

Particulars	Rates
• 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)	2.00%
• Unclassified Investment to Housing Finance	1.00%
• Unclassified 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%
• Special General Provision - COVID - 19:	
CMSME	1.50%
Other than CMSME	2.00%
COVID - 19	1.00%

Provision for Short-term Agricultural and Micro-Credits:

Particulars	Rates
• 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. 01, Dated 06 February 2019. A separate Special Asset Management Division (SAMD) 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 (BGIIB) 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
Land	Nil	Not Applicable
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.

2.8.6 Leases

IFRS 16 Leases, defines a lease as "A contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration". In order for such a contract to exist the user of the asset needs to have the right to:

- * Obtain substantially all the economic benefits from the use of asset (identifiable asset)
- * The right to direct the use of asset

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the bank assesses whether the contract meets two key evaluations which are whether:

- * the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank.
- * the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Bank has the right to direct the use of the identified asset throughout the period of use. The bank assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Bank depreciates the right-of-use assets on a straight-line basis over the remaining useful life of the asset. The Bank also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.



2.9 Statutory Reserve

As per section 24 of Bank Company Act 1991 (amended up to 2018), 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 @ 40% as prescribed in the Finance Act 2021 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. 8.3.1

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 Union Bank Limited (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 Employees' Social Security & Benevolent Fund (ESSBF)

The Bank operates a Employees' Social Security & Benevolent Fund (ESSBF) by all regular employees' contribution for the sake of death and disability of employees.

2.10.2.4 Employees Group Life Insurance Fund

The bank makes Employees Group Life Insurance Fund commence with effect from 01 January 2020. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on Yearly basis and with the contribution of the Bank.



2.10.2.5 Death Risk Coverage Scheme (DRCS)

The bank operates a Death Risk Coverage Scheme (DRCS) in Employee House Building Investment Scheme (EHBS) with following objectives:

- a). To ensure 100% repayment of EHBS of the Bank even in the case of death/disability, staying the Bank away from the threat of any financial loss due to non-repayment hazards.
- b). To cushion the bereaved/disabled families of the employees of the Bank from the burden of paying EHBS installment from their own in the event of death/disability case.

2.10.2.6 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.

2.10.3 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 Earning per share is required to calculate for the year as there was no such component existed during the year under review.

2.11.5 Functional and Presentation Currency

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

2.12 Risk Management

Risk is an inherent part of banking business. Through issuing and adopting risk management policies, UBL continues to focus on improving its risk management systems and practicing same in its day to day business operation. UBL conducts its risk management activities by following Bangladesh Bank risk management guidelines, circulars, instructions, core risk management guidelines, bank's internal comprehensive risk management guidelines and Basel-III accord; etc. as amended from time to time. As per directive of Bangladesh Bank, UBL established a separate Risk Management Division (RMD) to identify, monitor and manage evolving risks effectively and efficiently.

Key risk management areas of the bank are described below:

2.12.1 Investments Risk

Investment risk is one of the major risks of the banks which can be described as potential losses arising from the failure of counterparty to perform according to the agreed terms. The failure may result from unwillingness of the counterparty or decline due to economic condition, market situation etc. Macro level investment risk management issues cover sectoral concentration, industry-wise concentration, area concentration, non-performing/classified investments, provisioning, top-20 borrower concentration, single borrower exposure limit, forced investment, status of top-20 defaulters, status of law suit, status of provisioning against classified investments, error in valuation of collateral, documentation lapses, recovery from overdue investments, rescheduled/restructured/ written-off investment, status of credit rating of eligible corporate and SME clients; etc. 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 Investment Committee (IC), Investment Risk Management Committee (IRMC), Executive RISK Management Committee (ERMC), Board Risk management committee (BRMC) and Board of Directors at a regular interval in its meetings.

2.12.2 Foreign Exchange Risk

Foreign Exchange Risk is defined as the potential change in earnings arising due to change in market prices. Foreign exchange risk arises due to unexpected movement of market price of the holding of currencies or the price of the assets denominated in foreign currencies. Macro level FEx risk covers open position risk, exchange rate, violation of dealer's limit and loss for the violation, unreconciled nostro account, non-repatriation of export bills and overdue accepted bills; etc. Union Bank Limited has a well-developed and structured Foreign Exchange Risk Manual for effective and efficient risk management. In order to mitigate the risk, bank follows related directives as issued by Bangladesh Bank from time to time.



2.12.3 Asset Liability Management Risk

Asset Liability Management is the key success of any financial intermediary especially for Banks. Asset Liability Management (ALM) can be defined as a mechanism to address the risk faced by a bank due to a mismatch between rate sensitive assets and liabilities either due to liquidity or changes in profit/interest rates. 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 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. ALCO reviews source of fund and application of fund, day to day liquidity requirement, the maturity of assets and liabilities, deposits and investments pricing strategy and the liquidity contingency plan. The primary objective of the ALCO is to monitor and avert significant volatility in Net Investment Income (NII), investment value and exchange earnings for the purpose of taking future action plan for better interest of the Bank.

2.12.4 Money Laundering and Terrorist Financing Risk

Money Laundering now a day is one of the greatest challenges that the Governments, Banks and Financial Institutions face in the globalize financial system. Identifying, assessing, and understanding ML/TF risks is an essential part of the implementation and development of a national anti-money laundering / Combating Financing Terrorism (AML/CFT) regime, which includes laws, regulations, enforcement and other measures to mitigate ML/TF risks. The Central Compliance Committee (CCC) looks after the overall compliance related to AML/CFT regulations. Main functions of Anti-Money Laundering & Terrorist Financing Divisions are to formulate, monitor, review and enforce the Bank's Anti-Money Laundering/Combating Financing Terrorism Policy & ML/TF Risk Assessment Guideline in line with BFIU of Bangladesh Bank, creation of awareness among the officers/employees about the internal AML/CFT policies, procedures and programs, conduct inspection on branches regarding anti-money laundering compliance, conducting of CCC meeting quarterly, ensure timely anti-money laundering reporting and compliance to Bangladesh Bank.

2.11.5 Internal Control and Compliance Risk

An internal control system oversees the whole process in relation with the policies, processes, laws, regulations, tasks, behaviors and other aspects of a banking company to facilitate its effective and efficient operation. It is a continuing series of activities planned, implemented and monitored by the Board of Directors, Board Audit Committee and Management at all levels within an organization. Effective internal controls strengthen the base of safe and sound banking. 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.

Audit & Inspection Unit undertakes periodical and special audit & inspection of its branches and departments/divisions of Head Office for reviewing its operation and compliance in line with the regulatory and internal policies and procedures. Compliance Unit ensures regulatory and internal compliances and Monitoring Unit monitors the operational lapses & other defined activities of the unit. The Board Audit Committee 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

Integration of information and communication technologies helps banks to develop and maintain their competitive advantages which bring numerous benefits including faster business transactions, increasing automation, improved customer service through several innovative products in the ground-breaking new forms of internet banking, mobile banking, ATM facility etc. The importance of information security for the banks has gained much importance, and it is of the critical essence for us to ensure that the ICT risks are being properly identified measured and adequate mitigation strategies are in place. For this purpose, a risk management process consisting of assessing, controlling 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. The basic functions regarding ICT risk management is safeguarding the interest of the bank, establishing, implementing, operating, monitoring, reviewing, exercising, maintaining and improving a documented Information and Communication Technology Assets within the context of managing the overall business risks. ICT Risk covers business disruption and system failures, execution, delivery and process management, data entry errors, vendor disputes, data security, physical security, network security and other potential risks; etc. 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 and continuously conducting training sessions on sensitive IT tasks (i.e. operational procedure, Business Continuity Planning, Disaster Recovery Planning etc.) for relevant employees. 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 divisions at Head Office to ensure proper implementation of the ICT policies.

2.13 Internal audit

Internal Audit is used as an important element to ensure good governance within the bank. Internal Audit activity 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 2021, Audit & Inspection Unit conducted inspection a number of the branches/divisions of Head Office of the bank and submitted reports covering the findings of the audits/inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations provided in these reports. The reports or key points of the reports have also been discussed in the meetings of the Board Audit Committee and necessary steps have been taken according to the decision of the Committee to mitigate the risks in time.

2.14 Fraud and forgeries

Fraud means wrongful or criminal deception intended to result in financial or personal gain. UBL continuously pays attention to implement and improve the anti-fraud internal controls for prevention of frauds and forgeries. Moreover, UBL has developed own fraud detection and management process policy guideline and assesses/evaluates the effectiveness of its anti-fraud internal control measures. During the year 2021, no incident of fraud has been detected by the related organs.

2.15 Stress Testing

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. It has become an essential and very prominent tool in the analysis to measure the shock absorbing capability of a bank. Stress testing framework is being used to assess risk absorbing capacity of the bank considering its impact on bank's capital adequacy by using minor, moderate & major level of shock in terms of investment risk, exchange rate risk, equity price risk, profit rate risk and liquidity risk on quarterly basis and communicate the results of stress test to the Senior Management and Board to ensure maintenance of adequate capital for absorbing any unforeseen losses.

2.16 Reporting Period

The accounting year is 01 January to 31 December. The reporting year of 2021 is from 01 January 2021 to 31 December 2021.

2.17 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 Circular No. 15 dated 09.11.2009.
- d) Other circulars, rules and regulations issued by Bangladesh Bank from time to time.
- e) Income Tax Ordinance, 1984
- f) Income Tax Rules, 1984
- g) VAT & SD Act, 2012
- h) Value Added Tax and Supplementary Duty Act, 2012 as passed 13 June 2019,
- i) Value Added Tax and Supplementary Duty Rules, 2016 as passed 13 June 2019,
- j) Standards issued by AAOIFI
- k) The Stamp Act, 1899
- l) The Customs Act, 1969
- m) The Money Laundering Prevention Act, 2012
- n) The Anti-Terrorism (Amendment) Act, 2012 etc.



2.18 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
01	1	First-time adoption of International Financial Reporting	Not Applicable
02	2	Share-based Payment	Not Applicable
03	3	Business Combinations	Not Applicable
04	4	Insurance Contracts	Not Applicable
05	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
06	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
07	7	Financial Instruments: Disclosures	Complied
08	8	Operating Segments	Complied
09	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Complied
15	15	Revenue from Contract with Customers	Complied
16	16	Lease	Complied
17	17	Insurance Contracts	Complied
Sl. No.	IAS No.	IAS Title	Compliance Status
01	1	Presentation of Financial Statements	Complied
02	2	Inventories	Not Applicable
03	7	Statement of Cash Flows	Complied
04	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	10	Events after the Reporting Period	Complied
06	12	Income Taxes	Complied
07	16	Property, Plant & Equipment	Complied
08	19	Employee Benefits	Complied
09	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Not Applicable
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Complied
14	27	Separate Financial Statements	Not Applicable
15	28	Investments in Associates and Joint Ventures	Not Applicable
16	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
17	32	Financial Instruments: Presentation	Complied
18	33	Earnings per Share	Complied
19	34	Interim Financial Reporting *	Complied
20	36	Impairment of Assets	Complied
21	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
22	38	Intangible Assets	Complied
23	39	Financial Instruments: Recognition and Measurement	Complied
24	40	Investment Property	Not Applicable
25	41	Agriculture	Not Applicable

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

2.19 General

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

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



	2021 Taka	2020 Taka
3 CASH		
3.1 Cash in Hand		
In Local Currency	1,206,832,386	824,369,870
In Foreign Currencies	990,060	1,621,440
	<u>1,207,822,446</u>	<u>825,991,310</u>
3.2 Balance with Bangladesh Bank and its Agent Bank		
In Local Currency	6,665,364,587	6,032,719,018
In Foreign Currencies	480,262,482	337,181,107
	<u>7,145,627,069</u>	<u>6,369,900,125</u>
	<u>8,353,449,515</u>	<u>7,195,891,435</u>
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, DOS Circular # 01 dated 19 January 2014, MPD circular # 04 & 05 dated 01 December 2010, MPD circular # 01 dated 23 June 2014, MPD circular # 01 dated 03 April 2018, DOS Circular # 26 dated 19 August 2019 and MPD Circular # 03 dated 09 April 2020.		
3.4 Cash Reserve Ratio (CRR): 4.00 % (Bi-Weekly) of Average Demand and Time Liabilities		
Required Reserve	6,006,736,544	5,659,936,811
Actual Reserve maintained	6,595,300,853	6,067,965,716
Surplus/(Shortfall)	<u>588,564,309</u>	<u>408,028,905</u>
3.5 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:		
Required Reserve	9,439,157,426	7,782,413,115
Actual Reserve	11,758,108,649	8,848,907,757
Surplus/(Shortfall)	<u>2,318,951,223</u>	<u>1,066,494,642</u>
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.	2,530,281	18,431
Others Accounts:		
Mudaraba Short Notice Deposits		
First Security Islami Bank Ltd.	33,176,091	68,552,190
Global Islami Bank Ltd.	7,126,025	6,353,450
AB Bank Ltd.	725,339	673,323
Trust Bank Ltd.	19,254,539	16,746,185
Agrani Bank Ltd.	9,208	-
Islami Bank Bangladesh Ltd.	6,390,840	1,527,003
	<u>66,682,042</u>	<u>93,852,151</u>
	<u>69,212,323</u>	<u>93,870,582</u>



B. Outside Bangladesh

Particulars	Currency	Amount	Rate	31.12.2021 Taka	31.12.2020 Taka
Current Account					
Banco De Sabadell S.A., Spain	EURO	28192.76	98.36	2,772,958	22,684,937
Sonali Bank (UK) Limited, UK	GBP	114.00	115.65	13,184	13,099
Sonali Bank (UK) Limited, UK	USD	12713.37	85.35	1,085,086	1,073,644
Sonali Bank (UK) Limited, UK	ACU	333543.09	85.35	28,467,903	728,663
Habib American Bank, New York, USA	USD	1849388.00	85.35	157,845,266	31,974,708
Kookmin Bank, Seoul	USD	360467.57	85.35	30,765,907	46,343,637
Axis Bank Limited, Kolkata	ACU	50297.09	85.35	4,292,857	2,324,179
Meezan Bank Limited, Karachi	ACU	2780.75	85.35	237,337	12,315,597
AB Bank Ltd., Mumbai, India	ACU	345841.28	85.35	29,517,553	12,420,445
United Bank of India, Kolkata, India	ACU	355930.72	85.35	30,378,687	8,415,306
National Bank of Pakistan, Tokyo, Japan	JPY	77878.00	0.75	58,743	64,615
				285,435,481	138,358,830
Total (A+B)				354,647,804	232,229,412



4.1.1 Maturity-wise Grouping (Inside and Outside Bangladesh)

Payable on Demand
Up to Three Months
Three Months to One Year
One Year to Five Years
Above Five Years

2021 Taka	2020 Taka
354,647,804	232,229,412
-	-
-	-
-	-
-	-
354,647,804	232,229,412

4.2 Placement with banks & Other Financial Institutions

Aviva Finance Limited
Phoenix Finance and Investments Ltd.
International Leasing and Financial Services Ltd.
Islamic Finance and Investment Ltd.

4,579,602,155	4,028,629,530
80,000,000	80,000,000
110,182,000	110,182,000
700,000,000	1,500,000,000
5,469,784,155	5,718,811,530

4.2.1 Maturity-wise Grouping (Placement with banks & other FI)

Payable on Demand
Up to Three Months
Three Months to One Year
One Year to Five Years
Above Five Years

3,706,984,155	3,103,911,530
1,762,800,000	2,328,600,000
-	286,300,000
-	-
-	-
5,469,784,155	5,718,811,530

5 INVESTMENTS IN SHARES AND SECURITIES

Government Securities
Bangladesh Govt. Islamic Investment Bonds
Bangladesh Govt. Investment Sukuk (Ijarah Sukuk)

6,650,000,000	7,200,000,000
3,790,420,000	263,970,000
10,440,420,000	7,463,970,000

Others

Subordinated Bond
Beximco Green SUKUK
Mudaraba Perpetual Bond (standard Bank)
Quoted Shares (Note - 5.1)

90,000,000	180,000,000
500,000,000	-
1,000,000,000	-
-	44,081,408
1,590,000,000	224,081,408
12,030,420,000	7,688,051,408

5.1 Quoted Shares

Name of Companies	Acquisition cost	Acquisition cost
Al-Haj Textile Mills Limited	-	2,329,280
Bengal Windsor Thermoplastics Ltd.	-	5,838,069
Bashundhara Paper Mills Ltd.	-	5,285,540
Miracle Industries Ltd.	-	12,678,319
Navana CNG Ltd.	-	4,363,516
SAIF Powertec Ltd.	-	5,232,089
Shasha Denims Limited	-	2,241,495
Tallu Spinning Mills Ltd.	-	2,488,526
Western Marine Shipyard Ltd.	-	1,473,931
Zaheen Spinning Ltd.	-	2,150,643
	-	44,081,408

5.2 Market Value of Quoted Shares

-	27,103,889
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5.3 Maturity Grouping of Investments in Shares and Securities

On Demand
One Month to three Months
Three Months to One Year
One Year to Five Years
More than Five Years

650,000,000	900,000,000
2,980,000,000	2,530,000,000
3,080,020,000	3,904,151,408
5,320,400,000	353,900,000
-	-
12,030,420,000	7,688,051,408

6 INVESTMENTS (All Inside Bangladesh)

General Investments etc. (Note-6.A)
Bills Purchased and Discounted (Note - 6.B)

188,105,717,264	149,536,346,400
5,716,563,217	16,800,849,554
193,822,280,481	166,337,195,954



	2021 Taka	2020 Taka
6.A General Investment etc.		
Inside Bangladesh		
Bai Murabaha (Hypo)	655,932,392	621,371,231
Bai Murabaha against MTDR	48,293,660,189	31,372,695,654
Bai Murabaha TR (Non INST)	101,775,100,811	86,781,767,423
Bai Murabaha TR (INST)	2,659,613,320	2,191,442,816
Bai Murabaha (Post Import) TR	2,612,682,776	2,843,833,832
Bai Murabaha Real Estate Material	1,941,187,500	-
Bai Murabaha (TR) SME	5,188,109,809	5,179,936,620
Bai Murabaha Agriculture	1,033,575,655	838,384,733
Bai Murabaha (TR) Agriculture	137,030,153	109,042,535
Bai Murabaha (TR) Women Entrepreneur	15,554,035	13,400,965
Bai Murabaha Import Bill (MIB)	17,801,946	-
Bai Murabaha under Stimulus Package	2,127,723,883	1,746,522,524
Bai Muazzal Real Estate (Short Term)	742,263,496	683,864,432
Bai Muazzal (Guarantee)	72,262,592	65,332,868
Bai Muazzal TR	1,000,580,000	1,000,580,000
Bai Muazzal against BG (Bid Bond)	81,583,454	23,018,177
Bai Muazzal against Import Bill	5,336,081,644	3,490,020,825
Bai Muazzal Back to Back Bill	1,270,124,320	1,041,644,531
Mudaraba Investment	486,005,686	517,479,664
HPSM (Real Estate)	3,064,754,169	3,126,524,441
HPSM (Transport)	298,899,655	278,172,252
HPSM (SME)	77,399,882	50,720,701
HPSM House Building Staff	618,251,590	534,037,733
HPSM Rural Housing	940,495	1,391,970
HPSM House Building General	313,221,842	271,980,524
HPSM Industrial Term	1,751,371,318	1,336,754,375
HPSM Machinery	3,701,023,165	3,394,626,532
HPSM Machinery Women Entrepreneur	1,709,433	1,624,037
Quard Investment	742,329,561	165,265,150
Car Leasing Scheme Staff	34,380,454	46,275,319
Murabaha EDF Investment General	125,653	134,685,160
Murabaha EDF Investment	1,888,118,000	1,512,607,984
Bai Istisna	129,317,667	122,548,241
HPSM Consumer Durables (Scheme)	37,000,719	38,793,151
	188,105,717,264	149,536,346,400
Outside Bangladesh	-	-
	188,105,717,264	149,536,346,400

6.B Bills Purchased and Discounted

Payable in Bangladesh	5,716,563,217	16,800,849,554
Payable outside Bangladesh	-	-
	5,716,563,217	16,800,849,554
	193,822,280,481	166,337,195,954

** The Financial Reporting Council (FRC) issue a letter vide # 178/FRC/APR/2021/27/(57) dated 12 December 2021 regarding the compliance issue of Bangladesh Bank BRPD circular letter no. 04 dated 04 January 2021, the collection of audited financial statements and statutory audit report for sanctioned/renewed investments. Regarding this issue, we have compiled 50 (fifty) customers file and BRPD circular letter no. 35 dated 06 July 2021, the verification of audited financial statements through Document Verification System (DVS) developed by The Institute of Chartered Accountants of Bangladesh (ICAB) is working under process.

6.1 Maturity Grouping of Investments

Payable on Demand	30,440,800,000	46,718,700,000
Up to Three Months	57,872,900,000	34,431,300,000
Three Months to One Year	91,089,880,481	73,612,095,954
One Year to Five Years	5,546,800,000	4,452,900,000
Above Five Years	8,871,900,000	7,122,200,000
	193,822,280,481	166,337,195,954



	2021 Taka	2020 Taka
6.2 Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted		
Investments to Directors of other Banks	12,348,715,498	11,757,160,334
Investments to Chief Executive and Other high Officials	-	-
Investments to Customers Group	131,570,671,525	111,267,351,721
Investments to Industry	49,228,325,547	42,707,641,517
Investment to staff	674,567,911	605,042,382
	193,822,280,481	166,337,195,954

	21	18
6.3 Investments to Customers amounting to 10% or more of UBL's Total Regulatory Capital		
Number of Clients		
Amount of Outstanding Investments:		
Funded	20,529,100,000	15,146,400,000
Non-funded	683,500,000	3,281,100,000
	21,212,600,000	18,427,500,000

	2021	2020
6.4 Sector wise Investments		
Agriculture	1,361,944,877	992,644,446
Ready Made Garments (RMG)	3,826,313,083	3,086,122,456
Textile	12,784,715,912	10,153,069,584
Ship Building	7,271,359	5,560,981
Other Manufacturing industry	10,122,696,880	8,390,714,351
SME Investment	5,524,375,881	5,431,842,020
Construction	5,642,476,378	5,683,862,096
Power, Gas	1,841,682,541	1,657,709,174
Transport, Storage and Communication	342,992,455	373,375,444
Trade Service	135,852,698,569	115,861,118,631
Commercial real estate financing	9,658,496,364	7,132,275,007
Residential real estate financing	942,928,413	832,677,549
Consumer investment	82,729,033	100,801,246
Capital market	1,282,107,978	1,312,374,216
Non Banking Financial Institutions (NBFI)	-	132,822,500
Others	4,548,850,758	5,190,226,253
	193,822,280,481	166,337,195,954

	2021	2020
6.5 Geographical Location-wise Investments		
Urban		
Dhaka	96,387,045,378	90,610,764,664
Chattogram	57,409,901,334	50,045,660,525
Barishal	67,593,684	72,110,724
Rajshahi	117,328,125	150,241,786
Khulna	126,236,655	125,956,232
Rangpur	142,030,414	98,466,722
Sylhet	77,433,315	50,275,115
Mymensingh	22,485,195	25,120,944
	154,350,054,100	141,178,596,712
Rural		
Dhaka	533,620,763	412,178,183
Chattogram	38,672,411,194	24,451,154,150
Barishal	-	-
Rajshahi	75,097,734	72,495,845
Khulna	-	-
Rangpur	129,179,276	183,068,127
Sylhet	61,917,414	39,702,937
Mymensingh	-	-
	39,472,226,381	25,158,599,242
	193,822,280,481	166,337,195,954



6.6 Classification of Investments as per Bangladesh Bank (BRPD) Circular

Unclassified

Standard
Special Mention Account

Classified

Sub-standard
Doubtful
Bad & Loss

2021 Taka	2020 Taka
185,601,624,587	161,055,882,690
1,464,527,295	1,079,959,401
187,066,151,882	162,135,842,091
1,493,746,908	834,049,751
939,838,106	2,335,340,842
4,322,543,585	1,031,963,270
6,756,128,599	4,201,353,863
193,822,280,481	166,337,195,954

6.7 Particulars of Required Provision for Investments and Off Balance Items

Classification status

Unclassified (a)

Standard
Special Mention Account

Classified (b)

Sub - Standard
Doubtful
Bad and Loss

Off Balance Items (c)

Special General Provisions for Covid - 19 (d)

Required Provision for Investments (a+b+c+d)

Total Provision Maintained

Provision Excess/ (Shortfall)

2,369,034,807	2,107,014,885
14,507,252	115,651,677
2,383,542,059	2,222,666,562
78,230,627	41,847,505
188,618,645	801,991,302
2,040,804,800	537,272,235
2,307,654,072	1,381,111,042
72,449,094	73,954,461
491,906,440	393,968,000
5,255,551,665	4,071,700,065
5,255,551,665	4,071,700,065
5,284,654,000	4,109,000,000
29,102,335	37,299,935

* 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	176,294,012,656	137,880,173,979
ii) Investments considered good for which the bank holds no Security other than the debtors personal security	17,528,267,825	28,457,021,975
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	193,822,280,481	166,337,195,954
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.	-	-



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

a. Movement of classified Investments

Opening balance

Increase/ (Decrease) during the year

b. Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet

c. Profit credited to the profit/Rent/Compensation

xi) Amount of written off Investment:

a. Cumulative amount

b. Amount written off during the period

c. Total amount of written off (a+b)

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

Local banks & financial institutions guarantee

Government Guarantee

Foreign Banks guarantee

Export documents

Fixed deposits receipts:

Own MTDR

MTDR of other Banks

Government Bonds

Personal guarantee

Other security

Unsecured

6.10 Maturity Grouping of Bills Purchased and Discounted

Payable within one month

Over one month but less than three months

Over three months but less than six months

Six Months and Above

2021 Taka	2020 Taka
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-	-
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-	-
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-	-
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-	-
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4,201,353,863	5,336,826,004
2,554,774,736	(1,135,472,141)
6,756,128,599	4,201,353,863

2,317,654,000	537,272,235
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2,000,273,526	995,350,547
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18,615,691	18,615,691
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18,615,691	18,615,691
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629,092	599,092
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-	-
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-	-
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129,983,217,187	106,507,478,328
-	-
-	-
-	-
3,988,824,319	16,800,849,554
46,310,795,469	31,372,695,654
-	-
-	-
-	-
13,539,443,506	11,656,172,418
-	-
193,822,280,481	166,337,195,954

2,636,563,217	14,225,349,554
670,300,000	154,000,000
2,409,700,000	2,421,500,000
-	-
5,716,563,217	16,800,849,554



2021	2020
Taka	Taka

7 FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES AT COST LESS ACCUMULATED DEPRECIATION (ANNEXURE-A)

Land	2,666,750,340	2,666,750,340
Furniture & Fixtures	1,124,561,556	983,051,823
Office Equipment	1,035,181,663	941,063,120
Vehicles	110,128,580	101,228,719
Books	487,654	426,567
	4,937,109,793	4,692,520,569
Less: Accumulated Depreciation	1,095,900,693	929,304,757
	3,841,209,100	3,763,215,812
Lease Assets-Premises		
Right-of-use assets	279,825,267	-
Less: Accumulated Depreciation	66,489,080	-
	213,336,187	-
	4,054,545,287	3,763,215,812

Right of use assets:

The bank has leases mainly for rental basis branch office premises has been recognized as a right-of-use asset according to the IFRS-16 "Leases". With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The bank classifies its right-of-use assets in a consistent manner to its property, plant and

8 OTHER ASSETS

Inter-branch Transaction Account (Note - 8.a)	11,609,142,535	13,393,588,068
Accrued Income on MTDR	288,447,040	475,995,064
Advances, Deposits and Prepayment (Note - 8.1)	366,611,701	485,427,099
Advance Income Tax	5,812,106,428	4,506,637,715
Stock of Stationery	30,005,296	14,834,826
Suspense Account (Note - 8.2)	126,376,607	134,745,902
Deferred tax asset (Note - 8.3)	97,904,339	82,475,251
Stamps on Hand	2,481,920	2,476,960
	18,333,075,866	19,096,180,885

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.

8.1 Advance, Deposits and Prepayment

Advance against Rent - Office	119,333,872	183,420,751
Prepayment	247,277,829	302,006,348
	366,611,701	485,427,099

8.2 Suspense Account

Sundry Debtors	126,376,607	130,969,017
Advance against New Branch	-	3,776,885
	126,376,607	134,745,902

8.3 Deferred Tax Assets

Opening Balance	82,475,251	82,199,355
Add: Addition during the year	15,429,088	275,896
	97,904,339	82,475,251
Less: Adjustment during the year	-	-
Closing Balance	97,904,339	82,475,251

8.3.1 Deferred tax income Recognized in Profit and Loss Account:

	Accounting base	Tax base	Deductible temporary
As on 31 December 2021			
Property, plant and equipment	3,841,209,100	4,019,081,983	177,872,883
Deferred liability - Gratuity	66,887,963	-	66,887,963
			244,760,846
Current tax rate			40.00%
Deferred tax Asset at closing			97,904,339
Deferred tax Asset at beginning			82,475,251
Deferred tax income Recognized during the year			15,429,088



9 PLACEMENT FROM BANK AND OTHER FINANCIAL INSTITUTIONS

Inside Bangladesh

Bangladesh Bank (Refinance Scheme)
Bangladesh Govt. Islami Investment Bond Funds
Bangladesh Bank Cover Fund against QSF
Bangladesh Bank Export Development Fund (EDF)

Outside Bangladesh

A. Security- wise grouping

Secured Placement
Unsecured Placement

B. Repayment Nature wise Grouping

Repayable on demand
Others

C. Maturity Analysis

Repayable on Demand
Repayable within One Month
One Month to Six Months
Six Month to One Year
One Year to Five Years
Five Years to Ten Years
Unclaimed Deposits Ten Years and Over

10 DEPOSITS AND OTHER ACCOUNTS

Mudaraba Savings Deposits (Note-10.1)
Mudaraba Term Deposits (Note-10.2)
Other Mudaraba Term Deposits (Note-10.3)
Al-Wadia Current Accounts and Other Accounts (Note-10.4)
Bills Payable (Note-10.5)

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
91% of total Mudaraba Savings Deposits

10.2 Mudaraba Term Deposits- Maturity wise Grouping

Payable on Demand
Up to Three Months
From Three Months to Six Months
Above Six Months to One Year
Above One Year to Two Years
Above Two Years

2021 Taka	2020 Taka
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99,051,193	74,606,020
8,000,000,000	8,000,000,000
821,556,444	547,512,000
1,113,142,013	1,027,879,044
10,033,749,650	9,649,997,064

10,033,749,650	9,649,997,064
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-	-
10,033,749,650	9,649,997,064
10,033,749,650	9,649,997,064

-	-
10,033,749,650	9,649,997,064
10,033,749,650	9,649,997,064

-	-
657,200,000	157,900,000
4,895,300,000	4,538,300,000
4,481,249,650	4,953,797,064
-	-
-	-
-	-
10,033,749,650	9,649,997,064

9,406,334,184	7,245,509,172
108,919,670,985	96,010,891,579
48,866,097,485	42,707,178,422
31,735,974,901	25,554,877,551
1,301,716,974	1,192,051,227
200,229,794,529	172,710,507,951

846,570,077	652,095,825
8,559,764,107	6,593,413,347
9,406,334,184	7,245,509,172

1,615,866,531	1,920,829,881
42,850,919,532	38,717,720,320
28,137,229,212	26,381,525,025
36,203,095,279	27,901,791,263
70,106,805	1,062,380,732
42,453,625	26,644,358
108,919,670,985	96,010,891,579



10.3 Other Mudaraba term Deposits

Mudaraba Monthly Savings Scheme
Mudaraba Double Benefit Deposits Scheme
Mudaraba Monthly Profit Scheme
Mudaraba Millionaire Savings Scheme
Mudaraba Kotipoti Deposit Scheme
Mudaraba Marriage Scheme
Mudaraba Probashi Sanchay Prokolpo
Mudaraba Hajj Deposit Scheme
Mudaraba Union Pension Prokolpa
Mudaraba Muhor Savings Scheme
Mudaraba Corepoty Sanchaya Scheme
Mudaraba Privileged Deposit Scheme
Mudaraba Barakah Deposit Scheme

2021 Taka	2020 Taka
6,619,678,321	5,405,030,834
10,128,868,353	9,910,201,039
29,365,515,534	24,975,912,375
1,533,664,188	1,368,611,149
84,934,012	67,408,273
165,065,141	114,696,781
9,333,000	-
42,333,612	37,936,642
100,282,605	127,730,530
71,222,708	50,551,311
641,323,394	602,520,034
55,740,000	-
48,136,617	46,579,454
48,866,097,485	42,707,178,422

10.4 Al-Wadiah Current Accounts & Other Deposit Accounts

Al-wadiah Current Deposits
Mudaraba Short Notice Deposits
Sundry Deposits (Note-10.4.1)

7,333,489,538	4,264,987,389
23,271,341,121	20,280,546,410
1,131,144,242	1,009,343,752
31,735,974,901	25,554,877,551

10.4.1 Sundry Deposits

Security Deposit
Sundry Creditors
Income Tax Deduction at Source -Profit on Deposits
Income Tax on Profit Paid on Mudaraba Subordinated Bond
Income Tax on Local L/C
Income Tax on Export bill (Foreign)
Income Tax on Export bill (Local)
Income Tax on Local/Buying Agents Commission
Excise Duty on Deposits & Investments
Tax on Payment to Foreign Person
VAT on Online Charge
VAT on Commission TT/DD/PO/LG
VAT on Service Charge and Others
VAT Deduction Bills Paid
VAT Deduction from advertisement Bill
VAT on Rent
VAT on Director's Fee
VAT on Indenting Commission
VAT on L/C Commission
VAT on Postage
VAT on Security Service
VAT on Swift Charge
VAT on L/C Advising Charge
VAT on Pally Bidyut bill
VAT on Acceptance Commission
VAT on Bank Guarantee Commission
VAT on Professional Fee
VAT on PO/DD/FDD Collection charge
VAT on commission on export bill
VAT on income from ATM
VAT on Processing Fee on Investment
VAT in Misc. Earnings
Income Tax Deduction at Source - Office rent
Income Tax Deduction at Source - Bills
Income Tax Deduction at Source - Advertising Bill
Income Tax Deduction at Source-Employee's
Income Tax on Directors' Fee
Income Tax on Indenting Commission
Income Tax on Professional Fee
Marginal Deposit Export
F.C. Held against B.B L/C

511,344,931	416,021,194
59,940,823	36,063,933
137,983,678	172,907,728
3,689,249	3,585,000
609,542	1,653,899
1,783,174	452,982
547,947	382,770
69,155	218,436
235,507,919	186,024,318
22,313	-
46,588	37,734
41,912	43,311
4,630,672	3,751,046
7,291,054	717,449
168,774	83,393
2,662,705	1,995,598
21,600	20,400
-	318,296
419,094	1,079,543
34,590	23,348
617,231	634,974
46,898	59,701
294,231	262,893
3,106,582	1,913,068
57,446	1,594,943
186,531	325,491
818,550	4,800
80,185	56,619
6,336	3,666
4,209	-
46,545	502,535
37,922	25,739
857,666	682,378
4,032,763	427,108
107,120	28,870
4,257,060	3,558,135
14,400	13,600
715,124	27,501
555,700	3,050
14,973,167	13,126,603
54,001,496	36,462,277



	2021 Taka	2020 Taka
Sundry Deposit - Swift charge	17,500,658	14,436,108
Sundry Deposit LAC (Export)	3,799,059	6,024,969
S/D/A/C ATM Charge collection Account	2,123	2,095
D&B Credit report collection fee	396,570	1,263
ATM Charge Collection (NPSB)	5,265	5,151
S/D/A/C VAT on Polli Bidyut Samity	8,665,376	4,873,577
Central Fund (RMG Sector)	50,116	21,507
NR. Taka A/C Small World Finance	3,867,270	13,090,840
Security Deposit A/C Small World Finance	853,500	844,500
NR. Taka A/C Xpress Money Services	841,539	841,539
Security Deposit A/C Xpress Money Services	853,500	844,500
S/D Cash incentive against export	59,605	53,410
NR. Tk. A/C Transfast Remittance	1,825,838	2,963,366
Settlement A/C Cash Incentive on Foreign Remittance	30,354,556	76,658,494
Mobile Top up Settlement Account	7,805,513	2,637,748
Nagad Adjustment Account	183,172	-
Bkash Adjustment Account	715,176	13,600
Pre-Registration Fee-PVT/GVT MGT. Pilgrim	879,024	92,256
SD. A/C Transfast Remittance, LLC	853,500	844,500
	1,131,144,242	1,009,343,752
10.5 Bills Payable		
Pay Order Issued	1,301,716,974	1,192,051,227
Demand Draft Issued	-	-
	1,301,716,974	1,192,051,227
10.6 Maturity wise Grouping of Deposits and Other Accounts		
Repayable within One Month	19,847,594,529	46,429,507,951
One Month to Three Months	59,070,000,000	39,185,200,000
Three Months to One Year	77,183,600,000	44,897,800,000
One Year to Five Years	38,349,800,000	37,519,800,000
Repayable over Five Years	5,778,800,000	4,678,200,000
	200,229,794,529	172,710,507,951
10. A Deposits received from Banks (Note A-1)	33,857,548,611	32,461,182,480
10.B Deposits received from other than Bank		
Payable on Demand (Note B-1)	10,612,920,831	7,118,478,193
Other Deposits (Note B-2)	155,759,325,087	133,130,847,278
	166,372,245,918	140,249,325,471
	200,229,794,529	172,710,507,951
10. A.1 Deposits Received from Banks		
AB Bank Limited	211,394	7,853,608
Bangladesh Development Bank Ltd.	300,000,000	200,000,000
Bangladesh Commerce Bank Ltd.	28,668	29,055
Janata Bank Ltd.	-	1,300,000,000
Islami Bank Bangladesh Ltd.	22,902,586,064	20,258,084,217
BRAC Bank Ltd.	500,000	-
Al-arafah Islami Bank Ltd.	1,000,000,000	1,000,000,000
National Bank Ltd.	500,000,000	1,280,000,000
Agrani Bank Ltd.	1,528,000,000	1,530,000,000
Sonali Bank Ltd.	1,969,847,808	2,121,209,372
Social Islami Bank Ltd.	3,784,790,124	3,397,466,943
Probashi Kallayan Bank Ltd.	-	40,000,000
Rajshahi Krishi Unnayan Bank Ltd.	200,000,000	200,000,000
Rupali Bank Ltd.	-	1,000,000,000
Trust Bank Ltd.	6,120,552	5,912,977
NRB Commercial Bank Ltd.	118,229,904	70,000,000
South Bangla Agriculture and Commerce Bank Ltd.	4,844	101,393
NRB Bank Ltd.	200,000,000	-
First Security Islami Bank Ltd.	1,004,411,773	2,238,050
Exim Bank Ltd.	9,015,732	1,808,538
Global Islami Bank Ltd.	333,801,748	46,478,327
	33,857,548,611	32,461,182,480



	2021 Taka	2020 Taka
Maturity wise Grouping of Deposits Received from Banks		
Repayable on Demand	-	-
Repayable within One Month	17,087,653,303	12,929,973,109
Repayable over One Month but within Six Months	16,764,563,808	19,435,061,371
Repayable over Six Months but within one Year	5,331,500	96,148,000
Repayable over One Year but within Five Years	-	-
Repayable over Five Years but within Ten Years	-	-
Unclaimed Deposits for Ten Years and above	-	-
	33,857,548,611	32,461,182,480
B-1 Payable on Demand		
Al-wadiah Current Deposits	7,333,489,538	4,264,987,389
Mudaraba Saving Deposits (9%) (Note-10.1)	846,570,077	652,095,825
Bills Payable (Note-10.5)	1,301,716,974	1,192,051,227
Sundry Deposits (Note-10.4.1)	1,131,144,242	1,009,343,752
	10,612,920,831	7,118,478,193
B-2 Other Deposits		
Mudaraba Saving Deposits (91%) (Note-10.1)	8,559,764,107	6,593,413,347
Mudaraba Term Deposits	91,549,775,676	76,479,682,208
Mudaraba Short Notice Deposits	6,783,687,819	7,350,573,301
Other Mudaraba Term Deposits (Note-10.3)	48,866,097,485	42,707,178,422
	155,759,325,087	133,130,847,278
11 OTHER LIABILITIES		
Inter - branch Transaction Account	-	-
Provision for Taxation (Note-11.1)	6,256,226,158	4,880,797,070
Accumulated Provision against Investments (Note-11.2)	5,284,654,000	4,109,000,000
Accrued Profit and Expenses Payable (Note-11.3)	3,090,264,576	3,114,604,108
Provision for Gratuity (Note-11.4)	68,887,963	50,317,415
Provisions for diminution in value of Investments in share (Note-11.5)	21,800,000	21,800,000
Provision for Zakat	55,000,000	44,000,000
Provision for Expenses on Mudaraba Subordinated Bond	92,286,635	63,709,545
Other provisions (Note - 11.2.5)	17,567,214	12,140,349
Lease Liabilities	217,400,708	-
Provident Fund	1,152,891	802,945
Benevolent Fund	185,071	168,879
Provision for Incentive Bonus	180,096,501	101,254,509
Provision for Audit fee	345,000	345,000
Clearing adjustment account	2,717,545	3,968,853
Compensation Realized	65,689,025	82,002,351
NPSB Transaction Adjustment Account	8,620,806	6,414,790
Profit Rent Suspense	2,000,273,526	995,350,547
Compensation Receivable	619,094,118	621,603,357
Dividend Payable	-	263,648,000
Unclaimed Dividend	24,640,000	-
Start-up Fund	22,334,176	9,884,000
CSR Fund	12,450,176	9,884,000
Others	102,436,288	123,755,501
	18,144,122,377	14,515,451,219
11.1 Provision for Taxation		
Opening balance	4,880,797,070	3,725,521,174
Add : Provision made during the year	1,375,429,088	1,235,275,896
Less: (Adjustment)/settlement during the year	-	80,000,000
Closing balance	6,256,226,158	4,880,797,070

Assessment for the year 2013 & 2014 has been settled. Assessment for the year 2015 & 2016 are pending with the commissioner of Taxes (Appeal). Assessment for the year 2017, 2018, 2019 & 2020 is not yet completed by Deputy Commissioner of Taxes and the submission of return for the year 2021 is not yet due. The Bank is confident that once these appeals are finally disposed of, there should not be any additional tax demand against the Bank and hence no further provision is required.



	2021 Taka	2020 Taka
11.2 Accumulated Provision against Investments		
Specific Provision for Classified Investments (Note -11.2.1)	2,317,654,000	1,392,000,000
General Provision for Unclassified Investment (Note -11.2.2)	2,390,000,000	2,246,000,000
General Provision for off- balance sheet exposure (Note -11.2.3)	77,000,000	77,000,000
Special General Provisions for Covid - 19 (Note -11.2.4)	500,000,000	394,000,000
	5,284,654,000	4,109,000,000
11.2.1 Movement in Specific Provision for Classified Investments		
Provision held at the beginning of the year	1,392,000,000	1,520,000,000
Fully Provided Debts written off	-	-
Recoveries of amounts previously written off	-	-
Transfer to Unclassified Investments	-	(128,000,000)
Specific Provision for the year	925,654,000	-
Recoveries and Provisions no longer required	-	-
Net Charge to Profit and Loss Account	-	-
Provision held at the end of the year	2,317,654,000	1,392,000,000
11.2.2 General Provision for Unclassified Investments		
Provision held at the beginning of the year	2,246,000,000	1,493,000,000
Addition during the year	144,000,000	600,000,000
Transfer from Classified Investments	-	128,000,000
Transfer from off-balance sheet exposure	-	25,000,000
Provision held at the end of the year	2,390,000,000	2,246,000,000
11.2.3 General Provision for off-balance sheet exposure		
Provision held at the beginning of the year	77,000,000	102,000,000
Transfer to Unclassified Investment	-	(25,000,000)
Provision held at the end of the year	77,000,000	77,000,000
11.2.4 Special General Provisions for Covid - 19		
Provision held at the beginning of the year	394,000,000	-
Addition during the year	290,974,006	394,000,000
Transfer during the year	(184,974,006)	-
Provision held at the end of the year	500,000,000	394,000,000
11.2.5 Other Provisions		
Provision held at the beginning of the year	12,140,349	10,678,017
Addition during the year	5,426,865	1,462,332
Provision held at the end of the year	17,567,214	12,140,349
Other provisions consist of provision for Good Borrower, Climate Risk Fund and ICT Equipment Insurance Premium Fund.		
11.2.5.1 Provision for Good Borrower		
Provision held at the beginning of the year	9,500,000	8,500,000
Addition/transfer during the year	1,000,000	1,000,000
Provision held at the end of the year	10,500,000	9,500,000
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	925,654,000	-
General Provision for Unclassified Investments	144,000,000	600,000,000
General Provision for off- balance sheet exposure	-	-
Special General Provisions for Covid - 19	290,974,006	394,000,000
	1,360,628,006	994,000,000



11.3 Accrued Profit and Expenses Payable

Mudaraba Term Deposit Receipt
Mudaraba Monthly Benefit Savings Scheme
Mudaraba Double Benefit Savings Scheme
Mudaraba Monthly Profit Scheme
Mudaraba Pension Prokolpa
Mudaraba Marriage Deposit Scheme
Mudaraba Hajj Deposit Scheme
Mudaraba Millionaire Savings Scheme
Mudaraba Kotipoti Deposit Scheme
Mudaraba Probashi Sanchay Prokolpo
Mudaraba Mohor Saving Scheme
Mudaraba Corepoty Sanchaya Prokalpa
Mudaraba Privileged Deposit Scheme
Mudaraba Barakah Deposit Scheme

2021 Taka	2020 Taka
1,961,629,535	2,058,757,140
292,885,322	237,859,850
586,337,850	582,403,837
112,091,566	112,639,875
4,655,209	5,991,196
7,021,708	4,738,923
1,678,605	1,584,621
85,127,953	76,840,665
4,222,083	3,331,510
302,578	-
2,930,036	1,836,258
27,803,137	26,486,098
1,543,765	-
2,035,229	2,134,135
3,090,264,576	3,114,604,108

11.4 Provision for Gratuity

Opening Balance
Add: Provision made during the year

Less: Adjustment
Closing Balance

50,317,415	85,067,446
67,000,000	50,000,000
117,317,415	135,067,446
48,429,452	84,750,031
68,887,963	50,317,415

11.5 Provisions for diminution in value of Investments in share

Opening Balance
Add: Provision made during the year

Less: Adjustment
Closing Balance

21,800,000	21,800,000
-	-
21,800,000	21,800,000
-	-
21,800,000	21,800,000

12 CAPITAL**AUTHORISED CAPITAL**

1,000,000,000 Ordinary Shares of Taka 10 each.

10,000,000,000	10,000,000,000
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12.1 Issued, Subscribed and Paid-Up Capital

558,933,760 Ordinary Shares of Taka 10 each issued

5,589,337,600	5,589,337,600
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12.2 Category of shareholding as at 31 December 2021**Name of Category**

Sponsors/Directors
Financial Institutes
Non-Resident Bangladeshi
General Public

Percentage (%)	Percentage (%)
100.00	100.00
-	-
-	-
-	-
100.00	100.00

12.3 Classification of Shareholders by holding position as at 31 December 2021**Shareholding Range**

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

No. of Shares	Percentage (%)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
558,933,760	100.00
558,933,760	100.00



12.4 Regulatory Capital Requirement in line with Basel-III

I. Tier - 1 Capital

a. Common Equity Tier-1 Capital (CET-1)

Paid up Capital
Statutory Reserve
Other Reserve
Retained Earnings
Adjustment for Deferred Tax Assets

2021 Taka	2020 Taka
5,589,337,600	5,589,337,600
2,414,624,395	1,968,151,671
145,749,665	145,749,665
1,860,824,892	1,452,381,266
(97,904,339)	-
9,912,632,213	9,155,620,202
-	-

b. Additional Tier -1 Capital (AT-1)

Total Tier 1 Capital (a + b)

II. Tier -2 Capital

General Provision
Mudaraba Subordinated Bond
Excess Amount over Maximum Limit of T-2

2,967,000,000	2,717,000,000
3,200,000,000	4,000,000,000
57,909,781	-
6,109,090,219	6,717,000,000
16,021,722,432	15,872,620,202
152,977,255,479	141,548,705,882
15,297,725,548	14,154,870,588
723,996,884	1,717,749,614
10.47%	11.21%

A. Total Regulatory Capital (I+II)

B. Total Risk Weighted Assets

C. Minimum Capital Requirement

D. Capital Surplus/(Shortfall); (A - C)

Capital to Risk Weighted Assets Ratio (CRAR)

Capital to Risk Weighted Assets Ratio (CRAR):

a. Common Equity Tier-1 Capital to Risk Weighted Assets

b. Tier - 1 Capital to Risk Weighted Assets

c. Tier - 2 Capital to Risk Weighted Assets

Total (b+c)

Held	Held
6.48%	6.47%
6.48%	6.47%
3.99%	4.75%
10.47%	11.21%

At the end of 31 December 2021, Capital to Risk Weighted Assets Ratio (CRAR) stands at 10.47% where Capital is BDT 1,640 crore and Risk Weighted Assets is BDT 15,298 crore. In this consequences, Bank has taken initiatives for strengthening Core Capital of the bank through issuing IPO of BDT 428 crore. IPO proceeds of BDT 428 crore has already been added in total Paid up Capital just after year end 2021. Within the process, subscription date of the IPO was 26/12/2021 to 30/12/2021 and stocks of the bank has been started trading on January 26, 2022. It is expected that, Bank's Capital adequacy will stand at reasonably upper than the regulatory limit of CRAR from the upcoming March 2022 quarter.

13 STATUTORY RESERVE

Opening Balance
Transferred during the year from Profit & Loss A/C
Closing Balance

1,968,151,671	1,523,468,581
446,472,725	444,683,090
2,414,624,395	1,968,151,671
145,749,665	145,749,665

14 OTHER RESERVE

15 RETAINED EARNINGS

Opening Balance
Add: Net Profit after tax for the year
Less: Transferred to Statutory Reserve
Less: Transferred to Start-up Fund
Less: Transferred to CSR Fund
Less: Transferred to Dividend Payable
Less: Transferred to Paid up Capital
Closing Balance

1,452,381,266	1,508,442,504
872,363,623	988,415,452
(446,472,725)	(444,683,090)
(8,723,636)	(9,884,000)
(8,723,636)	(9,884,000)
-	(263,648,000)
-	(316,377,600)
1,860,824,892	1,452,381,266



	2021 Taka	2020 Taka
16 LETTER OF GUARANTEES		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Letters of Guarantee - Local	1,897,210,885	1,699,306,414
Letter of Guarantee - Foreign	-	-
	1,897,210,885	1,699,306,414
16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	1,897,210,885	1,699,306,414
	1,897,210,885	1,699,306,414
17 IRREVOCABLE LETTERS OF CREDIT		
Letters of Credit - Cash	2,154,193,884	1,294,346,905
Letter of Credit - Cash Inland	-	-
Back to Back Letters of Credit - Local	369,789,078	205,384,776
Back to Back Letters of Credit - Foreign	233,443,773	46,520,586
	2,757,426,735	1,546,252,267
18 BILLS FOR COLLECTION ISSUED BY THE BANK		
Foreign Documentary Bills	218,304,242	254,901,580
Outward Bills	-	-
Inland Documentary Bills	2,930,247,526	2,919,969,104
	3,148,551,768	3,174,870,684
19 INVESTMENT INCOME		
Profit Received from:		
Deposit with Other Banks	503,740,924	554,363,831
Bai Murabaha - General	5,000	100,000
Bai Murabaha Hypothecation	47,247,424	39,802,291
Bai Murabaha against MTDR	4,930,865,946	4,691,098,108
Bai Murabaha - TR	10,589,602,000	9,981,711,337
Bai Murabaha Real Estate	41,147,500	-
Bai Murabaha - Agriculture	74,748,778	61,982,799
Bai Murabaha - Stimulus Package	150,196,536	31,417,969
Musharaka - MDB	1,550,112,581	2,780,757,597
Bai Muajjal Guarantee	10,378,471	5,756,772
Bai Muajjal Real Estate	53,145,714	66,488,353
Bai Muajjal General	7,533	11,909,966
Mudaraba Investment	39,488,597	3,662,489
Bai Murabaha Post Import Bill - TR	213,492,836	340,167,609
HPSM Transport	21,683,519	22,105,285
HPSM Industry	143,224,375	123,384,284
HPSM Real Estate	234,553,100	203,651,198
HPSM Employees House Building	24,681,703	22,219,647
HPSM Machinery	237,541,606	255,782,398
HPSM Consumer Durables	3,538,835	3,898,760
HPSM SME	6,272,714	617,408
HPSM Rural House Building	102,755	145,890
Quard against MTDR	21,334	598,011
Bill Purchased - Foreign	28,652,882	4,076,069
Bai Murabaha Import Bill (MIB)	121,994,213	124,406,496
Bai Murabaha EDF Investments	27,601,694	27,792,586
Back to Back Bill	55,870,101	70,488,885
Bai Muajjal against Import Bill	332,538,645	305,031,669
Bai Istisna	7,849,519	6,709,210
	19,450,306,835	19,740,126,917



20 PROFIT PAID ON DEPOSITS**Profit Paid on:**

Mudaraba Term Deposit
Mudaraba Double Benefit Deposits Scheme
Mudaraba Monthly Savings Scheme
Mudaraba Monthly Benefit Savings Scheme
Bangladesh Government Islami Bond
Mudaraba Savings Deposits
Mudaraba Short Notice Deposits
Mudaraba no Frill Savings Deposits
Mudaraba Marriage Scheme
Mudaraba Union Pension Prokolpo
Mudaraba Pension Deposit Scheme
Mudaraba Millionaire Deposit Scheme
Mudaraba Hajj Deposit Scheme
Mudaraba Mohor Savings Scheme
Mudaraba Corepoty Savings Scheme
Mudaraba Kotipotl Deposit Scheme
Mudaraba Non Resident F.C. Deposits
Mudaraba Barakah Deposit Scheme
Mudaraba Probashi Sanchay Prokolpo
Mudaraba Privileged Deposit Scheme
Mudaraba GIFT Cheque
Lease Liabilities IFRS - 16
Mudaraba Subordinated Bond

2021 Taka	2020 Taka
6,907,528,435	7,674,997,588
1,130,488,430	1,189,906,352
521,113,129	423,595,154
2,542,381,466	2,429,862,629
492,009,938	391,974,439
186,065,017	178,905,785
1,054,869,542	1,461,155,365
649,473	525,980
11,858,339	7,812,237
11,336,410	11,389,137
-	184
133,564,334	116,075,031
3,158,744	2,780,283
4,946,366	3,112,347
56,853,840	43,475,002
9,232,712	9,114,441
8,721	17,321
3,808,049	3,745,294
309,437	-
2,077,869	-
2,706	-
3,436,608	-
324,769,591	343,536,069
13,400,469,156	14,291,980,638

21 INCOME FROM INVESTMENT IN SHARES AND SECURITIES

Bangladesh Govt. Islamic Investment Bond
Bangladesh Govt. Islamic Sukuk
Other Bond
Profit/(Loss) on sale of shares
Dividend Income

110,000,000	171,716,539
58,275,470	-
12,497,540	23,111,290
(6,880,437)	3,510
259,522	235,153
174,152,095	195,066,492

22 COMMISSION, EXCHANGE AND BROKERAGE

Commission
Exchange Gain
Exchange Earning
Less: Exchange Loss

124,029,098	126,288,377
102,287,295	65,855,038
102,287,295	65,882,821
-	27,783
226,316,393	192,143,415

23 OTHER OPERATING INCOME

Account maintenance charge
Clearing cheque processing fee
Investment processing fee
Miscellaneous Earnings

25,204,356	26,793,330
185,203	149,816
42,265,047	51,566,856
63,154,936	45,247,816
130,809,542	123,757,818

24 SALARY AND ALLOWANCES

Basic Salary
Bonus
Bank's Contribution to Staff Provident Fund
Gratuity
House Rent Allowance
Conveyance Allowance
Leave Fare Allowance
Entertainment Allowance
Medical Allowance
Utility Services
House Maintenance Allowance
Bengali New Year Allowance
Other Allowances

627,289,017	557,855,085
286,747,659	194,921,299
58,650,679	52,075,763
67,000,000	50,000,000
344,353,651	305,993,203
41,628,833	36,895,573
34,700,885	30,625,370
18,887,537	16,020,770
89,422,881	78,951,409
32,298,292	28,376,693
43,550,240	38,867,677
10,510,766	9,542,690
8,859,348	7,111,367
1,663,899,788	1,407,236,899



	2021 Taka	2020 Taka
25 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Rent	259,707,561	298,337,618
Insurance	66,699,012	47,362,389
Rates and Taxes	3,895,431	33,153,555
Water Charges	1,163,124	1,051,305
Gas Charges	546,771	366,433
Electric Bills	49,438,379	41,502,019
	381,450,278	421,773,319
26 LEGAL EXPENSES		
Law Charges	601,445	213,475
Stamp	42,457	58,696
Other Professional Charges	4,123,716	6,817,521
	4,767,618	7,089,692
27 POSTAGE, STAMP AND TELECOMMUNICATION etc.		
Telephone	4,340,346	4,414,100
Telegram, Telex, Internet, Fax and Email charge	12,822,339	9,871,061
Stamp	12,067	5,070
Swift charge	5,268,769	5,368,768
Postage	4,304,740	3,696,181
	26,748,261	23,355,180
28 STATIONERY, PRINTING AND ADVERTISEMENT etc.		
Publicity and Advertisement	50,176,151	61,370,085
Printing and Stationery	25,072,376	21,117,541
	75,248,527	82,487,626
29 CHIEF EXECUTIVE'S SALARY & FEES		
Basic Pay	6,248,417	5,313,334
House Rent Allowances	2,160,000	1,985,833
Leave Fare Allowance	540,000	793,333
Bonus	1,808,917	2,455,000
Bengali New Year Allowance	105,083	77,000
House Maintenance Allowance	600,000	837,500
Other Allowance	1,104,842	785,950
	12,567,259	12,247,950
30 DIRECTORS' FEES & EXPENSES		
Fees	1,251,200	1,113,200
Travel	1,065,000	855,000
	2,316,200	1,968,200
31 SHARIA'H SUPERVISORY COMMITTEE'S FEES AND EXPENSES		
Fees	304,000	211,600
Travel	150,000	105,000
	454,000	316,600
32 DEPRECIATION AND REPAIRS TO FIXED ASSETS		
Depreciation on Fixed Assets (Annexure - A)	243,323,017	172,299,967
Repairs:	54,038,429	52,051,472
Office equipment	44,689,944	42,273,764
Renovation and Maintenance of Office Premises	64,441	523,874
Furniture and Fixtures	250,332	409,165
Repair & Maintenance of Vehicle	9,033,712	8,844,669
	297,361,446	224,351,439



33 OTHER EXPENSES

Car Expense
Wages
Traveling
Donation and Subscription:
Donation
Subscription
Newspaper and Periodicals
Entertainment
Conveyance
Bank charges
Holiday Banking allowances
Medical Expense
Recruitment Expenses
Training, Seminar and Workshop
Photocopy, Photograph & Toner
Generator Expenses
Washing and Cleaning
Online Expenses
Office Maintenance
Crockery Expense
Meeting Expenses
IPO Expenses
ATM Expenses
Miscellaneous Expenses

2021 Taka	2020 Taka
46,930,383	48,997,708
162,859,725	154,690,251
5,213,469	5,047,794
66,808,580	203,522,705
4,622,003	4,250,041
475,456	747,893
24,879,987	19,144,675
7,008,301	5,603,489
13,929,479	8,327,339
485,600	12,964,512
7,620,598	7,331,944
3,521,000	-
1,415,591	1,855,802
2,368,676	2,046,749
7,243,724	5,496,731
487,271	500,990
2,963,471	2,056,298
16,562,999	12,835,990
463,806	393,868
9,718,575	7,780,678
62,527,595	-
11,548,062	9,242,997
3,311,352	2,688,193
462,965,703	515,526,647

34 EARNINGS PER SHARE (EPS)

A. Net Profit after Tax
B. Weighted Average Number of Ordinary Shares
Earnings Per Share (A/B)*

872,363,623	988,415,452
558,933,760	558,933,760
1.56	1.77

35 RECEIPTS FROM OTHER OPERATING ACTIVITIES

Account maintenance charge
Clearing cheque processing fee
Investment processing fee
Miscellaneous Earnings

25,204,356	26,793,330
185,203	149,816
42,265,047	51,566,856
63,154,936	45,247,816
130,809,542	123,757,818

36 PAYMENTS FOR OTHER OPERATING ACTIVITIES

Rent, Taxes, Insurances, Electricity etc.
Legal Expenses
Postage, Stamps, Telecommunications etc.
Directors' fees
Sharia'h Supervisory Committee's fees and expenses
Auditor's Fee
Repair of Fixed Assets
Zakat Expenses
Other Expenses

451,375,966	421,773,319
4,767,618	7,089,692
26,748,261	23,355,180
2,316,200	1,968,200
454,000	316,600
345,000	345,000
54,038,429	52,051,472
55,000,000	44,000,000
462,965,703	515,526,647
1,058,011,177	1,066,426,110

37 INCREASE / DECREASE OF OTHER ASSETS

Inter - branch Transaction Account
Advances, Deposits and Prepayment
Stock of Stationery
Suspense Account
Stamps on Hand

11,609,142,535	13,393,588,068
366,611,701	485,427,099
30,005,296	14,834,826
126,376,607	134,745,902
2,481,920	2,476,960
12,134,618,059	14,031,072,855
1,896,454,796	(9,594,244,553)

(Increase)/Decrease during the year



38 INCREASE / DECREASE OF OTHER LIABILITIES

Provision for Zakat
Benevolent Fund
Clearing Adjustment Account
Others

Increase /(Decrease) during the year

2021 Taka	2020 Taka
55,000,000	44,000,000
185,071	168,879
2,717,545	3,968,853
2,570,399,513	1,959,756,745
2,628,302,129	2,007,894,477
620,407,652	971,907,211

39 NUMBER OF EMPLOYEES

Executives and Officers
Members of Staff (Contractual)

1,480	1,341
314	317
1,794	1,658



41 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) Related Party Transactions	Nil
ii) Shares issued to Directors and Executives without consideration or exercisable at discount	Nil
iii) Lending to Related Parties is effected as per requirements of Section 27 (1) of the Bank Companies Act, 1991.	Nil
iv) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991	Nil
v) Investment in the Securities of Directors and their related concern	Nil

42 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	Ahsanul Alam	Chairman	<p>Managing Director Genesis Textiles Accessories & Apparels Ltd. Blythe Ltd. Affinity Assets Ltd. Wesco Ltd.</p> <p>Director Norinco Engineering Ltd. Hasan Abasan (Pvt) Ltd.</p> <p>Proprietor M/s. Genesis Enterprise</p>
2	Mollah Fazle Akbar	Vice Chairman	<p>Lt. General (Retd) Bangladesh Army</p>
3	Ms. Marzina Sharmin	Director	<p>Managing Director Times Securities Limited</p> <p>Chairman Kingston Flour Mills Ltd.</p> <p>Proprietor M/s. Marzina Trading</p> <p>Shareholder Infinite CR Strips Industries Ltd.</p>



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.
4	Rashedul Alam	Director	Managing Director Ocean Resorts Ltd. Global Trading Corporation Ltd. Director Bangladesh Petro Chemical Ltd. S. Alam Hatchery Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd. Shareholder S. Alam Steels Ltd. Partner M/s. Rafi Enterprise M/s. Khorshed Paribahan Sangstha Proprietor M/s Rashed Enterprise
5	Showkat Hossain, FCA	Director	Senior Partner M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants
6	Mr. Osman Gani	Director	Managing Director S Alam Cold Rolled Steels Ltd. Director S. Alam Cement Ltd. S. Alam Trading Company Ltd. S. Alam Bag Manufacturing Mills Ltd. Ocean Resorts Ltd. Modern Properties Ltd Shah Amanat Praktirik Gas Co. Ltd.
7	Mohammad Fazlay Morshed	Director	Managing Director M.R.M. Trading Ltd. Chittagong Logistics Ltd. Worth Avenue Steels Ltd. Adviser C & A Fabrics Ltd.
8	Ms. Halima Begum	Director	Proprietor M/s. Halima Trading Enterprise
9	Md. Abdul Quddus	Independent Director	EX- Managing Director NRB Global Bank Ltd. EX- Chief Executive Officer (CEO) First Security Islami Bank Foundation
10	Abdus Salam, FCA	Independent Director	EX- Managing Director Bangladesh Krishi Bank EX- CEO & Managing Director Janata Bank Ltd.



43 AUDIT COMMITTEE

a) Constitution

Name	Status with	Status with	Educational Qualification
Md. Abdul Quddus	Independent Director	Chairman	M. A. Economics
Showkat Hossain, FCA	Director	Member	B. Com, Fellow Chartered Accountant
Mohammad Fazlay Morshed	Director	Member	B. Com.
Md. Abdus Salam, FCA	Independent Director	Member	M. Com, Fellow Chartered Accountant

b) During the year under review, the Audit Committee of the Board conducted 04 (Four) 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.

44 EVENTS AFTER BALANCE SHEET DATE

a) The Board of Directors of the Bank in its 86 th Board meeting held on 28 April 2022 approved the financial statements of the Bank for the year ended 31 December 2021 and recommended 5% cash dividend 5% stock dividend for shareholders for the year 2021 to be approved in the next Annual General Meeting and authorized the same for issue.

b) The Bank has Listed on 26 January 2022 in both Dhaka Stock Exchange and Chittagong Stock Exchange as Listed Bank Company through issuance of Initial Public Offering (IPO) of Tk. 4,280,000,000

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

Place: Dhaka, Bangladesh
Dated: 28 April 2022



UNION BANK LIMITED
SCHEDULE OF FIXED ASSETS
As at 31 December 2021

Figure in Taka

Particulars	Cost				Depreciation				Written down value as on 31 December'21
	Balance as on 01 January'21	Addition during the period	Sales/Transfer during the period	Balance as on 31 December'21	Balance as on 01 January'21	Charged for the period	Adjustment on sale/transfer during the period	Balance as on 31 December'21	
Furniture & Fixtures	983,051,823	141,509,733	-	1,124,561,556	328,371,413	72,155,683	-	400,527,096	724,034,460
Office Equipment	941,063,120	94,118,543	-	1,035,181,663	510,226,822	98,494,787	-	608,721,609	426,460,054
Vehicles	101,228,719	19,137,862	10,238,000	110,128,581	90,559,448	6,149,565	10,237,999	86,471,013	23,657,568
Books	426,567	61,087	-	487,654	147,074	33,902	-	180,976	306,678
Land	2,666,750,340	-	-	2,666,750,340	-	-	-	-	2,666,750,340
Sub Total	4,692,520,569	254,827,225	10,238,000	4,937,109,794	929,304,757	176,833,937	10,237,999	1,095,900,694	3,841,209,100
Lease assets - Premises									
Right-of-use-assets	-	279,825,267	-	279,825,267	-	66,489,080	-	66,489,080	213,336,187
Total Dec' 2021	4,692,520,569	534,652,492	10,238,000	5,216,935,061	929,304,757	243,323,017	10,237,999	1,162,389,774	4,054,545,287
Total Dec' 2020	4,485,038,517	217,725,052	10,243,000	4,692,520,569	767,247,789	172,299,967	10,242,999	929,304,757	3,763,215,812



UNION BANK LIMITED
FINANCIAL HIGHLIGHTS
For the year ended 31 December 2021

Annexure B

SL #	Particulars	Figure in Taka	
		2021	2020
1	Paid-up Capital		
2	Total Regulatory Capital	5,589,337,600	5,589,337,600
3	Total Regulatory Capital Surplus/(deficit)	16,021,722,432	15,872,620,202
4	Total Assets	723,996,884	1,717,749,614
5	Total Deposits	242,418,203,108	210,031,576,436
6	Total Investments	200,229,794,529	172,710,507,951
7	Total Contingent Liabilities and Commitments	193,822,280,481	166,337,195,954
8	Investment Deposit Ratio (in %)	10,393,460,922	10,570,316,251
9	Percentage of Classified Investments against total Investments (in %)	91.55%	90.22%
10	Profit after Provision and Tax	3.49%	2.53%
11	Amount of Classified Investments	872,363,623	988,415,452
12	Provision kept against Classified Investments	6,756,128,599	4,201,353,863
13	Investments Provision Surplus/(deficit)	2,317,654,000	1,392,000,000
14	Cost of Fund	29,102,335	37,299,935
15	Profit Earning Assets	8.90%	10.55%
16	Non-profit Earning Assets	211,677,132,440	179,976,288,304
17	Income from Investment in Shares & securities	30,741,070,668	30,055,288,132
18	Return on Investment in Shares & securities (ROI)(in %)	174,152,095	195,066,492
19	Return on Assets (ROA)(in %)	1.45%	2.54%
20	Earnings Per Share (Tk.)	0.39%	0.51%
21	Net Income Per Share (Tk.)	1.56	1.77
22	Price Earnings Ratio (Times)	1.56	1.77
		N/A	N/A

