

HP:F/UBL-2019

UNION BANK LIMITED

Bahela Tower, 72, Gulshan Avenue
Gulshan-1
Dhaka-1212, Bangladesh

UNION BANK LIMITED
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019

K. M. HASAN & CO.

Chartered Accountants
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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 2019, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2019, 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 Act, 1991, 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.

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 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 Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

Those charged with governance are responsible for overseeing 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause and 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, 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 Profit benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Bank Company Act,1991, the Securities and Exchange Rules,1987, the Companies Act, 1994, 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) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Bank's business for the year;
- (v) the financial statements of the Bank have been drawn up in conformity with the Bank Company Act, 1991 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Bank;
- (vi) adequate provisions have been made for Investments, advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Bank conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collected and deposited in the Government treasury by the Bank as per Government instructions found satisfactory based on test checking;

- (xi) nothing has come to our attention that the Bank has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Bank is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Bank has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing Investments/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,780 person hours for the audit of the books and accounts of the Bank;
- (xvi) the Bank has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of Profit suspense;
- (xvii) the Financial Statement have been drawn up with the confirmity with prevailing rules, regulations and accounting standards as explained in Note-2 as well as with related guidelines, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst the inspection team of Bangladesh Bank, external auditors and the management of The Union Bank Ltd. held on 18 June 2020
- (xviii) Capital to Risk Weighted Asset Ratio (CRAR) has been maintained during the year as explained in Note-12.4;
- (xix) all other issues which in our opinion are important for the stakeholders of the Bank have been adequately disclosed in the audit report.

Place: Dhaka, Bangladesh
Date: 25 June 2020


K. M. HASAN & CO.
Chartered Accountants

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
PROPERTY AND ASSETS			
Cash	3	8,843,650,636	7,724,798,234
In hand (Including foreign currency)	3.1	1,464,354,069	1,319,429,525
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	7,379,296,567	6,405,368,709
Balance with other Banks and Financial Institutions	4.1	210,276,372	195,754,444
In Bangladesh		112,118,633	143,623,615
Outside Bangladesh		98,157,739	52,130,829
Placement with banks & Other Financial Institutions	4.2	6,268,446,373	7,663,887,421
Investments in Shares & Securities	5	6,084,062,132	5,113,459,441
Government		5,800,000,000	4,800,000,000
Others		284,062,132	313,459,441
Investments	6	146,459,574,948	119,934,385,113
General Investments etc.	6.A	126,125,509,303	100,053,401,658
Bills Purchased and Discounted	6.B	20,334,065,645	19,880,983,455
Fixed Assets Including Premises, Furniture and Fixtures	7	3,717,790,728	1,122,688,777
Other Assets	8	8,440,145,238	6,828,791,770
Non Banking Assets		-	-
Total Assets		180,023,946,427	148,583,765,200
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9	6,293,852,442	8,257,531,702
Deposits and Other Accounts	10	150,219,920,854	124,898,503,882
Mudaraba Savings Deposits	10.1	5,358,117,905	4,177,209,904
Mudaraba Term Deposits	10.2	83,885,364,118	81,458,894,473
Other Mudaraba Term Deposits	10.3	35,894,498,634	21,094,533,811
Al-Wadia Current Accounts and Other Accounts	10.4	24,370,424,268	17,464,009,063
Bills Payable	10.5	711,515,929	703,856,631
Mudaraba Subordinated Bond		4,000,000,000	-
Other Liabilities	11	11,141,751,735	7,615,264,040
Deferred Tax Liabilities/(Assets)	11.a	(82,199,355)	(43,689,446)
Total Liabilities		171,573,325,677	140,727,610,178
Capital/Shareholders' Equity			
Paid-up Capital	12	5,272,960,000	5,272,960,000
Statutory Reserve	13	1,523,468,581	1,227,575,435
Other Reserve	14	145,749,665	145,749,665
Retained Earnings	15	1,508,442,504	1,209,869,922
Total Shareholders' Equity		8,450,620,750	7,856,155,022
Total Liabilities and Shareholders' equity		180,023,946,427	148,583,765,200

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		5,585,833,673	5,868,736,973
Letter of Guarantees	16	1,633,366,306	605,602,026
Irrecoverable Letters of Credit	17	2,958,520,480	2,117,730,306
Bills for Collection	18	1,395,609,592	1,247,212,368
Other Contingent Liabilities		-	-
Total		11,573,330,051	9,839,281,673
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		11,573,330,051	9,839,281,673

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
Date: 25 June 2020

K. M. HASAN & CO.
Chartered Accountants

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
Date: 25 June 2020


K. M. HASAN & CO.
Chartered Accountants

UNION BANK LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
Investments Income	19	16,736,433,627	13,550,870,061
Profit Paid on Deposits	20	(12,313,172,100)	(9,583,740,019)
Net Investment Income		4,423,261,527	3,967,130,042
Income from Investment in Shares and Securities	21	301,624,089	137,873,199
Commission, Exchange and Brokerage	22	316,952,702	254,839,009
Other Operating Income	23	166,053,303	79,729,133
		784,630,094	472,441,341
Total Operating Income		5,207,891,621	4,439,571,383
Operating Expenses			
Salary and Allowances	24	1,305,262,590	1,118,798,277
Rent, Taxes, Insurances, Electricity etc.	25	366,273,964	335,738,366
Legal Expenses	26	19,325,748	735,948
Postage, Stamps, Telecommunication etc.	27	24,316,655	21,961,232
Stationery, Printings, Advertisements etc.	28	48,558,013	47,395,168
Chief Executives Salary and Fees	29	10,115,000	10,115,000
Auditors' Fees		345,000	690,000
Directors' Fees & Expenses	30	2,983,900	2,691,400
Shariah Supervisory Committee's Fees & Expenses	31	356,800	234,800
Depreciation and Repair of Bank's Assets	32	236,816,504	228,256,863
Zakat Expenses		36,000,000	26,500,000
Other Expenses	33	449,631,925	316,904,967
Total Operating Expenses		2,499,986,099	2,110,022,021
Profit/(Loss) before Provision and Tax		2,707,905,522	2,329,549,362
Provisions for Classified Investments	11.2.a	989,980,455	346,800,000
Provisions for Unclassified Investments	11.2.a	218,100,000	199,000,000
Provisions for Off Balance Sheet items	11.2.a	5,000,000	22,000,000
Other Provisions	11.2.4	2,059,339	2,059,339
Provisions for diminution in value of investment in share	11.5	13,300,000	6,000,000
Total Provisions		1,228,439,794	575,859,339
Total Profit/(Loss) before Tax		1,479,465,728	1,753,690,023
Provision for Income Tax			
Current Tax	11.1	923,509,909	815,525,058
Deferred Tax	11.a	(38,509,909)	(15,490,422)
		885,000,000	800,034,636
Net Profit/(Loss) after Tax		594,465,728	953,655,387
Retained Earnings from Previous Year		1,209,869,922	606,952,540
Add: Net Profit/(Loss) after Tax		594,465,728	953,655,387
Profit available for Appropriation		1,804,335,650	1,560,607,927
Appropriations:			
Statutory Reserve		295,893,146	350,738,005
General Reserve		-	-
Dividend		-	-
Retained earnings		1,508,442,504	1,209,869,922
		1,804,335,650	1,560,607,927
Earnings Per Share (EPS)	34	1.13	1.81

Managing Director

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

Director

Director

Chairman

See annexed auditor's report of even date

Place: Dhaka, Bangladesh
Date: 25 June 2020

K.M. HASAN & CO.
Chartered Accountants



UNION BANK LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
A. Cash Flow from Operating Activities			
Investments income receipts		17,000,391,906	13,222,782,940
Profit paid on deposits		(11,751,391,921)	(9,118,796,036)
Fee and Commission receipts		316,952,702	254,839,009
Dividend receipts		223,954	135,000
Payments to employees		(1,264,293,941)	(1,085,758,737)
Payments to suppliers		(48,558,013)	(47,395,168)
Income tax paid		(884,058,746)	(935,901,748)
Receipts from other operating activities	35	166,053,303	79,729,133
Payments for other operating activities	36	(944,157,860)	(760,587,039)
Operating Profit before changes in Operating Assets & Liabilities		2,591,161,384	1,609,047,354
Changes in Operating Assets & Liabilities			
(Increase)/ Decrease Investments to Customers		(26,525,189,835)	(19,180,837,983)
(Increase)/ Decrease of Other Assets	37	(689,852,965)	(1,115,885,000)
Increase/ (Decrease) Deposits from Customers		25,321,416,972	10,848,614,311
Increase/ (Decrease) of Other Liabilities	38	761,674,164	116,634,998
Cash Flow from Operating Assets and Liabilities		(1,131,951,664)	(9,331,473,674)
Net Cash Flow from Operating Activities		1,459,209,720	(7,722,426,320)
B. Cash Flow from Investing Activities			
Payments to Investment in Shares and Securities		(970,602,591)	(128,934,417)
Purchases of Property, Plant and Equipment		(2,786,994,587)	(445,815,506)
Net Cash Used in Investing Activities		(3,757,597,178)	(574,749,923)
C. Cash Flow from Financing Activities			
Receipts from issuance of Mudaraba Subordinated Bond		4,000,000,000	-
Increase/(Decrease) in Share Capital		-	-
Increase/(Decrease) in Other reserve		-	-
Increase/(Decrease) in Placement from Banks & other Financial Institutions		(1,963,679,260)	3,116,141,380
Net Cash Flow from Financing Activities		2,036,320,740	3,116,141,380
D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)		(262,066,718)	(5,181,034,863)
E. Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents		-	-
F. Beginning Cash & Cash Equivalents		15,584,440,099	20,765,474,962
G. Ending Cash & Cash Equivalents (D+E+F)		15,322,373,381	15,584,440,099
The above closing Cash and Cash Equivalents include:			
In hand (Including foreign currency)	3.1	1,464,354,069	1,319,429,525
Balance with Bangladesh Bank and its agent bank(s)	3.2	7,379,296,567	6,405,368,709
Balance with other Banks and Financial Institutions	4.1	210,276,372	195,754,444
Placement with banks & Other Financial Institutions	4.2	6,268,446,373	7,663,887,421
		15,322,373,381	15,584,440,099

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

Managing Director

Director

Director

Chairman

Place: Dhaka, Bangladesh

Date: 25 June 2020



UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as on 01 January 2019	5,272,960,000	1,227,575,435	145,749,665	1,209,869,922	7,856,155,022
Changes in Accounting Policy	-	-	-	-	-
Restated Balance	5,272,960,000	1,227,575,435	145,749,665	1,209,869,922	7,856,155,022
Surplus/Deficit on account of revaluation of properties	-	-	-	-	-
Surplus/Deficit on account of revaluation of investments	-	-	-	-	-
Currency Translation Differences	-	-	-	-	-
Net Gains and Losses not Recognized in the Income Statement	-	-	-	-	-
Net Profit for the year	-	-	-	594,465,728	594,465,728
Dividends					
Stock	-	-	-	-	-
Cash	-	-	-	-	-
Transfer to Statutory Reserve	-	295,893,146	-	(295,893,146)	-
Transfer to Retained Earnings	-	-	-	-	-
Issue of Share Capital during the year	-	-	-	-	-
Balance as on 31 December 2019	5,272,960,000	1,523,468,581	145,749,665	1,508,442,504	8,450,620,750
Balance as on 31 December 2018	5,272,960,000	1,227,575,435	145,749,665	1,209,869,922	7,856,155,022


Managing Director


Director


Director


Chairman

Place: Dhaka, Bangladesh
Date: 25 June 2020

UNION BANK LIMITED
LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)
As at 31 December 2019

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash	2,439,950,636	-	-	-	6,403,700,000	8,843,650,636
Balance with banks & Other Financial Institutions	210,276,372	-	-	-	-	210,276,372
Placement with banks & Other Financial Institutions	-	2,830,846,373	3,437,600,000	-	-	6,268,446,373
Investments in Shares and Securities	450,000,000	1,950,000,000	3,444,062,132	240,000,000	-	6,084,062,132
Investments	21,992,900,000	41,070,900,000	72,713,374,948	3,041,700,000	7,640,700,000	146,459,574,948
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	692,553,616	3,025,237,112	3,717,790,728
Other Assets	3,887,000,000	700,500,000	3,663,700,000	188,945,238	-	8,440,145,238
Non-banking Assets	-	-	-	-	-	-
Total Assets	28,980,127,008	46,552,246,373	83,258,737,080	4,163,198,854	17,069,637,112	180,023,946,427
Liabilities						
Placement from Banks & Other Financial Institutions	1,064,600,000	5,136,500,000	92,752,442	-	-	6,293,852,442
Deposits and Other Accounts	9,918,520,854	47,480,200,000	46,939,400,000	37,243,300,000	8,638,500,000	150,219,920,854
Mudaraba Subordinated Bond	-	-	-	-	4,000,000,000	4,000,000,000
Other Liabilities	284,200,000	1,038,500,000	4,940,600,000	4,346,252,381	-	10,609,552,381
Total Liabilities	11,267,320,854	53,655,200,000	51,972,752,442	41,589,552,381	12,638,500,000	171,123,325,677
Net Liquidity Gap	17,712,806,154	(7,102,953,627)	31,285,984,638	(37,426,353,527)	4,431,137,112	8,900,620,750


Managing Director


Director


Director


Chairman

Place: Dhaka, Bangladesh
Date: 25 June 2020

UNION BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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 87 (eighty seven) branches operating as per Islamic Shariah prevailing in the country. The Bank has no overseas branches as at 31 December 2019.

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 2019 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", 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 25 March 2020.

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 (IFRSs) during the year that are effective for the first time for the financial year 2019 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 Customer.

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 Customer" 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 2019 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 2019 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 2019 have been shown in the Balance Sheet under Off-Balance Sheet items.

Exchange rates with major foreign currencies as on 31 December 2019 were as:

Currency Name	Exchange Rate (Taka)
US \$	84.4500
Euro	96.1629
Yen	0.7858
ACU	84.4500
GBP	113.8534
CHF	89.3342
SGD	63.7892
AUD	59.3595
CAD	65.9611

2.7.4 Translation gains and losses

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

2.8 Assets and their basis of valuation

2.8.1 Cash and Cash Equivalents

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

2.8.2 Investments

- (a) Investments are stated in the balance Sheet at the net amount excluding unearned income and profit receivable.
- (b) Provision for Investments Impairment:

As per instructions contained in Bangladesh Bank BCD circular no 34, dated November 16, 1989, BCD circular no. 20, dated 27 December 1994, BCD circular no. 12, dated September 04, 1995, BRPD circular no. 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 letter 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. 05 dated March 16, 2019 and BRPD circular no. 06 dated May 19, 2019 respectively specific provisions are made against non performing investments are at the following rates:

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

As per instructions of BRPD circular nos. 14, 05, 16, 08, 12, 15, 01, 01, 07, 13, 03, 05 and 06 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, May 16, 2019 and May 19, 2019 respectively an amount has been set aside up of the total unclassified investments as on the balance sheet date at the following rates:

General Provision on:

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

Provision for Short-term Agricultural and Micro-Credits:

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

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

d) Investment are normally written off, when there is no chance of recovery of these amounts in accordance with BRPD Circular no. 01, Dated 06 February 2019. A separate Investment Monitoring and Recovery Division (IMRD) has been set up at the Head Office, which monitors investment Written-off and legal action through the Money Court. The process of Write-offs does not undermine or affect the amount claimed against the borrower by the Bank.

2.8.3 Investment in shares and securities

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

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

2.8.3.1 Valuation Method

Considerable value of Investments has been considered as follows:

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

2.8.4 Off setting Financial Instruments

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

2.8.5 Property, Plant and Equipment

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

The major categories of property and equipment held by the bank are land, 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.

2.9 Statutory Reserve

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

2.10 Liabilities and Provisions

2.10.1 Taxation

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

2.10.1.1 Current Tax

Provision for corporate current income tax has been made @ 37.50% as prescribed in the Finance Act 2019 of the accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with IAS # 12: Income Taxes.

2.10.1.2 Deferred Tax

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

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

2.10.2 Retirement Benefits of Employees

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

2.10.2.1 Provident Fund

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

2.10.2.2 Gratuity

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

2.10.2.3 Workers' Profit Participation Fund (WPPF)

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

2.10.2.4 Social Security Benevolent Fund

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

2.10.3 Deposits and Other Accounts

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

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

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

2.10.5 Sharing of Investment Income

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

2.10.6 Zakat

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

2.11 Others

2.11.1 Cash Flow Statement

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

2.11.2 Liquidity Statement

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

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

2.11.3 Comparative Information

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

2.11.4 Earnings Per Share (EPS)

2.11.4.1 Basic Earnings Per Share

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

2.11.4.2 Diluted Earnings Per Share

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

2.11.5 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, un-reconciled nostro account, non-repatriation of export bills and overdue accepted bills; etc. Union Bank 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.

2.12.5 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 2019, Audit & Inspection Unit conducted inspection on most 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 2019, 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 2019 is from 01 January 2019 to 31 December 2019.

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 Act, 1991;
- (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 Standards	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
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Sl. No.	IAS No.	IAS Title	Compliance Status
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

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

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

	2019 Taka	2018 Taka
3 CASH		
3.1 Cash in Hand		
In Local Currency	1,462,825,524	1,317,296,155
In Foreign Currencies	1,528,545	2,133,370
	1,464,354,069	1,319,429,525
3.2 Balance with Bangladesh Bank and its Agent Bank		
In Local Currency	7,323,912,428	6,298,032,266
In Foreign Currencies	55,384,139	107,336,443
	7,379,296,567	6,405,368,709
	8,843,650,636	7,724,798,234
3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Companies Act, 1991 and subsequent BCD Circular No.13 dated May 24,1992; BRPD Circular No. 12 dated September 06, 1998, BRPD Circular No.12, dated September 20, 1999, BRPD Circular No. 22 dated November 06, 2003, BRPD Circular No. 03 dated 17 February 2005 and BRPD Circular No. 11 & 12 dated 25 August 2005, Bangladesh Bank Letter # DOS (SR) 1153/120-A/2009-46 dated 22 March 2009, MPD circular # 01 dated 04 May 2010, MPD circular # 04 & 05 dated 01 December 2010, MPD circular # 01 dated 23 June 2014 and MPD circular # 01 dated 03 April 2018.		
3.4 Cash Reserve Ratio (CRR): 5.50% of Average Demand and Time Liabilities		
Required Reserve	6,267,689,835	5,134,551,462
Actual Reserve maintained	7,243,240,282	6,266,961,887
Surplus/(Shortfall)	975,550,447	1,132,410,425
3.5 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:		
Required Reserve	6,267,689,836	5,134,551,462
Actual Reserve held	8,327,245,429	7,294,883,235
Surplus/(Shortfall)	2,059,555,593	2,160,331,773
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.	10,560	13,320
Others Accounts:		
Mudaraba Short Notice Deposits		
First Security Islami Bank Ltd.	102,762,257	67,927,289
Prime Bank Ltd.	-	20,052
NRB Global Bank Ltd.	3,759,597	2,549,425
AB Bank Ltd.	1,250	70,000,000
Trust Bank Ltd.	2,934,495	3,015,097
Islami Bank Bangladesh Ltd.	2,650,474	98,432
	112,108,073	143,610,295
	112,118,633	143,623,615

B. Outside Bangladesh

Particulars	Currency	Amount	Rate	31.12.2019 Taka	31.12.2018 Taka
Current Account					
Banco De Sabadell S.A., Spain	EURO	147,551.33	96.1629	14,188,964	6,529,518
Sonali Bank (UK) Limited, UK	USD	12,713.37	84.4500	1,073,644	4,197,500
Habib American Bank, New York, USA	USD	752,409.44	84.4500	63,540,977	34,811,071
Kookmin Bank, Korea	USD	29,984.41	84.4500	2,532,183	4,556,123
Axis Bank Limited, Kolkata	ACU	102,927.52	84.4500	8,692,229	388,318
Meezan Bank Limited, Karachi	ACU	1,923.75	84.4500	162,461	450,665
AB Bank Ltd., Mumbai, India	ACU	21,688.28	84.4500	1,831,575	401,869
United Bank of India, Kolkata, India	ACU	18,540.90	84.4500	1,565,779	450,764
Sonali Bank Limited, Kolkata	ACU	53,389.34	84.4500	4,508,730	283,360
National Bank of Pakistan, Tokyo, Japan	JPY	77,878.00	0.7858	61,197	61,640
				98,157,739	52,130,829
Total (A+B)				210,276,372	195,754,444

	2019 Taka	2018 Taka
4.1.1 Maturity-wise Grouping (Inside and Outside Bangladesh)		
Payable on Demand	210,276,372	195,754,444
Up to Three Months	-	-
Three Months to One Year	-	-
One Year to Five Years	-	-
Above Five Years	-	-
	210,276,372	195,754,444
4.2 Placement with banks & Other Financial Institutions		
Reliance Finance Limited	3,678,446,373	3,273,887,421
Phoenix Finance and Investments Ltd.	90,000,000	90,000,000
Union Capital Ltd.	-	1,100,000,000
International Leasing and Financial Services Ltd.	1,100,000,000	1,100,000,000
Islamic Finance and Investment Ltd.	1,400,000,000	1,100,000,000
First Finance Ltd.	-	1,000,000,000
	6,268,446,373	7,663,887,421
4.2.1 Maturity-wise Grouping (Placement with banks & other FI)		
Payable on Demand	-	-
Up to Three Months	3,678,446,373	3,273,887,421
Three Months to One Year	2,500,000,000	4,300,000,000
One Year to Five Years	90,000,000	90,000,000
Above Five Years	-	-
	6,268,446,373	7,663,887,421
5 INVESTMENTS IN SHARES AND SECURITIES		
Government Securities		
Bangladesh Govt. Islamic Investment Bonds	5,800,000,000	4,800,000,000
Others		
Subordinated Bond	240,000,000	270,000,000
Quoted Shares (Note - 5.1)	44,062,132	43,459,441
	284,062,132	313,459,441
	6,084,062,132	5,113,459,441
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	5,838,069
Bangladesh Submarine Cable Company Ltd.	-	1,221,032
Bashundhara Paper Mills Ltd.	5,285,540	5,285,540
IDLC Finance Ltd.	-	8,705,220
IPDC Finance Ltd.	-	4,463,952
Miracle Industries Ltd.	12,678,319	8,205,877
Navana CNG Ltd.	4,363,517	1,729,693
Oimex Electrode Limited	227,707	-
SAIF Powertec Ltd.	4,985,105	2,754,694
Shasha Denims Limited	2,241,495	-
Tallu Spinning Mills Ltd.	2,488,526	2,488,526
Western Marine Shipyard Ltd.	1,473,931	616,195
Zaheen Spinning Ltd.	2,150,643	2,150,643
	44,062,132	43,459,441
5.2 Market Value of Quoted Shares	22,306,860	35,020,563

	2019 Taka	2018 Taka
5.3 Maturity Grouping of Investments in Shares and Securities		
On Demand	-	-
One Month to three Months	2,400,000,000	2,180,000,000
Three Months to One Year	3,444,062,132	2,663,459,441
One Year to Five Years	240,000,000	270,000,000
More than Five Years	-	-
	6,084,062,132	5,113,459,441
6 INVESTMENTS (All Inside Bangladesh)		
General Investments etc. (Note-6.A)	126,125,509,303	100,053,401,658
Bills Purchased and Discounted (Note - 6.B)	20,334,065,645	19,880,983,455
	146,459,574,948	119,934,385,113
6.A General Investment etc.		
Inside Bangladesh		
Bai Murabaha (Hypo)	675,193,549	537,128,006
Bai Murabaha against MTDR	33,557,561,122	28,450,913,530
Bai Murabaha TR (Non INST)	68,824,669,803	53,903,624,566
Bai Murabaha TR (INST)	2,079,280,217	1,682,856,513
Bai Murabaha (Post Import) TR	3,638,442,363	2,368,999,398
Bai Murabaha (TR) SME	3,897,621,701	2,832,098,043
Bai Murabaha Agriculture	810,782,944	695,718,016
Bai Murabaha (TR) Agriculture	102,476,394	134,282,930
Bai Murabaha (TR) Women Entrepreneur	12,679,399	12,044,095
Bai Murabaha General	-	1,153,452,333
Bai Murabaha Import Bill (MIB)	24,066,844	-
Bai Muazzal Real Estate (Short Term)	613,015,800	732,864,486
Bai Muazzal (Guarantee)	57,586,003	4,251,451
Bai Muazzal against BG (Bid Bond)	11,105,993	-
Bai Muazzal against Import Bill	1,965,390,571	-
Bai Muazzal Back to Back Bill	805,135,983	-
HPSM (Real Estate)	2,733,679,031	1,944,218,402
HPSM (Transport)	191,958,006	230,713,774
HPSM (SME)	744,593	502,286
HPSM House Building Staff	460,617,155	345,684,500
HPSM Rural Housing	1,758,785	2,148,837
HPSM House Building General	246,060,840	207,441,320
HPSM Industrial Term	1,024,965,159	815,181,642
HPSM Machinery	3,038,535,446	2,546,636,639
HPSM Machinery Women Entrepreneur	1,510,571	1,421,806
Quard Investment	164,925,150	-
Car Leasing Scheme Staff	59,500,338	59,638,656
Murabaha EDF Investment	1,028,424,335	1,255,717,488
Bai Istisna	60,635,687	93,555,604
HPSM Consumer Durables (Scheme)	37,185,521	42,307,337
	126,125,509,303	100,053,401,658
Outside Bangladesh	-	-
	126,125,509,303	100,053,401,658
6.B Bills Purchased and Discounted		
Payable in Bangladesh	20,334,065,645	19,880,983,455
Payable outside Bangladesh	-	-
	20,334,065,645	19,880,983,455
	146,459,574,948	119,934,385,113

2019 Taka	2018 Taka
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6.1 Maturity Grouping of Investments

Payable on Demand	21,992,900,000	10,523,000,000
Up to Three Months	41,070,900,000	33,619,600,000
Three Months to One Year	72,713,374,948	65,483,800,613
One Year to Five Years	3,041,700,000	7,462,300,000
Above Five Years	7,640,700,000	2,845,684,500
	146,459,574,948	119,934,385,113

6.2 Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted

Investments to Directors of other Banks	10,090,159,479	6,599,175,588
Investments to Chief Executive and Other high Officials	-	-
Investments to Customers Group	103,309,896,504	87,774,576,922
Investments to Industry	32,512,992,138	25,121,883,108
Investment to staff	546,526,827	438,749,495
	146,459,574,948	119,934,385,113

6.3 Investments to Customers amounting to 10% or more of UBL's Total Regulatory Capital

Number of Clients	15	23
Amount of Outstanding Investments:		
Funded	9,621,400,000	11,614,200,000
Non-funded	3,285,200,000	1,555,900,000
	12,906,600,000	13,170,100,000

6.4 Sector wise Investments

Agriculture	915,030,656	831,801,620
Ready Made Garments (RMG)	2,525,887,246	1,766,576,605
Textile	7,714,889,107	6,733,555,113
Ship Building	155,838,143	136,016,664
Ship Breaking	-	-
Other Manufacturing industry	4,222,581,263	1,888,683,613
SME Investment	3,912,556,264	2,844,265,557
Construction	5,051,827	2,785,211
Power, Gas	1,407,672,118	1,262,328,316
Transport, Storage and Communication	148,086,450	184,258,225
Trade Service	104,397,570,539	88,206,664,285
Commercial real estate financing	4,472,203,666	4,186,881,130
Residential real estate financing	543,257,500	248,327,268
Consumer investment	4,720,778,268	970,314,626
Capital market	1,003,254,481	892,842,996
Non Banking Financial Institutions (NBFI)	-	-
Others	10,314,917,420	9,779,083,884
	146,459,574,948	119,934,385,113

6.5 Geographical Location-wise Investments

Urban

	2019 Taka	2018 Taka
Dhaka	73,902,120,177	61,512,269,511
Chattogram	50,301,620,736	43,640,951,301
Barishal	73,088,742	50,620,523
Rajshahi	187,203,166	181,066,591
Khulna	113,750,882	68,937,384
Rangpur	12,686,990	9,725,831
Sylhet	45,607,577	38,889,762
Mymensingh	53,557,604	43,167,774
	124,689,635,874	105,545,628,677

Rural

Dhaka	471,822,827	407,722,341
Chattogram	21,008,893,348	13,764,829,982
Barishal	-	-
Rajshahi	81,742,829	16,254,131
Khulna	10,286,080	-
Rangpur	165,298,091	162,748,510
Sylhet	31,895,899	37,201,472
Mymensingh	-	-
	21,769,939,074	14,388,756,436
	146,459,574,948	119,934,385,113

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

Unclassified

Standard	139,413,230,421	117,633,908,413
Special Mention Account	1,709,518,524	1,135,693,027
	141,122,748,945	118,769,601,440

Classified

Sub-standard	1,727,767,884	432,029,023
Doubtful	2,165,332,032	63,823,722
Bad & Loss	1,443,726,087	668,930,930
	5,336,826,003	1,164,783,674
	146,459,574,948	119,934,385,113

6.7 Particulars of Required Provision for Investments and Off Balance Items

Classification status

Unclassified (a)

Standard	1,388,870,200	1,163,169,460
Special Mention Account	40,672,800	11,369,540
	1,429,543,000	1,174,539,000

Classified (b)

Sub - Standard	115,992,171	15,937,954
Doubtful	696,310,149	5,877,679
Bad and Loss	702,683,680	503,645,367
	1,514,986,000	525,461,000

Off Balance Items (c)

	101,777,205	96,000,000
	3,046,306,205	1,796,000,000
Required Provision for Investments (a+b+c)	3,046,306,205	1,796,000,000
Total Provision Maintained	3,115,000,000	1,901,919,545
Provision Excess/ (Shortfall)	68,693,795	105,919,545

* Details of provision is shown in note 2.8.2

	2019 Taka	2018 Taka
6.8 Particulars of Investments		
i) Investments considered good in respect of which the Bank Company is fully secured	117,159,257,495	68,584,300,000
ii) Investments considered good for which the bank holds no Security other than the debtors personal security	29,300,317,453	51,350,085,113
iii) Investment considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	-	-
iv) Investments considered bad or doubtful not provided for	-	-
Total	146,459,574,948	119,934,385,113
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	4,172,042,329	592,711,337
a. Movement of classified Investments		
Opening balance	1,164,783,675	572,072,338
Increase/ (Decrease) during the year	4,172,042,329	592,711,337
	5,336,826,004	1,164,783,675
b. Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet	702,683,680	503,645,367
c. Profit credited to the profit/Rent/Compensation Suspense	396,930,595	132,069,802
xi) Amount of written off Investment:		
a. Cumulative amount	-	-
b. Amount written off during the period	-	22,770,123
c. Total amount of written off (a+b)	-	22,770,123
d. Amount recovered against such written- off up to this year	-	-
e. Amount of investment written- off against which suit has been filled to recover the same.	-	-

	2019 Taka	2018 Taka
6.9 Security against Investments including bills purchased & discounted		
Collateral of movable/immovable assets	83,460,044,934	68,584,300,000
Local banks & financial institutions guarantee	-	-
Government Guarantee	-	-
Foreign Banks guarantee	-	-
Export documents	20,334,065,645	18,987,123,102
Fixed deposits receipts:	-	-
Own MTDR	33,699,212,561	28,450,913,529
MTDR of other Banks	-	-
Government Bonds	-	-
Personal guarantee	-	-
Other security	8,966,251,808	3,912,048,482
Unsecured	-	-
	146,459,574,948	119,934,385,113

6.10 Maturity Grouping of Bills Purchased and Discounted

Payable within one month	40,965,645	1,000,783,455
Over one month but less than three months	2,959,800,000	2,490,400,000
Over three months but less than six months	17,333,300,000	16,389,800,000
Six Months and Above	-	-
	20,334,065,645	19,880,983,455

7 FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES AT COST LESS ACCUMULATED DEPRECIATION

Furniture & Fixtures	847,899,813	781,344,464
Office Equipment	858,563,838	814,988,443
Vehicles	111,471,719	101,456,719
Books	352,807	254,304
Land	2,666,750,340	-
	4,485,038,517	1,698,043,930
Less: Accumulated Depreciation	767,247,789	575,355,153
	3,717,790,728	1,122,688,777

8 OTHER ASSETS

Inter - branch Transaction Account (Note - 8.a)	3,790,159,506	389,599,438
Accrued Income on MTDR	572,347,998	534,906,142
Advances, Deposits and Prepayment (Note - 8.1)	400,764,548	3,130,565,482
Advance Income Tax	3,430,969,038	2,546,910,291
Stock of Stationery	10,740,985	8,457,934
Suspense Account (Note - 8.2)	233,099,624	216,790,009
Stamps on Hand	2,063,539	1,562,474
	8,440,145,238	6,828,791,770

- 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.

	2019 Taka	2018 Taka
8.1 Advance, Deposits and Prepayment		
Advance against Rent - Office	232,488,602	312,076,192
Prepayment	168,275,946	2,818,489,290
	400,764,548	3,130,565,482
8.2 Suspense Account		
Sundry Debtors	233,099,624	216,790,009
Advance against TA/DA	-	-
Advance against New Branch	-	-
	233,099,624	216,790,009
9 PLACEMENT FROM BANK AND OTHER FINANCIAL INSTITUTIONS Inside Bangladesh		
Bangladesh Bank (Refinance Scheme)	9,228,442	6,410,000
Bangladesh Govt. Islami Investment Bond Funds	6,000,000,000	7,000,000,000
Bangladesh Bank Export Development Fund (EDF)	284,624,000	1,251,121,702
	6,293,852,442	8,257,531,702
Outside Bangladesh	-	-
	6,293,852,442	8,257,531,702
A. Security- wise grouping		
Secured Placement	-	-
Unsecured Placement	6,293,852,442	8,257,531,702
	6,293,852,442	8,257,531,702
B. Repayment Nature wise Grouping		
Repayable on demand	-	-
Others	6,293,852,442	8,257,531,702
	6,293,852,442	8,257,531,702
C. Maturity Analysis		
Repayable on Demand	-	-
Repayable within One Month	1,064,600,000	1,279,000,000
One Month to Six Months	5,229,252,442	6,978,531,702
Six Month to One Year	-	-
One Year to Five Years	-	-
Five Years to Ten Years	-	-
Unclaimed Deposits Ten Years and Over	-	-
	6,293,852,442	8,257,531,702
10 DEPOSITS AND OTHER ACCOUNTS		
Mudaraba Savings Deposits (Note-10.1)	5,358,117,905	4,177,209,904
Mudaraba Term Deposits (Note-10.2)	83,885,364,118	81,458,894,473
Other Mudaraba Term Deposits (Note-10.3)	35,894,498,634	21,094,533,811
Al-Wadia Current Accounts and Other Accounts (Note-10.4)	24,370,424,268	17,464,009,063
Bills Payable (Note-10.5)	711,515,929	703,856,631
	150,219,920,854	124,898,503,882
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	482,230,611	375,948,891
91% of total Mudaraba Savings Deposits	4,875,887,294	3,801,261,013
	5,358,117,905	4,177,209,904

	2019 Taka	2018 Taka
10.2 Mudaraba Term Deposits- Maturity wise Grouping		
Payable on Demand	754,853,611	1,128,342,893
Up to Three Months	36,643,593,322	39,132,918,697
From Three Months to Six Months	22,939,854,811	22,051,288,798
Above Six Months to One Year	22,472,523,489	17,602,509,737
Above One Year to Two Years	1,060,411,221	1,532,531,459
Above Two Years	14,127,664	11,302,889
	83,885,364,118	81,458,894,473
10.3 Other Mudaraba term Deposits		
Mudaraba Monthly Savings Scheme	4,182,480,661	2,991,947,972
Mudaraba Double Benefit Deposits Scheme	10,521,497,493	7,603,036,073
Mudaraba Monthly Profit Scheme	19,245,071,523	9,053,249,381
Mudaraba Millionaire Savings Scheme	1,120,236,721	880,954,629
Mudaraba Kotipoti Deposit Scheme	88,329,867	70,138,729
Mudaraba Marriage Scheme	65,861,271	30,110,186
Mudaraba Pension Deposit Scheme	140,431	527,627
Mudaraba Hajj Deposit Scheme	29,832,262	18,979,143
Mudaraba Union Pension Prokolpa	125,495,866	96,915,615
Mudaraba Muhor Savings Scheme	25,798,474	10,123,928
Mudaraba Corepoty Sanchaya Scheme	452,648,073	315,347,118
Mudaraba Barakah Deposit Scheme	37,105,992	23,203,410
	35,894,498,634	21,094,533,811
10.4 Al-Wadiah Current Accounts & Other Deposit Accounts		
Al-wadiah Current Deposits	3,816,472,272	4,473,047,451
Mudaraba Short Notice Deposits	19,614,116,312	12,306,491,146
Sundry Deposits (Note-10.4.1)	939,835,684	684,470,466
	24,370,424,268	17,464,009,063
10.4.1 Sundry Deposits		
Security Deposit	395,686,439	294,867,293
Sundry Creditors	40,442,701	42,217,410
Income Tax Deduction at Source -Profit on Deposits	165,949,746	114,010,660
Income Tax on Local L/C	63,535	118,100
Income Tax on Export bill (Foreign)	474,263	3,803,389
Income Tax on Export bill (Local)	214,233	11,865,490
Income Tax on Local/Buying Agents Commission	156,559	154,118
Excise Duty on Deposits & Investments	105,064,617	90,405,128
Tax on Honorarium	11,700	12,500
VAT on Online Charge	39,585	34,343
VAT on Commission TT/DD/PO/LG	49,600	39,693
VAT on Service Charge and Others	3,219,641	3,172,301
VAT Deduction Bills Paid	336,934	1,760,961
VAT Deduction from advertisement Bill	17,850	21,009
VAT on Rent and Others	1,652,608	1,631,006
VAT on Indenting Commission	347,999	-
VAT on L/C Commission	3,002,733	2,079,334
VAT on Postage	24,889	22,989
VAT on Security Service	499,681	12,326
VAT on Swift Charge	62,429	139,509
VAT on L/C Advising Charge	219,343	137,017
VAT on EXP Issue Charge	-	7,890

	2019 Taka	2018 Taka
VAT on Acceptance Commission	3,279,553	4,368,916
VAT on Bank Guarantee Commission	165,501	133,473
VAT on Professional Fee	525	3,900
VAT on FDD Collection charge	68,665	64,411
VAT on commission on export bill	827,448	683,033
VAT on income from ATM	26,067	32,391
VAT in Misc. Earnings	17,547	39,004
Income Tax Deduction at Source - Office rent	557,200	550,273
Income Tax Deduction at Source - Bills	248,659	1,796,182
Income Tax Deduction at Source - Advertising Bill	4,760	3,140
Income Tax Deduction at Source-Employee's	3,762,754	2,933,089
Income Tax on Directors' Fee	-	17,600
Income Tax on Indenting Commission	106,471	268,409
Income Tax on Professional Fee	-	3,435
Marginal Deposit Export	117,751,970	45,037,804
F.C. Held against B.B L/C	42,197,870	33,850,306
Sundry Deposit - Swift charge	11,989,108	8,438,208
Sundry Deposit LAC (Export)	6,303,097	5,641,723
S/D/A/C ATM Charge collection Account	224,402	41,564
D&B Credit report collection fee	1,247	2,178
ATM Charge (NPSB)	1,247,966	447,261
S/D/A/C VAT on Polli Bidyut Samity	2,728,365	4,120,004
Central Fund (RMG Sector)	73,948	141,172
NR. Taka A/C Small World Finance	673,907	2,096,415
Security Deposit A/C Small World Finance	813,000	813,000
NR. Taka A/C Wall street Finance	222,913	214,578
NR. USD A/C Wall street Finance	561,943	505,493
NR. Taka A/C Xpress Money Services	4,041,654	1,447,582
Security Deposit A/C Xpress Money Services	837,500	837,500
Security Deposit A/C Wall Street	744,000	744,000
Income Tax on Cash Subsidy against export	13,800	29,565
S/D Cash incentive against export	25,080	53,970
NR. Tk. A/C Transfast Remittance	1,248,848	1,862,671
Settlement A/C Cash Incentive on Foreign Remittance	20,797,081	-
SD. A/C Transfast Remittance, LLC	735,750	735,750
	939,835,684	684,470,466

10.5 Bills Payable

Pay Order Issued	711,515,929	703,856,631
Demand Draft Issued	-	-
	711,515,929	703,856,631

10.6 Maturity wise Grouping of Deposits and Other Accounts

Repayable within One Month	9,918,520,854	8,625,303,882
One Month to Three Months	47,480,200,000	43,544,600,000
Three Months to One Year	46,939,400,000	42,894,100,000
One Year to Five Years	37,243,300,000	24,114,500,000
Repayable over Five Years	8,638,500,000	5,720,000,000
	150,219,920,854	124,898,503,882

	2019 Taka	2018 Taka
10. A Deposits received from Banks (Note A-1)	29,095,322,794	29,572,235,414
10.B Deposits received from other than Bank		
Payable on Demand (Note B-1)	5,950,054,496	6,237,323,439
Other Deposits (Note B-2)	115,174,543,564	89,088,945,029
	121,124,598,060	95,326,268,468
	150,219,920,854	124,898,503,882
10. A.1 Deposits Received from Banks		
AB Bank Limited	5,455,433	205,985,086
Bangladesh Development Bank Ltd.	400,000,000	250,000,000
Bangladesh Commerce Bank Ltd.	716,500	1,000,000,000
Janata Bank Ltd.	1,300,000,000	1,800,000,000
Islami Bank Bangladesh Ltd.	19,972,560,742	15,276,683,783
Al-arafah Islami Bank Ltd.	1,000,000,000	1,000,000,000
National Bank Ltd.	1,280,000,000	1,280,000,000
Agrani Bank Ltd.	2,000,000,000	4,000,000,000
Sonali Bank Ltd.	656,473,106	1,128,543,750
Social Islami Bank Ltd.	1,813,644,152	710,916,150
Probashi Kallayan Bank Ltd.	110,598,132	155,604,395
Rajshahi Krishi Unnayan Bank Ltd.	536,906,883	-
Rupali Bank Ltd.	-	2,250,000,000
Trust Bank Ltd.	5,704,548	5,506,507
Uttara Bank Ltd.	-	500,000,000
South Bangla Agriculture and Commerce Bank Ltd.	95,815	89,432
Southeast Bank Ltd.	470,603	-
First Security Islami Bank Ltd.	1,752,606	6,785,274
Exim Bank Ltd.	710,258	-
NRB Global Bank Ltd.	10,234,016	2,121,037
	29,095,322,794	29,572,235,414
Maturity wise Grouping of Deposits Received from Banks		
Repayable on Demand	-	-
Repayable within One Month	11,011,344,673	10,208,087,269
Repayable over One Month but within Six Months	17,971,229,489	19,208,543,750
Repayable over Six Months but within one Year	112,748,632	155,604,395
Repayable over One Year but within Five Years	-	-
Repayable over Five Years but within Ten Years	-	-
Unclaimed Deposits for Ten Years and above	-	-
	29,095,322,794	29,572,235,414
B-1 Payable on Demand		
Al-wadiah Current Deposits	3,816,472,272	4,473,047,451
Mudaraba Saving Deposits (9%) (Note-10.1)	482,230,611	375,948,891
Bills Payable (Note-10.5)	711,515,929	703,856,631
Sundry Deposits (Note-10.4.1)	939,835,684	684,470,466
	5,950,054,496	6,237,323,439
B-2 Other Deposits		
Mudaraba Saving Deposits (91%) (Note-10.1)	4,875,887,294	3,801,261,013
Mudaraba Term Deposits	65,801,385,997	62,094,746,328
Mudaraba Short Notice Deposits	8,602,771,639	2,098,403,877
Other Mudaraba Term Deposits (Note-10.3)	35,894,498,634	21,094,533,811
	115,174,543,564	89,088,945,029

11 OTHER LIABILITIES

	2019 Taka	2018 Taka
Inter - branch Transaction Account	-	-
Provision for Taxation (Note-11.1)	3,725,521,174	2,802,011,265
Accumulated Provision against Investments (Note-11.2)	3,115,000,000	1,901,919,545
Accrued Profit and Expenses Payable (Note-11.3)	3,005,316,850	2,443,536,670
Provision for Gratuity (Note-11.4)	85,067,446	35,307,446
Provisions for diminution in value of Investments in share (Note-11.5)	21,800,000	8,500,000
Provision for Zakat	36,000,000	26,500,000
Provision for Expenses on Mudaraba Subordinated Bond	126,198,476	-
Other provisions (11.2.4)	10,678,017	8,618,678
Provident Fund	661,466	325,108
Benevolent Fund	76,324	161,395
Provision for Incentive Bonus	142,838,196	141,850,904
Provision for Audit fee	345,000	345,000
Clearing adjustment account	2,779,389	3,008,619
Compensation Realized	250,780,831	20,803,930
ATM Adjustment (NPSB)	3,755,960	2,671,289
Profit Rent Suspense	396,930,595	132,069,802
Compensation Receivable	187,687,776	46,610,547
Others	30,314,235	41,023,842
	11,141,751,735	7,615,264,040

11.1 Provision for Taxation

Opening balance	2,802,011,265	1,986,486,207
Add : Provision made during the year	923,509,909	815,525,058
Less: Adjustment/settlement during the year	-	-
Closing balance	3,725,521,174	2,802,011,265

Tribunal order has been completed and waiting for the notice of the demand for the assessment year 2014-2015 and assessment year 2015-2016 at Appellate stage. Assessment year 2016-2017, 2017-2018 and 2018-2019 return have been submitted u/s 82BB of Income Tax Ordinance 1984 but not yet completed and assessment for the year 2019-2020 not yet due.

11.2 Accumulated Provision against Investments

Specific Provision for Classified Investments (Note -11.2.1)	1,520,000,000	530,019,545
General Provision for Unclassified Investment (Note -11.2.2)	1,493,000,000	1,274,900,000
General Provision for off- balance sheet exposure (Note -11.2.3)	102,000,000	97,000,000
	3,115,000,000	1,901,919,545

11.2.1 Movement in Specific Provision for Classified Investments

Provision held at the beginning of the year	530,019,545	200,000,000
Fully Provided Debts written off	-	(16,780,455)
Recoveries of amounts previously written off	-	-
Specific Provision for the year (Note-11.2.a)	989,980,455	346,800,000
Recoveries and Provisions no longer required	-	-
Net Charge to Profit and Loss Account	-	-
Provision held at the end of the year	1,520,000,000	530,019,545

11.2.2 General Provision for Unclassified Investments

Provision held at the beginning of the year	1,274,900,000	1,075,900,000
Addition/transfer during the year (Note-11.2.a)	218,100,000	199,000,000
Provision held at the end of the year	1,493,000,000	1,274,900,000

	2019 Taka	2018 Taka
11.2.3 General Provision for off-balance sheet exposure		
Provision held at the beginning of the year	97,000,000	75,000,000
Addition/transfer during the year (Note-11.2.a)	5,000,000	22,000,000
Provision held at the end of the year	102,000,000	97,000,000
11.2.4 Other Provisions		
Provision held at the beginning of the year	8,618,678	6,559,339
Addition/transfer during the year	2,059,339	2,059,339
Provision held at the end of the year	10,678,017	8,618,678
Other provisions consist of provision for Good Borrower, Climate Risk Fund and ICT Equipment Insurance Premium Fund.		
11.2.4.1 Provision for Good Borrower		
Provision held at the beginning of the year	7,500,000	6,500,000
Addition/transfer during the year	1,000,000	1,000,000
Provision held at the end of the year	8,500,000	7,500,000
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	989,980,455	346,800,000
General Provision for Unclassified Investments	218,100,000	199,000,000
General Provision for off- balance sheet exposure	5,000,000	22,000,000
	1,213,080,455	567,800,000
11.3 Accrued Profit and Expenses Payable		
Mudaraba Term Deposit Receipt	2,057,652,673	1,722,604,796
Mudaraba Monthly Benefit Savings Scheme	184,511,776	134,811,440
Mudaraba Double Benefit Savings Scheme	574,719,896	468,478,103
Mudaraba Monthly Profit Scheme	98,201,207	47,983,727
Mudaraba Pension Prokolpa	6,301,561	5,181,982
Mudaraba Marriage Deposit Scheme	2,498,801	1,133,363
Mudaraba Hajj Deposit Scheme	1,191,950	763,743
Mudaraba Millionaire Savings Scheme	54,167,756	44,717,199
Mudaraba Kotipoti Deposit Scheme	4,240,972	3,293,467
Mudaraba Pension deposit Scheme	15,356	50,832
Mudaraba Mohor Saving Scheme	870,284	328,752
Mudaraba Corepoty Sanchaya Prokalpa	19,380,999	13,341,344
Mudaraba Barakah Deposit Scheme	1,563,619	847,922
	3,005,316,850	2,443,536,670
11.4 Provision for Gratuity		
Opening Balance	35,307,446	23,567,446
Add: Provision made during the year	85,000,000	35,240,000
	120,307,446	58,807,446
Less: Adjustment	35,240,000	23,500,000
Closing Balance	85,067,446	35,307,446

	2019 Taka	2018 Taka
11.5 Provisions for diminution in value of Investments in share		
Opening Balance	8,500,000	2,500,000
Add: Provision made during the year	13,300,000	6,000,000
	21,800,000	8,500,000
Less: Adjustment	-	-
Closing Balance	21,800,000	8,500,000
11.a Deferred Tax Liabilities/(Assets)		
Opening Balance	(43,689,446)	(28,199,024)
Add: Addition during the year	(38,509,909)	(15,490,422)
	(82,199,355)	(43,689,446)
Less: Adjustment	-	-
Closing Balance	(82,199,355)	(43,689,446)
12 CAPITAL		
AUTHORISED CAPITAL		
1,000,000,000 Ordinary Shares of Taka 10 each.	10,000,000,000	10,000,000,000
12.1 Issued, Subscribed and Paid-Up Capital		
527,296,000 Ordinary Shares of Taka 10 each issued	5,272,960,000	5,272,960,000
12.2 Category of shareholding as at 31 December 2019		
<u>Name of Category</u>	<u>Percentage (%)</u>	<u>Percentage (%)</u>
Sponsors/Directors	100.00	100.00
Financial Institutes	-	-
Non-Resident Bangladeshi	-	-
General Public	-	-
	100.00	100.00
12.3 Classification of Shareholders by holding position as at 31 December 2019		
<u>Shareholding Range</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
Less than 500 Shares	-	-
501 to 5000 Shares	-	-
5001 to 10,000 Shares	-	-
10,001 to 20,000 Shares	-	-
20,001 to 30,000 Shares	-	-
30,001 to 40,000 Shares	-	-
40,001 to 50,000 Shares	-	-
50,001 to 100,000 Shares	-	-
100,001 to 1,000,000 Shares	-	-
Over 1,000,001 Shares	527,296,000	100.00
	527,296,000	100.00

	2019 Taka	2018 Taka
12.4 Regulatory Capital Requirement in line with Basel-III		
<u>I. Tier - 1 Capital</u>		
<u>a. Common Equity Tier-1 Capital (CET-1)</u>		
Paid up Capital	5,272,960,000	5,272,960,000
Statutory Reserve	1,523,468,581	1,227,575,435
Other Reserve	145,749,665	145,749,665
Retained Earnings	1,508,442,504	1,209,869,922
	8,450,620,750	7,856,155,022
<u>b. Additional Tier –1 Capital (AT-1)</u>	-	-
Total Tier 1 Capital (a + b)	8,450,620,750	7,856,155,022
<u>II. Tier –2 Capital</u>		
General Provision	1,595,000,000	1,371,900,000
Mudaraba Subordinated Bond	4,000,000,000	-
	5,595,000,000	1,371,900,000
A. Total Regulatory Capital (I+II)	14,045,620,750	9,228,055,022
B. Total Risk Weighted Assets	114,773,056,597	90,145,366,888
C. Minimum Capital Requirement	11,477,305,660	9,014,536,689
D. Capital Surplus/(Shortfall); (A - C)	2,568,315,090	213,518,333
Capital to Risk Weighted Assets Ratio (CRAR)	12.24%	10.24%
Capital to Risk Weighted Assets Ratio (CRAR):	Held	Held
a. Common Equity Tier-1 Capital to Risk Weighted Assets	7.36%	8.71%
b. Tier - 1 Capital to Risk Weighted Assets	7.36%	8.71%
c. Tier - 2 Capital to Risk Weighted Assets	4.88%	1.53%
Total (b+c)	12.24%	10.24%
The Bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) at 12.24% for the year ended 31 December 2019. Noted that according to the Basel - III implementation roadmap, Banks were instructed to maintain CRAR at 12.50% consist of Minimum Capital at 10% plus Capital Conservation Buffer (CCB) at 2.50% by December 2019.		
13 STATUTORY RESERVE		
Opening Balance	1,227,575,435	876,837,431
Transferred during the year from Profit & Loss A/C	295,893,146	350,738,005
Closing Balance	1,523,468,581	1,227,575,435
14 OTHER RESERVE	145,749,665	145,749,665
15 RETAINED EARNINGS		
Opening Balance	1,209,869,922	606,952,540
Add: Net Profit after tax for the year	594,465,728	953,655,387
Less: Transferred to Statutory Reserve	295,893,146	350,738,005
Less: Transferred to Paid up Capital	-	-
Closing Balance	1,508,442,504	1,209,869,922

	2019 Taka	2018 Taka
16 LETTER OF GUARANTEES		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Letters of Guarantee - Local	1,633,366,306	605,602,026
Letter of Guarantee - Foreign	-	-
	1,633,366,306	605,602,026
16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	1,633,366,306	605,602,026
	1,633,366,306	605,602,026
17 IRREVOCABLE LETTERS OF CREDIT		
Letters of Credit - Cash	2,568,111,806	1,653,071,250
Letter of Credit - Cash Inland	-	-
Back to Back Letters of Credit - Local	229,601,279	306,633,285
Back to Back Letters of Credit - Foreign	160,807,395	158,025,771
	2,958,520,480	2,117,730,306
18 BILLS FOR COLLECTION ISSUED BY THE BANK		
Foreign Documentary Bills	228,694,018	356,897,050
Outward Bills	-	-
Inland Documentary Bills	1,166,915,574	890,315,318
	1,395,609,592	1,247,212,368
19 INVESTMENT INCOME		
Profit Received from:		
Deposit with Other Banks	559,786,607	603,383,674
Bai Murabaha - General	127,461,506	249,479,396
Bai Murabaha Hypothecation	12,374,016	25,845,131
Bai Murabaha against MTDR	4,262,505,755	3,642,300,850
Bai Murabaha - TR	8,047,415,712	5,717,927,200
Bai Murabaha - Agriculture	56,099,321	56,423,317
Musharaka - MDB	2,410,679,717	2,033,126,218
Bai Muajjal Guarantee	3,160,061	166,887
Bai Muajjal Real Estate	76,544,074	80,402,785
Bai Murabaha Post Import Bill - TR	252,584,312	336,916,170
HPSM Transport	23,966,510	20,090,473
HPSM Industry	80,895,000	84,885,398
HPSM Real Estate	212,856,187	183,765,906
HPSM Employees House Building	18,753,232	13,072,625
HPSM Machinery	203,084,772	220,926,071
HPSM Consumer Durables	4,700,934	5,311,220
HPSM SME	90,388	1,986
HPSM Rural House Building	637,030	1,752,757
Quard against MTDR	3,750	-
Bill Purchased - Foreign	1,620,550	410,561
Bai Murabaha Import Bill (MIB)	157,664,060	86,856,825
Bai Murabaha EDF Investments	22,022,847	13,015,683
Back to Back Bill	79,510,619	103,245,178
Bai Muajjal against Import Bill	116,430,094	63,978,682
Bai Istisna	5,586,573	7,585,068
	16,736,433,627	13,550,870,061

2019 Taka	2018 Taka
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20 PROFIT PAID ON DEPOSITS

Profit Paid on:

Mudaraba Term Deposit	7,447,779,066	6,476,253,366
Mudaraba Double Benefit Deposits Scheme	1,004,160,110	847,030,567
Mudaraba Monthly Savings Scheme	326,392,214	225,499,205
Mudaraba Monthly Benefit Savings Scheme	1,437,527,836	800,707,436
Bangladesh Government Islami Bond	404,619,391	380,694,904
Mudaraba Savings Deposits	134,114,879	110,941,282
Mudaraba Short Notice Deposits	1,179,190,270	624,222,057
Mudaraba no Frill Savings Deposits	330,068	189,496
Mudaraba Marriage Scheme	4,038,720	1,972,113
Mudaraba Union Pension Prokolpo	10,709,281	8,547,200
Mudaraba Pension Deposit Scheme	23,578	57,045
Mudaraba Millionaire Deposit Scheme	94,811,687	75,886,650
Mudaraba Hajj Deposit Scheme	2,014,555	1,215,397
Mudaraba Mohor Savings Scheme	1,377,715	503,959
Mudaraba Corepoty Savings Scheme	32,867,319	21,979,238
Mudaraba Kotipoti Deposit Scheme	8,702,192	6,596,360
Mudaraba Barakah Deposit Scheme	2,514,743	1,443,744
Mudaraba Subordinated Bond	221,998,476	-
	12,313,172,100	9,583,740,019

21 INCOME FROM INVESTMENT IN SHARES AND SECURITIES

Bangladesh Govt. Islamic Investment Bond	275,476,897	102,257,736
Other Bond	25,696,210	30,642,500
Profit/(Loss) on sale of shares	227,028	4,837,963
Dividend Income	223,954	135,000
	301,624,089	137,873,199

22 COMMISSION, EXCHANGE AND BROKERAGE

Commission	197,047,325	198,575,476
Exchange Gain	119,905,377	56,263,533
Exchange Earning	126,149,479	66,403,826
Less: Exchange Loss	6,244,102	10,140,293
	316,952,702	254,839,009

23 OTHER OPERATING INCOME

Account maintenance charge	27,767,643	27,966,212
Clearing cheque processing fee	160,518	152,061
Investment processing fee	100,006,155	24,952,184
Miscellaneous Earnings	38,118,987	26,658,676
	166,053,303	79,729,133

	2019 Taka	2018 Taka
24 SALARY AND ALLOWANCES		
Basic Salary	459,142,026	359,669,739
Bonus	172,258,789	183,691,602
Bank's Contribution to Staff Provident Fund	41,314,560	30,104,473
Gratuity	85,000,000	35,240,000
House Rent Allowance	248,972,636	184,650,202
Conveyance Allowance	41,595,796	30,670,150
Leave Fare Allowance	79,801,278	114,970,403
Entertainment Allowance	17,493,968	29,844,339
Medical Allowance	62,621,485	45,576,176
Utility Services	39,011,636	45,358,525
House Maintenance Allowance	45,246,494	47,536,542
Bengali New Year Allowance	6,692,346	6,003,131
Other Allowances	6,111,576	5,482,995
	1,305,262,590	1,118,798,277
25 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Rent	276,336,229	239,348,432
Insurance	38,170,843	57,287,408
Rates and Taxes	10,156,606	3,497,357
Water Charges	1,068,428	791,697
Gas Charges	383,618	354,636
Electric Bills	40,158,240	34,458,836
	366,273,964	335,738,366
26 LEGAL EXPENSES		
Law Charges	344,355	91,750
Stamp	42,429	41,163
Other Professional Charges	18,938,964	603,035
	19,325,748	735,948
27 POSTAGE, STAMP AND TELECOMMUNICATION etc.		
Telephone - Office	4,342,913	4,521,402
Telegram, Telex, Internet, Fax and Email charge	9,891,132	8,952,038
Stamp	5,220	38,970
Telephone - Residence	1,900	5,682
Swift charge	5,832,489	4,418,676
Postage	4,243,001	4,024,464
	24,316,655	21,961,232
28 STATIONERY, PRINTING AND ADVERTISEMENT etc.		
Publicity and Advertisement	28,148,980	19,698,651
Printing and Stationery	20,409,033	27,696,517
	48,558,013	47,395,168
29 CHIEF EXECUTIVE'S SALARY & FEES		
Basic Pay	3,900,000	3,900,000
House Rent Allowances	1,500,000	1,500,000
Leave Fare Allowance	1,500,000	1,500,000
Bonus	1,650,000	1,650,000
Bengali New Year Allowance	65,000	65,000
House Maintenance Allowance	1,500,000	1,500,000
	10,115,000	10,115,000

	2019 Taka	2018 Taka
30 DIRECTORS' FEES & EXPENSES		
Fees	1,398,400	1,536,400
Travel	1,585,500	1,155,000
	2,983,900	2,691,400
31 SHARIA'H SUPERVISORY COMMITTEE'S FEES AND EXPENSES		
Fees	266,800	174,800
Travel	90,000	60,000
	356,800	234,800
32 DEPRECIATION AND REPAIRS TO FIXED ASSETS		
Depreciation on Fixed Assets (Annexure - A)	191,892,636	173,126,537
Repairs:	44,923,868	55,130,326
Office equipment	23,033,481	24,710,972
Renovation and Maintenance of Office Premises	69,730	32,757
Furniture and Fixtures	172,789	216,140
Repair & Maintenance of Vehicle	21,647,868	30,170,457
	236,816,504	228,256,863
33 OTHER EXPENSES		
Car Expense	49,246,833	48,792,149
Wages	153,523,645	126,720,977
Traveling	10,273,096	10,418,149
Donation and Subscription:		
Donation	139,112,870	43,869,570
Subscription	3,731,163	8,182,467
Newspaper and Periodicals	496,347	412,878
Entertainment	21,573,790	18,734,695
Conveyance	5,992,917	5,546,011
Bank charges	7,680,676	4,226,999
Holiday Banking allowances	1,621,911	1,033,505
Medical Expense	8,031,387	6,739,072
Training, Seminar and Workshop	4,458,729	3,311,553
Photocopy, Photograph & Toner	2,165,590	2,172,512
Generator Expenses	5,389,860	5,272,906
Washing and Cleaning	442,113	424,620
Online Expenses	2,294,257	2,632,599
Office Maintenance	11,187,242	8,683,989
Crockery Expense	277,475	244,921
Meeting Expenses	13,500,059	14,064,233
ATM Expenses	5,452,276	2,997,731
Miscellaneous Expenses	3,179,689	2,423,431
	449,631,925	316,904,967
34 EARNINGS PER SHARE (EPS)		
A. Net Profit after Tax	594,465,728	953,655,387
B. Weighted Average Number of Ordinary Shares	527,296,000	527,296,000
Earnings Per Share (A/B)*	1.13	1.81

	2019 Taka	2018 Taka
35 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Account maintenance charge	27,767,643	27,966,212
Clearing cheque processing fee	160,518	152,061
Investment processing fee	100,006,155	24,952,184
Miscellaneous Earnings	38,118,987	26,658,676
	166,053,303	79,729,133
36 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Rent, Taxes, Insurances, Electricity etc.	366,273,964	335,738,366
Legal Expenses	19,325,748	735,948
Postage, Stamps, Telecommunications etc.	24,316,655	21,961,232
Directors' fees	2,983,900	2,691,400
Sharia'h Supervisory Committee's fees and expenses	356,800	234,800
Auditor's Fee	345,000	690,000
Repair of Fixed Assets	44,923,868	55,130,326
Zakat Expenses	36,000,000	26,500,000
Other Expenses	449,631,925	316,904,967
	944,157,860	760,587,039
37 INCREASE / DECREASE OF OTHER ASSETS		
Inter - branch Transaction Account	3,790,159,506	389,599,438
Advances, Deposits and Prepayment	400,764,648	3,130,565,482
Stock of Stationery	10,740,985	8,457,934
Suspense Account	233,099,624	216,790,009
Stamps on Hand	2,063,539	1,562,474
	4,436,828,302	3,746,975,337
(Increase)/Decrease during the year	(689,852,965)	(1,115,885,000)
38 INCREASE / DECREASE OF OTHER LIABILITIES		
Provision for Zakat	36,000,000	26,500,000
Benevolent Fund	76,324	161,395
Clearing Adjustment Account	2,779,389	3,008,619
Others	997,131,553	244,643,088
	1,035,987,266	274,313,102
Increase /(Decrease) during the year	761,674,164	116,634,998
39 NUMBER OF EMPLOYEES		
Executives and Officers	1,265	1,188
Members of Staff (Contractual)	315	289
	1,580	1,477

40 RELATED PARTY TRANSACTIONS

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

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

<u>Name of the Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Total Value (in Taka)</u>
Times Securities Ltd.	Trading of Share (Investment of Share)	Common Director	<u>44,062,131</u>

ii) Related Party Transactions Nil

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

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

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

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

41 DIRECTORS' INTEREST IN DIFFERENT BUSINESSES OR ENTITIES

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

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor,
3	Ms. Marzina Sharmin	Director	Managing Director Unique Investment & Securities Limited Times Securities Limited Director Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd. Proprietor M/s. Marzina Trading
4	Rashedul Alam	Director	Managing Director Global Trading Corporation Ltd. Director S. Alam Steels Ltd. Bangladesh Petro Chemical Ltd. S. Alam Hatchery Ltd. Ocean Resorts Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd. Proprietor Rafe Enterprise Khurshed Poribohon Sangstha
5	Showkat Hossain, FCA	Director	Senior Partner Hoda Vasi Chowdhury & Co. Director Chattogram WASA
6	Ms. Farzana Begum	Director	Managing Director Shah Amanat Prakritik Gas Co. Ltd. Lion Securities & Investment Ltd. Director Global Trading Corporation Ltd. Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd. Proprietor M/s. Farzana Trading Enterprise
7	Mohammad Fazlay Morshed	Director	Managing Director MRM Trading Ltd. Chattogram Logistic Ltd. Worth Avenue Steels Ltd. Adviser C&A Fabrics Ltd.
8	Ms. Halima Begum	Director	Proprietor Brothers Syndicate Halima Trading Enterprise

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor,
9	Ms. Sarwar Jahan Maleque	Director	Director JESCO Bangladesh Ltd. Vice Chairman JESCO Capital Management Ltd.
10	Md. Abdul Quddus	Independent Director	EX- Managing Director NRB Global Bank Ltd. EX- Chief Executive Officer (CEO) First Security Islami Bank Foundation
11	Md. Enayet Ullah, FCA	Independent Director	Partner Shafiq Basak & Co., Chartered Accountants Ex-Adviser Shafiq Basak & Co., Chartered Accountants Ex-Partner Khan Wahab Shafique Rahman & Co.

42 AUDIT COMMITTEE

(a) Constitution

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

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

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

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

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

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

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

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

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

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

43 EVENTS AFTER BALANCE SHEET DATE

a) The Board of Directors of the Bank in its 67th Board meeting held on 25 June 2020 approved the financial statements of the Bank for the year ended 31 December 2019 and recommended 5% cash dividend and 6% stock dividend for shareholders for the year 2019 to be approved in the next Annual General Meeting and authorized the same for issue.

b) 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

Date: 25 June 2020

UNION BANK LIMITED
Schedule of Fixed assets
As at 31 December 2019

Figure in Taka

Particulars	COS T				DEPRECIATION				Written down value as on 31 December'19
	Balance as on 01 January'19	Addition during the period	Sales/Transfer during the period	Balance as on 31 December'19	Balance as on 01 January'19	Charged for the period	Adjustment on sale/transfer during the period	Balance as on 31 December'19	
Land	-	2,666,750,340		2,666,750,340	-	-	-	-	2,666,750,340
Furniture & Fixtures	781,344,464	66,555,349	-	847,899,813	199,987,758	65,169,403	-	265,157,161	582,742,652
Office Equipment	814,988,443	43,575,395	-	858,563,838	296,850,845	113,604,528	-	410,455,373	448,108,465
Vehicles	101,456,719	10,015,000	-	111,471,719	78,428,181	13,092,261	-	91,520,442	19,951,277
Books	254,304	98,503	-	352,807	88,369	26,444	-	114,813	237,994
Total Dec' 2019	1,698,043,930	2,786,994,587	-	4,485,038,517	575,355,153	191,892,636	-	767,247,789	3,717,790,728
Total Dec' 2018	1,252,228,424	445,815,506	-	1,698,043,930	402,228,616	173,126,537	-	575,355,153	1,122,688,777

UNION BANK LIMITED
FINANCIAL HIGHLIGHTS

For the year ended 31 December 2019

Figure in Taka

SL #	Particulars	2019	2018
1	Paid-up Capital	5,272,960,000	5,272,960,000
2	Total Regulatory Capital	14,045,620,750	9,228,055,022
3	Total Regulatory Capital Surplus/(deficit)	2,568,315,090	213,518,333
4	Total Assets	180,023,946,427	148,583,765,200
5	Total Deposits	150,219,920,854	124,898,503,882
6	Total Investments	146,459,574,948	119,934,385,113
7	Total Contingent Liabilities and Commitments	11,573,330,051	9,839,281,673
8	Investment Deposit Ratio (in %)	92.48%	92.96%
9	Percentage of Classified Investments against total Investments (in %)	3.64%	0.97%
10	Profit before Provision and Tax	2,707,905,522	2,329,549,362
11	Amount of Classified Investments	5,336,826,003	1,164,783,674
12	Provision kept against Classified Investments	1,520,000,000	525,461,000
13	Investments Provision Surplus/(deficit)	68,693,795	105,919,545
14	Cost of Fund	11.08%	10.31%
15	Profit Earning Assets	159,022,359,825	132,907,486,419
16	Non-profit Earning Assets	21,001,586,602	15,676,278,781
17	Income from Investments	16,736,433,627	13,550,870,061
18	Return on Investment (ROI)(in %)	11.43%	11.30%
19	Income from Investment in Shares & securities	301,624,089	137,873,199
20	Return on Investment in Shares & securities (ROI)(in %)	4.96%	2.70%
21	Return on Assets (ROA)(in %)	0.36%	0.68%
22	Earnings Per Share (Tk.)	1.13	1.81
23	Net Income Per Share (Tk.)	1.13	1.81
24	Price Earnings Ratio (Times)	N/A	N/A