

REPORTS



DIRECTORS' REPORT



Bismillahir Rahmanir Rahim

Assalamu Alaikum

Dear Shareholders,

We are delighted to welcome you all on behalf of the Board of Directors to the 9th Annual General Meeting of the Bank being held today through Digital Platform. It is an immense pleasure and privilege on the part of Directors to present the Directors' Report and Auditors' Report together with the audited financial statements of the Bank for the year ended 31st December 2021 for your valued consideration, adoption and approval. The report and Financial Statements of the Bank have been prepared in accordance with the regulations, standards & relevant sections mentioned in the Company Act 1994, the Bank Company Act 1991, Bangladesh Bank Circulars & guidelines, other applicable rules & regulations of Stock Exchanges and the respective Regulatory Authorities.

Before we present the performance of the Bank, we would like to briefly share with you the present macroeconomic and banking scenarios.

GLOBAL ECONOMY

Global economic recovery from the COVID-19 pandemic hinges on a delicate balance amid new waves of infection, labour market challenges, lingering supply-side constraints and rising inflationary pressures weighing heavily on near-term growth prospects. Easing supply-side disruptions and containing inflation are crucial to support global growth. The global economy grew by 5.5 percent in 2021 the highest growth rate since 1976 after contracting by 3.4 percent in 2020. World gross product in 2021 was 1.9 percent higher than in 2019 but still 3.3 percent below the level projected before COVID-19. The recovery of output in 2021 largely represented the resumption of household spending and investment, which had come to a screeching halt in 2020 amid lockdown measures worldwide. The world economy is projected to grow by 4 percent in 2022 and 3.5 percent in 2023. But these aggregate figures mask strong divergence in growth prospects as a significant number of developing countries are struggling to recover from the pandemic.

Global headline inflation surged to an estimated 5.2 percent in 2021, however, more than 2 percentage points above its trend rate in the past 10 years. The rise was particularly pronounced in the United States and the euro area, and in Latin America and the Caribbean. This rise in inflation in 2021 was largely due to a unique combination of a stronger than anticipated rebound of demand and high commodity prices. Commodity prices surged, with steep increases in metals, coal, crude oil and natural gas. Food prices shot up by 22 percent in 2021, reaching their highest level in a decade, spurred by sharp increases in vegetable oil, cereal and dairy prices (FAO, 2021).

Global economy faced many risks in 2021 such as health, limited space of fiscal and monetary policies, supply constraints, labor market distortions, external conditions and structural shifts. A slowdown in the world's largest economies, left the producers scampering for components, raw materials as well as finished goods. A rise in geopolitical tensions among US and Russia and US and China along with inflation, debt, and income inequality endangered the recovery in emerging and developing economies. These risks have tilted to downsize global economic recovery and heighten global financial disruptions in 2022.

The international community also needs to work closely to ensure that financially constrained economies have adequate access to international liquidity so that they can continue health care, other social, and infrastructure spending required for their development and continued convergence to higher income per capita. Beyond addressing issues arising directly from the pandemic, countries should also work closely to redouble climate change mitigation efforts and to resolve economic issues underlying trade and technology tensions as well as close gaps in the rules-based multilateral trading system.

Now, International Policy Cooperation remains crucial. It depends on multilateral and cooperative approaches in key areas. The future outlook for health and economic variables remains uncertain and challenging. Any delay in decisive policy actions among countries will significantly increase the ultimate costs. Thus, policymakers must have immediate concerns to deal with macro prudential policies appropriately trained on containing financial stability risks. Without offsetting policy action, the crisis will have persistent effects over the medium and long term on firms, industries, labor markets, and human capital accumulation.

BANGLADESH ECONOMY

Bangladesh's economy is turning around in the context of tackling the coronavirus of the world economy. According to the provisional estimates of BBS, the GDP growth in FY 2020-21 stood at 5.47 percent. Despite the stagnation in the economy caused by the coronavirus, food production and supply chains remained unaffected, leading to inflation at 5.56 percent in FY 2020-21, slightly higher than the target (5.4%). Both export and import in Bangladesh have showed a sign of recovery after a sharp decline in FY 2019-20. In FY 2020-21, Bangladeshi expatriates remittance stood at US\$ 24,777.72 million which was significantly higher (36.10%) than the previous fiscal year. In FY 2020-21, current account balance deficit stood at US\$ 3,808 million on the back of robust remittance inflows compared to a US\$ 4,724 million deficit in the previous year. Financial account and capital account showed surplus during this time. Therefore, the overall balance recorded the surplus of US\$ 9,274 million in FY 2020-21 compared to US\$ 3,169 million surplus in the previous year. As a result, the foreign exchange reserves increased to a record US\$ 46.39 billion at 30 June 2021. During this period, a marginal (0.05%) depreciation in exchange rate of Taka with the US dollar is being observed. As per the directives of Honorable Prime Minister, activities are carried out under 21 stimulus packages of Tk. 1,20,153 crore in FY 2019-20 for additional expenditure in healthcare sector, emergency humanitarian assistance and economic recovery to address the COVID-19 pandemic. The number of the stimulus packages has further been increased to 23 in FY 2020-21 and the amount of fiscal and stimulus packages till April 2021 is Tk. 1,28,441 crore, which is 4.2 percent of GDP. As a result of these actions taken by the government, the economy is expected to turn around.

To achieve its vision of attaining upper middle income status by 2031, Bangladesh needs to create jobs and employment opportunities through a competitive business environment, increased human capital and skilled labor force, efficient infrastructure, and a policy environment that attracts private investments. Other development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions. Addressing infrastructure gaps would accelerate growth and reduce spatial disparities in opportunities across regions and within cities. Addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation.

BANKING SECTOR

The Banking sector started with new hope and opportunities in 2021 but in March the second wave of COVID-19 hit, quickly slowing down the private sector credit and money started accumulating in the Banks. Full scale resumption of economic activities slowed down. The deposit rate fell below the inflation rate although Bangladesh Bank swiftly stepped in to declare that deposit rates could not go below the inflation rate. The domestic money market became volatile under import pressure as USD prices rose sharply. Non-performing loans (NPL) kept rising throughout the year 2021 though default loans were hiding behind the smock screen of loan moratoriums. Needless to say if this situation continues, it will be a cause of concern for Bangladesh's banking and business sector in 2022.

The economic development of Bangladesh is heavily reliant on the banking industry. Deposits are the blood of this industry which continued to be the main sources of funds of the banking industry. At the end of December 2021, deposit of the Banking system stood at BDT 14,09,911.90 crore which is 9.19 percent increase compared to the previous year's total deposit amounting BDT 12,91,221.50 crore. On the other hand, the total credit of the private sector reached BDT 12,63,247.50 crore on December 2021 which is 10.68 percent increase against the amount BDT 11,41,303.00 crore of the year 2020. The country's Foreign Exchange Reserve kept a great increase. It was USD 46,153.9 million on December, 2021 whereas it amounted USD 43,166.5 million on December, 2020.

Care must be taken to formulate a plan. The transition to a post-COVID-19 economy will require sectoral reallocation to revive the economy that is directly connected to Banking Industry. In this decade (From 2021 to 2030), the banking industry will have to achieve the ability to absorb shocks arising from any pandemic situation, and financial and economic stress, improve risk management and governance, and strengthen banks' transparency and disclosures. It is high time for the regulators to return to applying the banking rules and regulations uniformly for all and not to give special consideration to anyone and any business. Additionally, the regulators must identify the willful defaulters and instead of rescheduling their loans, take legal measures necessary to try and recover their borrowing. Otherwise, the good borrowers will continue to suffer by having to pay higher interest on loans. The economy will continue to suffer the repercussions of inefficiently utilizing its resources. The coming year will be more challenging. For this, the regulatory bodies have to be more careful in formulation their plans.

AN OVER VIEW OF UNION BANK LIMITED

Union Bank Limited has spanned its ninth year journey successfully by setting up a long-term development strategy towards our mission and vision. Despite the pressure of the slowdown in Bangladesh economy as well as world economy, customer service of our Bank has improved significantly. Customers are using digital channel to make any kind of transaction. It has been possible for hard working, competent and trained officials to retain a steady growth in the year of 2021 like the previous years. At the end of year 2021, total deposit of our Bank stood at BDT 200,229.79 million which is 15.93 percent growth compared to the previous year's total deposit at BDT 172,710.50 million. On the other hand, total investment recorded BDT 193,822.28 million which is 16.52 percent increase against BDT 166,337.19 million of the previous year. Total import of the bank for the year 2021 is BDT 10,448.40 million (Eqvt. USD 122.42 million) and the figure for export stood for BDT 4,121.70 million (Eqvt. USD 48.29 million). Hopefully, the growth of Export-Import business of the Bank will be improved more as the economic recovery is anticipated on track.

Union Bank Limited being a forward intellectual, has been building a large network of touch points and providing high quality customer services through the integration of the latest banking technologies, such as Internet Banking and UniON apps and Shari'ah based products by maintaining corporate and business ethics and transparency at all levels. The bank is always committed to provide quality global banking service to its clients and unlock the sleeping potentials of missing middle of the country who are beyond the coverage of corporate banking service, focus on rural & micro economic developments, bring the unbanked rural people under the umbrella of banking service with state-of-the-art technology. In the year 2021, Union Bank Limited has accomplished 79 successful corporate agreements with renowned organizations of the country for ensuring the exclusive privileges for employees and debit Cardholders of the bank and building a strong brand image in the competitive marketplace. In the beginning of 2021, 06 (Six) new deposit products have been launched by to enter new customer segment. Being newly direct Agent of MoneyGram International Money Transfer & Prabhu Money (Prabhu Group Inc. USA), the remittance business of our Bank has speeded up. At present UBL is disbursing remittance being affiliated with 14 (Fourteen) remittance houses by which migrant workers are remitting the money home. In Bangladesh, remittances are the second-largest source of foreign currency income after exports.

During this year 2021, we have been able to open 09 (Nine) new branches and 17 (Seventeen) Sub-Branches both in rural and urban areas. At the end of the year, we have total 104 branches and 31 Sub-Branches which are ensuring convenience to the customers at all times to serve Bank's mission. We are establishing new ATM booths in different parts of the country. In order to guide the employees of the Bank, the Code of Conduct is designed. As a business enterprise, UBL is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness and professionalism which will make quality manpower. Union Bank Limited having its own Training Institute can ensure proper training to its manpower.

BANK'S PERFORMANCE IN 2021

In spite of grim situation of the economy, Union Bank Limited has moved forward, materializing its strategy with shariah based product and services. The integration of the advanced equipment like Union Apps with state-of-the-art technology has eased the life style of the clients. They are making transactions, sitting at home by the use of the Union App and internet Banking. Deposits and investment have increased by 15.93 percent and 16.52 percent respectively in 2021 compared to the previous year 2020. Besides, the Bank has attained an operating profit of BDT 3,597.99 million compared to the last year's operating profit BDT 3218.41 million. The profit growth has increased 11.79 percent this year. At present UBL is disbursing remittance being affiliated with 14 (Fourteen) remittance houses. During this year 2021, we have been able to open 09 (Nine) new branches and 17 (Seventeen) Sub-Branches both in rural and urban areas. At the end of the year, we have total 104 branches and 31 Sub-Branches.

FUTURE OUTLOOK

We are projecting a strong recovery in 2023 and 2024 as a way out of the health and economic crisis, aroused by post COVID-19 pandemic situation, Supply chain disruptions, shortage of shipping containers and inflation. We expect a balanced execution of UBL Management in order to strengthen the quality of the Bank's assets in the next years through complying with Basel III requirements and following core risk management guidelines. It is taking strong steps to complete more business agreements with renowned organizations of the country for building a strong brand image in the competitive marketplace. Centralized MIS Cell of the bank has taken initiative to prepare a data bank for MIS and ensure accuracy of regulatory and internal reports in collaboration of related divisions. In case of account opening, EKYC is under process for the ease of the valued clients and formation of a standard call center is under process, as managed by ICT, for better customer care. The Bank always wants to stay with state-of-the-art technology. Proper implementation of such technology will satisfy the present valuable customers as well as, make their day to day life easier than any period of before. It will increase the customers and hold the topmost position among the 4th generation banks in the next years. We have a nurtured and superb quality of human capital along with a prudent management to lead us towards our goal.

FINACIAL PRODUCTS & SERVICES

Union Bank Limited has been operating a number of popular and innovative financial products from time to time considering the benefit of depositors, clients and Bank.

Deposit Products of the Bank are as follows:

- Al-Wadiah Current Deposit
- Mudaraba Savings Deposit (MSD)
- Mudaraba School Banking Savings Account
- Mudaraba No Frill Savings Account
- Mudaraba Privileged Savings Account
- UBL Salary Account
- Mudaraba Gift Cheque

- Mudaraba Special Notice Deposits (MSND)
- Mudaraba Term Deposit (MTD)
 - 01 Month
 - 03 Months
 - 06 Months
 - 100 Days'
 - 12 Months
 - 24 Months
 - 36 Months

Scheme Products of the Bank are:

- Mudaraba Monthly Profit Scheme
- Mudaraba Monthly Saving Scheme
- Mudaraba Double Benefit Deposit Scheme
- Mudaraba Millionaire Saving Scheme
- Mudaraba Crorepoty Sanchaya Prokalpa
- Mudaraba Pension Prokalpa
- Mudaraba Marriage Saving Scheme
- Mudaraba Hajj Saving Scheme
- Mudaraba Muhor Saving Scheme
- Mudaraba Barakah Saving Scheme
- Mudaraba Privileged Deposit Scheme
- Mudaraba Probashi Sanchaya Prokalpa
- Mudaraba Femina Deposit Scheme (Nisa)
- Mudaraba Senior Citizen Deposit Scheme (Ehsan)
- Mudaraba Waleda Monthly Profit Scheme (Maa)
- Mudaraba Lifestyle Deposit Scheme (Shohoj)

INFORMATION AND COMMUNICATION TECHNOLOGY DIVISION:

The Bank emphasized on Technology, as a business enabler during the period under review, has underpinned effort across the Bank to identify creative ways of addressing strategic objectives. The aim of the effort was cost reduction, increase profitability, improve internal efficiency, more control and security, use alternate technologies where appropriate and ultimately, improve the internal and external customer service experience. The bank's key techno service initiatives, such as 'Easy account opening process', 'Robust Internet banking and Mobile apps, 'Document Management Solution' turn paperless office, Digital Workflow, World class EMV branded Debit Card, Enhanced Call Center - entails the enhancement of existing systems, introduction of new functionalities, re-engineering of business processes.

Union Bank in the year 2013 started its journey as a Shari'ah Based Bank with a strong Centralized Core Banking Platform ABABIL, developed by Millennium Information System Limited, a Bangladeshi Global Company engaged in the technology business. From the inception Union bank delivered all type of banking services and included new services in line of Customer demand. A client of UNION Bank can walk into any one of our 138 locations branch or

Sub-branch, and avail of the same facilities and services that they are getting from their home branch. To ensure a continuous and seamless service, we have developed a robust communication infrastructure in partnership with the leading ISP's and Mobile Network Operators of the country.

Information and Communication Technology (ICT) is very dynamic and continuously updating. To get benefit of latest technology, Union Bank has been applying new technology in its different area to extract the benefit of the technology and to ease the users and finally satisfaction of the valuable customers of the Bank.

Now, Bank is able to serve its customers from anywhere anytime with its centralized online banking solution. With running product portfolio of Debit Card, SMS Banking, Internet Banking, Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Real Time Gross Settlement (RTGS) etc. under the guidelines of Bangladesh Bank, full-fledged Internet Banking & Mobile Apps UniON introduced with number of remarkable features like Fund Transfer to any bank any account, Any Credit Card bill payment, Any Mobile Recharge, Transfer money to bKash & Nagad, ADD money from Credit Cards etc. More features are in process of inclusion.

Union Bank has recently launched VISA branded Dual Currency most secured EMV Chip card with VISA membership for Card payment and now capable of issuing & acquiring VISA Debit/Credit/Prepaid card of Union Bank. For better customer satisfaction, Union Bank launched INSTANT VISA Card to deliver card readily to customer at the time of account opening. A lot of discount facilities is attaching with UBL Card service and customers are informed through SMS regularly. The Bank is expanding its own ATM network through branches and even joining with different merchants & corporates through agreement. bKash Cash out service for any customer of bKash is available now from any Union Bank ATM.

Considering better customer support and service at any time, Union Bank 24/7 Call Center Service UBL iContact with all available support features, has launched in August 2021. Support response through agents at any time has create tremendous positive impact to UBL Customers.

An important constituent of Union Bank is its Website. A new well designed and well contents space has opened for any information of Union Bank. Globally anybody can reach to Union Bank through www.unionbank.com.bd.

In line of Digital Transformation, Bank has successfully launched simple Account opening process "INST@ANT Account" from anywhere through Internet; Customers can open an account within shortest possible time and less input. Also any eligible person is capable of opening account from Home through mobile application or internet. Only NID or logical authorized document is the key authentication.

The other initiative of process re-engineering and Digital Document Management Solution (DMS) for every step of physical & manual work is moving and internally launched in few specific departments. This will play an effective role both in efficiency and time and cost. This will heavily improve Green application, reduce cost & space including productivity.

Union Bank Limited is continuously improving and updating its Cybersecurity areas and updated all security platform as standard procedures. Technology refreshment and innovative inclusion is a regular event in case of ICT areas. Regular Training and awareness programs continued with on premises and through remote technical way.

Union Bank Limited has strategically formulated Year 2022 for Technology Solution implementation and Infrastructure Placement for expanding its service portfolio and ensure efficient operation. Better Customer Service with proper compliance and control will be its logical sequence. Coming year, the impact will definitely position Union Bank Limited esteemed place in the banking sector, and Honorable Shareholders and Customers will be delighted to be associated with UNION Bank.

UNION Bank has upgraded the server and network platform with game-changing latest technology necessary services are going to included phase by phase to ensure expanding service portfolio and efficient Operation. This virtual environment technology ensures go green by saving significant energy consumption, less foot print at data center, faster server provisioning and increased uptime. Union Bank will be placed at a respected height among the banking sector of Bangladesh.

Services:

- Online Banking
- Mobile App Service
- SMS Banking
- Automated Clearing
- Bangladesh Automated Cheque Processing System(BACPS)
- SWIFT
- Electronic Fund Transfer (EFT)
- Bangladesh Electronic Fund Transfer Network (BEFTN)
- Real Time Gross Settlement (RTGS)
- Document Management Solution (DMS)
- Workflow
- E-KYC
- Alternative Delivery Channel(ADC)
- ATM banking (Debit Card)
- Visa Card
- Visa Instant Card
- e-GP
- Remittance
- Call Center

MANAGEMENT INFORMATION SYSTEMS

Management Information Systems are very useful tools for the purpose of reviewing and controlling bank's operations. The main goal of these systems is to organize all data collected from every level as well as secondary level (CBS) of the bank, summarize it, and present it in a way that facilitates and improves the quality of the decisions being made to increase the bank's profitability and productivity. MIS reports play a significant role in the strategy planning of the Banking Sector. Its helps in determining the future needs of Bank and assists in formulating goals and strategy based on such information.

Union Bank Ltd. (UBL) established a separate division named Management Information Systems (MIS) at the time of Bank's inception. Later the division has been reformed as "Centralized MIS

Cell" under Risk Management Division (RMD). The cell provides financial and non-financial information to the Senior Management for decision making, coordination, control, analysis, and visualization of information of the Bank as well as submit various errorless statements to Bangladesh Bank.

Organogram of Centralized MIS Cell under RMD, HO



ISS Desk:

Bangladesh Bank has introduced a web based regulatory tools namely Integrated Supervision System (ISS). Through ISS report, Bangladesh Bank can easily observe overall performance of all Scheduled Commercial Bank at Head Office Level and also Branch Level in monthly basis within a very few time. They can easily identify where the dispute occurred or any uncertain matter is occurring.

To become a modern technology based banking organization, Union Bank Limited has developed "ISS Reporting & Validation Tools" with the collaboration of ICT Division and CMIS Cell of RMD. These reporting & validation tools ensures concise, accurate, time saving & minimum human effort to prepare ISS report.

Regulatory Reporting Desk:

Prepare regulatory reports as and when required through providing relevant information to the respective divisions/ departments as well as adhoc reports as per requirement of the regulatory bodies and submit the same within stipulated time.

Management Reporting Desk:

Provide necessary information to the Senior Management to take proper strategic decision from time to time as well as supply validated information to the respective divisions/departments for preparation of internal/regulatory reports by the respective divisions/ departments/branches.

Inter-Divisional Reporting Coordinating Desk:

Preserve bank related all circulars/letters/instructions to be routed through Central MIS Cell for archiving and subsequently follow-up the respective compliance within set timeline. Collect required information from the respective divisions/departments/branches and retain the same in the Data Archive for reporting purpose.

Key Achievements after reformation of CMIS Cell:

- Developed "ISS Reporting & Validation Tools";
- Developed "Central Performance" report to monitor branch performance;
- Developed Daily MIS module for management;
- Developed Bangladesh Bank Circular Bank;

- e-banking and e-Commerce report has implement in our system;
- Assist to prepare annual Budget;
- Prepare Power Point Presentation for Annual Business Conference;

BRANCH EXPANSION

SL.	Branch Name	Branch Code	Opening Date	Urban/Rural
	Head Office	0101	01.04.13	
01.	Gulshan Branch	0102	20.05.13	Urban
02.	Dilkusha Branch	0104	08.07.13	Urban
03.	Hatkhola Branch	0103	04.08.13	Urban
04.	Lichubagan Branch	0001	01.10.13	Rural
05.	Shathibari Branch	0601	06.10.13	Rural
06.	Mouchak Branch	0105	14.11.13	Rural
07.	Shantirhat Branch	0002	16.11.13	Rural
08.	Khatungonj Branch	0003	07.12.13	Urban
09.	Ashulia Branch	0106	14.12.13	Rural
10.	Zindabazar Branch	0501	21.12.13	Urban
11.	Ashkona Bazar Branch	0107	28.12.13	Urban
2014				
12.	Panthapath Branch	0108	10.03.14	Urban
13.	Sebarhat Branch	0004	30.03.14	Rural
14.	Badarkhali Branch	0006	26.05.14	Rural
15.	Islampur Branch	0502	29.05.14	Rural
16.	Pahartoli Branch	0007	10.06.14	Rural
17.	Bogura Branch	0301	19.06.14	Urban
18.	Khulna Branch	0201	26.06.14	Urban
19.	Sarkarhat Branch	0005	09.07.14	Rural
20.	Agrabad Branch	0008	10.07.14	Urban
21.	Lalmai Branch	0009	18.10.14	Rural
22.	Cumilla Branch	0010	19.10.14	Urban
23.	Talshahor Branch	0011	21.10.14	Rural
24.	Cox's Bazar Branch	0013	26.10.14	Urban
25.	Hnila Branch	0012	27.10.14	Rural
26.	Uttara Branch	0109	06.11.14	Urban
27.	Muradpur Branch	0014	18.12.14	Urban
2015				
28.	Banani Branch	0110	14.05.15	Urban
29.	Mawna Branch	0111	18.05.15	Rural
30.	Rajshahi Branch	0303	28.05.15	Urban
31.	DT Road Eidgah Branch	0017	01.06.15	Urban
32.	Bahubal Branch	0503	04.06.15	Rural
33.	Munshirhat Branch	0015	08.06.15	Rural

SL.	Branch Name	Branch Code	Opening Date	Urban/Rural
34.	Patiya Branch	0018	10.06.15	Urban
35.	Pabna Branch	0302	14.06.15	Urban
36.	Joksin Bazar Branch	0016	17.06.15	Rural
37.	Panchaboti Branch	0112	12.08.15	Rural
38.	Narayangonj Branch	0113	16.11.15	Urban
39.	Miar Bazar Branch	0021	29.11.15	Rural
40.	Bazar Hasnabad Branch	0114	06.12.15	Rural
41.	Nanupur Branch	0020	13.12.15	Rural
42.	Mirpur Branch	0115	17.12.15	Urban
43.	Feni Branch	0019	23.12.15	Urban
44.	Bonpara Branch	0304	26.12.15	Urban
2016				
45.	Dewan Bazar Branch	0022	08.05.16	Urban
46.	Ataikula Branch	0305	15.05.16	Rural
47.	Barishal Branch	0401	19.05.16	Urban
48.	Keranihat Branch	0023	02.06.16	Rural
49.	Mymensingh Branch	0701	16.06.16	Urban
50.	Nawabpur Road Branch	0117	20.07.16	Urban
51.	Ati Bazar Branch	0116	28.07.16	Rural
52.	Khilpara Branch	0024	17.08.16	Rural
53.	Eidgaon Branch	0025	21.08.16	Rural
54.	Jashore Branch	0202	01.09.16	Urban
55.	Kalukhali Bazar Branch	0118	04.12.16	Rural
56.	Banskhali (Chandpur) Branch	0027	08.12.16	Rural
57.	Jamuna Future Park Branch	0119	27.12.16	Urban
2017				
58.	Kumira Branch	0026	29.03.17	Rural
59.	Jotpukuria Bazar Branch	0029	24.05.17	Rural
60.	Laldighi Branch	0028	25.05.17	Urban
61.	Dhanmondi Branch	0120	20.08.17	Urban
62.	Rangpur Branch	0602	22.08.17	Urban
63.	Tangail Branch	0122	05.10.17	Urban
64.	Shakpura Chowmuhony Branch	0031	19.10.17	Rural
65.	Madhobdi Branch	0121	26.10.17	Rural
66.	Lohagara Branch	0030	07.12.17	Rural
67.	Keranigonj Branch	0124	19.12.17	Rural
68.	Gazipur Chowrasta Branch	0123	21.12.17	Urban

SL.	Branch Name	Branch Code	Opening Date	Urban/Rural
2018				
69.	Kushtia Branch	0203	09.05.18	Urban
70.	Jubilee Road Branch	0032	13.05.18	Urban
71.	Raozan Branch	0033	14.05.18	Rural
72.	Dinajpur Branch	0603	08.10.18	Urban
73.	Islampur Branch, Dhaka	0125	24.10.18	Urban
74.	Moulvibazar Branch	0504	18.11.18	Urban
75.	Bhulta Branch	0126	20.11.18	Rural
76.	Jorargonj Branch	0034	27.11.18	Rural
77.	Hemayatpur Branch	0127	20.12.18	Rural
2019				
78.	Chapainawabganj Branch.	0306	01.08.19	Urban
79.	Barlekha Branch	0505	05.08.19	Rural
80.	Bandartila Branch	0036	13.11.19	Urban
81.	Fatikchhari Branch	0035	14.11.19	Rural
82.	Ukhiya Branch	0038	24.11.19	Rural
83.	Link Road Branch	0037	24.11.19	Rural
84.	Rajabari Bazar Branch	0128	05.12.19	Rural
85.	Tajmahal Road Branch	0129	12.12.19	Urban
86.	Ambarkhana Branch	0506	19.12.19	Urban
87.	Kanchan Branch	0130	24.12.19	Rural
2020				
88.	O R Nizam Road Branch	0039	11.06.20	Urban
89.	Tongi Branch	0131	07.07.20	Urban
90.	Borodighir Par Branch	0040	29.07.20	Rural
91.	Chambal Branch	0042	03.12.20	Rural
92.	Brahmanbaria Branch	0041	10.12.20	Urban
93.	Elephant Road Branch	0132	14.12.20	Urban
94.	Fenchuganj Branch	0507	24.12.20	Rural
95.	Ramu Branch	0043	29.12.20	Rural
2021				
96.	Goalabazar Branch	0508	07.01.21	Rural
97.	Kadamtali Branch	0044	17.06.21	Urban
98.	Habiganj Branch	0509	07.09.21	Urban
99.	Dohazari Branch	0045	17.11.21	Rural
100.	Bijoyagar Branch	0133	20.12.21	Urban
101.	Satkhira Branch	0204	23.12.21	Urban
102.	Sapahar Branch	0307	28.12.21	Rural
103.	Nazumeah Hat Branch	0046	28.12.21	Rural
104.	Sagardighi Branch	0134	29.12.21	Rural

SUB-BRANCH EXPANSION:

Sl.	Sub-branch name	Controlling branch	Opening date
01.	Jaldi	Banshkhali (Chandpur)	29.07.20
02.	Bazalia	Keranihat	26.08.20
03.	Adhunagar	Lohagara	21.09.20
04.	Kadoir Bazar	Munshirhat	28.09.20
05.	Mirpur Bazar	Bahubal	28.09.20
06.	Nachol	Chapainawabganj	02.11.20
07.	Fazilpur	Feni	03.12.20
08.	Sitakunda	Kumira	10.12.20
09.	Merul badda	Gulshan	14.12.20
10.	Rowshanhat	Patiya	21.12.20
11.	Matarbari	Badarkhali	21.12.20
12.	Gunagori	Banshkhali (Chandpur)	24.12.20
13.	Fakirhat	Fatikchhari	27.12.20
14.	Bangla Bazar	Jotpukuria Bazar	27.12.20
15.	Halishahar Bus Stand	D.T Road Eidgah	07.01.21
16.	Hathazari	Sarkarhat	28.01.21
17.	Ghatail	Tangail	28.01.21
18.	Palongkhali	Hnila	15.02.21
19.	Khuntakhali	Eidgaon	15.02.21
20.	Chatkhil	Khilpara	24.03.21
21.	Kachua	Miar bazar	24.03.21
22.	Shibganj	Chapainawabganj	12.04.21
23.	Kutupalong	Ukhiya	12.04.21
24.	College bazar	Shantirhat	19.07.21
25.	Khanhat	Keranihat	19.07.21
26.	Dakshinkhan	Ashkona bazar	17.08.21
27.	Solingmoor	Mawna	17.08.21
28.	Tilpapara	Hatkhola	15.09.21
29.	Kamrangirchar	Dhanmondi	15.09.21
30.	College gate	Tongi	29.11.21
31.	Gobindganj	Amberkhana	29.11.21
32.	Gokarnoghat Bazar	Brahmanbaria	14.02.22
33.	Chatmohar	Pabna	09.03.22
34.	Puichhari	Chambal	27.03.22

INTERNAL CONTROL & COMPLIANCE DIVISION

Internal Control and Compliance Division has been established since the very beginning of the Bank. Now Internal Control and Compliance Division consist of three wings as follows:

- Audit Unit
- Compliance Unit
- Monitoring Unit and

Internal Control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it, risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface.

Operational risk may arise from error and fraud due to lack of proper internal control & compliance. Good controls gear up professional competence, compliance of legal requirements, sound reporting system and resistance to fraud & forgery.

Internal Control & Compliance is not only for getting things done but also to ensure that the issues are done properly. Internal Control & Compliance plays a pivotal role in building up culture of transparency & accountability.

Modern bank management and supervision mainly focus on risk factors in banking. UBL has taken all-out efforts to mitigate all sorts of risks as per guidelines issued by the Central Bank.

As a part of robust risk management policy, the Bank has formulated a comprehensive Investment Risk Management policy to address investment risks. To mitigate operational risk, money laundering and terrorist financing risk, circumvention or over-riding the internal control procedures, Internal Audit, Board Audit committee and IC&C Division are carrying out regular audit & inspection of the functions of the branches and divisions of Head Office.

The bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the internal control processes are in place. As per instruction of Bangladesh Bank, the Audit Committee of the Board has been constituted to assist the board in fulfilling the objectives, strategies and overall business plans set by the board for effective functioning of the bank. The committee reviews the financial reporting process, financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2021, 04 meetings of the Audit Committee were held. 'Risk Based Internal Audit (RBIA)' has been introduced by the Bank to assess the business risk as well as control risk associated with the branches, and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory, and which may pose a potential threat for the bank.

Each year the IC&C Division sets out an Audit Plan (Internal) for the year, which is approved by the Managing Director and placed before the Audit Committee of the Board for concurrence. In the year 2021, IC&C Division conducted Comprehensive Audit in 70 Branches and 08 Divisions at Head Office, Online Foreign Exchange Transaction Monitoring System Audit conducted in 07 (seven) AD Branches and CTOU of Head Office of the Bank.

The Bank has already prepared the Risk Assessment Matrix of various banking functions and trying to incorporate the same in the Department Control Function Checklist (DCFCL) and Quarterly Operation Report (QOR). The branches and divisions will follow these attaching due importance to high risk and medium risk functions. The Bank follows the Guideline of Internal Control & Compliance meticulously to strengthen internal control functions.

Internal Control & Compliance Division of UBL is an Integral part of Bank Management and a foundation for safe & sound operation. IC&C is thoroughly guided by the motto "Prevention is better than cure". The array of IC&C activities can be categorized as per following order:

Performance Objective:

To accelerate compliance and effectiveness of involvements.

Information Objective:

To ensure dependability, efficiency and time worthiness of financial and management information.

Compliance Objective:

To adhere to regularity framework including applicable laws and regulations.

It intensively, follows-up compliance of audit/ inspections reports conducted by the IC&C Division, Bangladesh Bank and External Auditors. The Division monitors the banking activities, specially the sensitive areas of Foreign Exchange, Finance & Accounts and Investments.

The IC&C Division submit summary report (Quarter Basis) on Audit findings and corrective action taken is placed in a meeting of the Audit Committee of the Board for reviewing and necessary suggestions.

BRANCHES OPERATION AND CONTROL DIVISION (BOCD):

Branches Operation and Control Division (BOCD) has been formed to facilitate the smooth banking operation at branch level as well as customer satisfaction. The main objective of this division is to oversee the operation activities of branches and provide solution of operation bottlenecks. The division works like a bridge between branch and head office. The main activity of BOCD is categorized in 03 (three) major areas:

Core Banking Operation solutions through ICTD including cash Management:

Branches seek solutions of all types of operation related problems and guidelines from BOCD. Subsequently, BOCD obtains necessary approval, if necessary, from competent authority to resolve the issues. Besides, up-gradation of all policy and procedure related to operation have been taken care as per Bangladesh Bank guidelines.

Customer Service and Complaint Management:

Customer satisfaction is the key to business growth. BOCD take care of all service related issues as received from branches and from the clients. Besides, all customer complaint is being received by the division through phone call, email, complaint box or by Bangladesh Bank. Subsequently, all complaints are managed by providing a solution following the guide line of Bangladesh Bank.

Formation of Annual Business Budget:

BOCD prepares the budget in consideration with Deposit, Investment, Profit, Import, Export, Remittance, Cost of Deposit, Cost of Fund, High Cost/Low Cost Deposit Ratio and Yield on Investment by evaluating the existing budget performance, achievement and variance of the Branches along with present economic situation and Bangladesh Bank Monetary Policy as well as contemporary growth of Banking Industry.

Moreover, in implementation of Government agenda of Inclusive banking, BOCD plays role to execute those banking like No frill account, School Banking. Also maintains account for Haji for collection of Pilgrim fees and smooth lines the collection of various type of collection account like WASA, PDB, DESCO etc.

Last year, we introduced the 2 pages' Account Opening Form for easy account opening for the clients as directed by Bangladesh Bank as well as EKYC is fully implemented by maintaining proper guidelines. Also a standard call center is functioning which provides customers with an alternative communication channel to report service inquiries, as managed by ICTD, for better customer care. Here we hear and care for better customer and banking service.

INTERNATIONAL DIVISION:

Foreign Trade is one of the pioneer business activities of the bank conducted by and routed through the International Division of the Bank. International Division is playing a vital role for smooth and dynamic operation of foreign trade transactions from time to time and maintains a coordination and continuous correspondence between foreign banks and authorized dealer branches of the bank. The main functions of International Division are: a) Establishment of Correspondent banking and remittance agency arrangement, b) Opening Nostro Accounts, maintenance and Fund management, c) Acting as a Gateway between AD branches and foreign/Local correspondents d) Foreign Trade payment/receipt settlement. e) Maintaining compliance and provide time to time guidance of foreign exchange transactions to AD branches to ensure compitance and to minimize foreign exchange risks. f) Supervising foreign trade related transaction issues g) Operating as assistant, advisor, guide and supervisor of the branches regarding their different issues related to foreign remittance and foreign exchange business. h) Mitigating various risks related to foreign exchange issues i) Maintaining and improving correspondent relations locally and internationally j) SWIFT support k) Performing Credit line /Confirmation arrangement l) Diversification of foreign exchange business products m) Generating new mechanisms in foreign trade n) Supervising of Central Trade Operations Unit (CTOU) for FX business of Non-AD Branches o) Maintaining liaison with Bangladesh Bank for AD License and required approval as and when required.

From the very beginning of the journey of the bank, International Division has been playing an outstanding role indeed it's playing as one of the key performer Divisions of the Bank promoting the Bank's business and reputation. Mainly the Financial Institution Unit/Correspondent Banking Relationship Unit and the Foreign Remittance Unit are the business developing wings of International Division.

Correspondent Banking Relationship:

Now a days setting up as well as maintaining correspondent relationship with Banks & FIs, specially with foreign Banks & FIs has become one of the notable challenges that we require to give extra efforts since security, AML, KYC and overall compliance have become the prime concerns and thus hassles & expenses has increased remarkably for correspondent Banking Relationship worldwide. In spite of having tremendous obstacles, Financial Institution Unit/ Correspondent Banking Relationship Unit under International Division is doing outstanding by exploring the potential partners and paths for its FX businesses and developing a strong base in terms of establishing RMA, maintaining Nostro accounts, arrangement of Credit Lines etc. UBL has a wide range of correspondent network across the world to facilitate smooth foreign trade transactions. The Bank maintains 12 Standard Settlement Instructions (Nostro Account) involving 4 major currencies e.g. USD, GBP, EURO & JPY and also USD under ACU mechanism at different significant financial centers of the Globe. Total correspondents of UBL stand at 149 (Home and abroad) as on 31 December 2021.

Foreign Trade Service:

UBL provides sustained support to facilitate international trade services so that its clients can meet the demands of a global business environment. The periphery as well as volume of trade finance business of the bank has been increasing notably day by day since beginning. But the COVID-19 pandemic started in 2020 has severely disrupted the world economy. Most major economies lost average nearly 5% of their gross domestic product (GDP) over 2020. The value of international trade fell by about 8 percent. Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies, according to the World Bank's latest Global Economic Prospects report. Global growth is expected to decelerate markedly from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world. At a time when governments in many developing economies lack the policy space to support activity if needed, new COVID-19 outbreaks, persistent supply-chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swaths of the world could increase the risk of a hard landing. The slowdown will coincide with a widening divergence in growth rates between advanced economies and emerging and developing economies. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023—a pace that, while moderating, will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023. By 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre-pandemic trend.

The rapid spread of the Omicron variant and the new possible variant scientists are afraid for indicates that the pandemic will likely continue to disrupt economic activity in the near term. Assuming from the above, the expectation for the next year is for the global economy and international trade as well as our export-import business to rebound close to 2019 levels. Total import of the bank for the year 2021 is BDT 10448.40 million (Eqvt. USD 122.42 million) which is 13.54% progressive than that of the year 2020. The figure for export stood for BDT 4121.70 million (Eqvt. USD 48.29 million).

Central Trade Operations Unit (CTOU):

In 1st March 2018 established Central Trade Operations Unit (CTOU) is a vital part of International Division with skilled workforce to boost up as well as to facilitate Trade Service Operations exclusively for the Non-AD branches effectively, smoothly and promptly under the purview of prioritized banking abilities. In 2021 CTOU performed Import business amounting BDT 2,969.40 million (Eqvt. \$34.79 million) and Export business amounting BDT 917.60 million (Eqvt. \$10.75 million) which is very significant compared to the year 2020 despite overall disruption due to COVID-19 Pandemic.

Union Bank focuses on encouraging the overseas remittance to generate the wage earners revenue, increase the remittance through banking channel, quick settlement remittance and immediate response of queries as well as to equally participate with the government's decision against Money Laundering. Union Bank is in a remarkable position of disbursing foreign remittance among the 4th generation banks.

Foreign Remittance:

UBL handles both inward & outward foreign remittance products. The outward remittance includes FC Cash/FDD & Wire transfer by SWIFT. The Bank's inward remittance covers Cash Payout Service, Account Credit Service and Electronic Fund Transfer (EFT) arrangement for other banks account holders. The inward foreign remittance business amounted in BDT 1,923.00 million (Eqvt. USD 23.00 million) was in 2019 whereas the figure stood for the year 2020 is BDT 2,936.00 million (Eqvt. USD 35.00 million) which indicates a 53% increase and in 2021 the figure for inward foreign remittance stood BDT 8476.30 million (Eqvt. USD 99.31.00 million) which indicates a huge 188.73% progress than the year of 2021 which clearly is a great progress indeed.

At present UBL is disbursing remittance being affiliated with 14 remittance houses i.e. 1. Western Union Money Services, 2. Xpress Money Services, 3. Tran-Fast Remittance Co. LLC, 4. Small World Financial services, UK, 5. RIA Financial Services, 6. Aftab Currency Exchange Ltd, UK, 7. Placid NK Corporation, USA, 8. First Security Islami Exchange Italy, Srl, 9. AL-Ansari Exchange, 10. Merchantrade Asia, Malaysia, 11. NEC Money Transfer Limited, and 12. Sha Global, 13. MoneyGram International Money Transfer & 14. Prabhu Money (Prabhu Group Inc. USA). International Division strives for promoting Export, Import & Foreign Remittance of the bank with endless effort.

The bank is committed to provide quality global banking service to its clients and unlock the sleeping potentials of missing middle of the country who are beyond the coverage of corporate banking service, focus on rural & micro economic developments, bring the unbanked rural people under the umbrella of banking service with state-of-the-art technology.

CORPORATE AFFAIRS & BRANDING DIVISION:

The Corporate Affairs & Branding Division (Former Marketing & Development Division) of Union Bank Limited implies a set of strategies for establishing a strong Brand in the competitive market place which is also considered as one of the most valuable driving force for the Bank.

The core activities of Corporate Affairs & Branding Division are to formulate Branding and business promotion policies and enhance brand value of the Bank. Side by side, Corporate Affairs & Branding Division is also involved in performing several functions which are enlisted below,

Functional Area	Function Details
Branding	<ul style="list-style-type: none"> Make proper arrangement of full fledge branding and other support to head office as well as branches for celebrating the anniversary of bank and other occasions. Design brochure, banner and other branding materials for arranging business conference, promotional campaign and other branding related issues of head office and branches as well. Facilitate pavilion in fairs/exhibition in different occasion for the bank. Ensure proper arrangement of the distribution of gift items for valued clients. Maintain the expenses of branches regarding School Banking Conference, Business Fair and any other business development purpose.
Product & Business Development	<ul style="list-style-type: none"> Introduce new products & services. Development of existing products under current product lines. Identify new customer segment.
Digital Marketing	<ul style="list-style-type: none"> Posting information regarding several occasions in the Facebook Page of our bank. Promoting products and services by preparing TVC & OVC. E-Mail Marketing. SMS Marketing.
Corporate Affairs and Value Added Service	<ul style="list-style-type: none"> Take proper initiatives for providing value added service to customers. Arrange all necessary initiatives for making corporate agreement with prominent organizations with the aim of ensuring exclusive privileges for the employees and all the Debit /Visa Cardholders of the bank. Support to enhance the source of ancillary income (Such as, Collection of DPDC Bill, WASA Bill, DESCO Bill, Pre-registration and registration fees from Hajj Pilgrims)

From the very beginning of the operation of the bank, Corporate Affairs & Branding Division is doing well to establish a strong brand in the competitive market. It has completed 79 successful corporate agreements with renowned organizations of the country for ensuring the exclusive privileges for employees and debit cardholders of the bank and as well as to build a strong brand image in the competitive marketplace. Apart from this, as per directives of the management of the bank, Corporate Affairs & Branding division has introduced customer service policy for the employees of the bank to enhance the service quality standard and to provide supreme customer service to our clients. In the beginning of 2021, 06 (Six) new deposit products have been launched by Corporate Affairs & Branding Division to enter new customer segment. Apart from this, CABD had arranged a deposit campaign in 2021 for enhancing retail low/no cost deposit base of the bank.

Corporate Affairs & Branding Division is committed to do best for achieving the goals of the bank.

RISK MANAGEMENT & CONTROL ENVIRONMENT:

1.00: Introduction

Risk Management is the procedure to minimize the adverse effect of a possible financial loss by identifying potential sources of loss, measuring the financial consequences of a loss occurring and using control tools to minimize actual losses or their financial consequences. To perform the same, necessary directions have been provided by Bangladesh Bank through various letters/ circulars/ guidelines from time to time. Bangladesh Bank issued guidelines formed the basic framework of risk management that need to be followed by the banks in Bangladesh. Union Bank Limited has established a prudent and well-structured risk management framework for managing various risks in the light of BB guideline and instruction in order to minimize the risks and thus ensuring sustainable growth of the bank in the long run and also increase employee awareness on risk management so that bank can evaluate its performance towards all banking operations. In this regard, the bank is committed to pay all out effort to identify and reduce the risk of business operations constantly in a constructive manner.

2.00: Objectives of Risk Management

Risk management is a discipline at the core of every bank and encompasses all the activities that affect its risk profile from time to time. The ultimate objectives of risk management functions are;

- To promote better risk management culture at all levels.
- To improve financial soundness and stability.
- To adopt and implement a sound risk management framework.
- To introduce dynamic and time based risk management tools and techniques for assessment and treatment of various risks; etc.

3.00: Elements of a sound risk management system

The key elements of a sound risk management system are as follows:

- a. Active involvement of board and senior management;
- b. Adequate organization, policies and procedures;
- c. Appropriate management information systems; and
- d. Comprehensive internal controls and limits.

4.00: Risk Management Process

Understanding of risk management process can contribute progressively to organizational improvement by providing special attention insight into the identified and potential risks and their impact. It is a series of multi-steps that, when undertaken in sequence, enable continual improvement in strategic decision-making. However, steps of risk management process are as follows:

- Step 1 – Communicate and Consult
- Step 2 – Establish the context
- Step 3 – Identify the risks
- Step 4 – Analyze the risks
- Step 5 – Evaluate the risks
- Step 6 – Treat/Mitigate the risks
- Step 7 – Monitor the risks

5.00: Risk management regulations for banks

Practicing sound risk management is crucial for banking sector. For effective risk management within the banks, necessary directions have been provided by Bangladesh Bank through various letters/ circulars/ guidelines from time to time most of which are as follows:

- Risk Based Capital Adequacy (RBCA) Guidelines-2014.
- Core Risk Management Guidelines issued by Bangladesh Bank (2015 & 2016);
- Comprehensive Risk Management Guidelines-2018;
- Stress Testing Guideline;
- BRPD Circular No.11 (Section-5.3), dated 27 October 2013 regarding responsibilities of Board of Directors and Board Risk Management Committee (BRMC);
- Guidelines on Environmental & Social Risk Management (ESRM) for Banks, dated 08 February 2017.
- Guidelines on Internal Credit Risk Rating System for Banks-2018
- Other related instructions/circulars/letters as issued by regulators from time to time; etc.

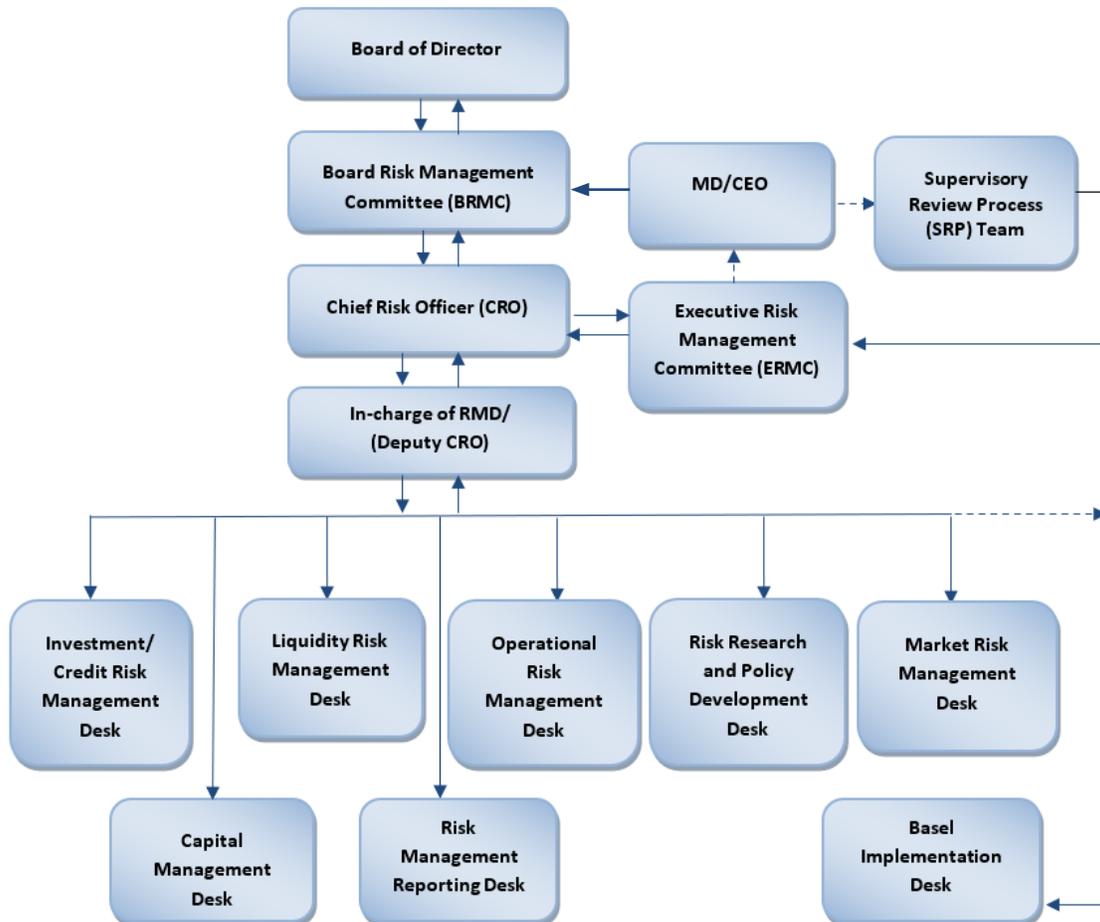
6.00: Risk Appetite Statement

Risk appetite is the level and type of risk a bank is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders (depositors, creditors, shareholders, borrowers, regulators). Risk appetite is generally expressed through both quantitative and qualitative means and should consider extreme conditions, events, and outcomes. It should be stated in terms of the potential impact on profitability, capital and liquidity.

Bank prepares risk appetite statement covering all regulatory requirements related to risks, components of pillar-II under Basel III, strategic planning and all other probable risks exist in the bank. The bank sets risk appetite, tolerance and limit for all the probable areas of risks.

7.00: Risk management framework of the bank

Risk management framework is fundamental element for establishing proper authorities of risk management in banks. As such, the bank's risk management framework has been outlined according to the Bangladesh Bank latest Risk Management guidelines-2018 which is as follows.



8.00: Risk management authorities of the bank

8.01: Board of Directors

The key risk management reports/issues are placed before the board of directors on quarterly basis for review and perusal. Board provides guidance against the identified/mentionable risks and the same are communicated to responsible organs for taking corrective actions. Board of Director will take every possible initiative to keep various risks (Investment, market, liquidity, operational risks etc.) within tolerable level. For this purpose, the board will play the following role:

- Establishing organizational structure for enterprise risk management within the bank and ensuring that top management as well as staffs responsible for risk management possess sound expertise and knowledge to accomplish the risk management function properly;
- Assigning sufficient authority and responsibility to risk management related officials;
- Ensuring uninterrupted information flow to RMD for sound risk management;
- Continuously monitoring the bank's performance and overall risk profile through reviewing various reports;

- Ensuring the formulation, review (at least annually) and implementation of appropriate policies, plans and procedures for risk management;
- Defining and reviewing the risk appetite, risk tolerance, limit etc. in line with strategic planning;
- Making sure maintenance of adequate capital and provision to absorb losses resulting from risk;
- Ensuring that internal audit reviews the Investment operations, foreign exchange operations and securities portfolio management functions etc. to assess the effectiveness of internal control system
- Monitoring the function of Board Risk Management Committee; etc.

8.02: Board Risk Management Committee (BRMC)

Board Risk Management Committee (BRMC) reviews the material risks related to investment, foreign exchange, internal control & compliance, money laundering & terrorist financing, information & communication technology, operation, profit rate, liquidity, capital management functions and provisioning (required & maintained); etc. on quarterly basis. The BRMC provides guidance against the identified risks for taking corrective actions by the management. However, 4 (four) meetings of the BRMC were held during the year 2021. Board Risk management Committee (BRMC) of the bank will provide utmost importance on sound risk management practices. For this purpose the BRMC will play the following role: Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;

- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- Ensuring construction of adequate organizational structure for managing risks within the bank;
- Supervising the activities of Executive Risk Management Committee (ERMC)
- Ensuring compliance of BB instructions regarding implementation of core risk management;
- Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval;
- Approving adequate record keeping & reporting system and ensuring its proper use;
- Holding at least 4 meetings in a year (preferably one meeting in every quarter) and more if deemed necessary;
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;
- Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis;
- Complying with instructions issued from time to time by the regulatory body;
- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management;

- Ensuring sufficient & efficient staff resources for RMD;
- Establishing standards of ethics and integrity for staff and enforcing these standards;
- Assessing overall effectiveness of risk management functions on yearly basis.

8.03: Executive Risk Management Committee (ERMC)

Bank has formed ERMC comprising of Heads concerned divisions and Executives from other division related to risk as deemed necessary. RMD act as secretariat of the committee. The ERMC, from time to time, invite top management (CEO, AMD, DMD or senior most executives), to attend the meetings so that they are well aware of risk management process.

The responsibilities/Terms of Reference of ERMC are as follows:

- Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- Holding meeting at least once in a month based on the findings of risk reports and taking appropriate decisions to minimize/control risks;
- Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions;
- Minimizing/controlling risks through ensuring proper implementation of the decisions;
- Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- Implementing the decisions of BRMC and board meetings regarding risk issues;
- Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading senior management and board;
- Determining risk appetite, limits in line with strategic planning through threadbare discussions among the members;
- Contributing to formulation of risk policies for business units;
- Handling "critical risks" (risks that require follow-up and further reporting);
- Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation.
- Ensuring arrangement of Annual Risk Conference in the bank; etc.

8.04: Supervisory Review Process (SRP) Team

Supervisory Review Process (SRP) includes regulations of bank's own supervisory review of capital positions, aiming to reveal whether a bank has prudent risk management and sufficient capital to manage the risks. In respect of SRP, bank has a defined process for assessing overall capital adequacy and a strategy for maintaining capital at an adequate level. In this regard, the bank has formed an exclusive body called SRP Team with the defined Terms of Reference (TORs) and a process document called Internal

Capital Adequacy Assessment Process (ICAAP) for assessing the bank's overall risk profile in addition to minimum capital requirement. The SRP team is headed by the Managing Director of the bank. The Team sits on bi-monthly basis.

8.05: Risk Management Division (RMD)

UBL has an independent full-fledged risk management department/division where CRO is responsible for overall supervision of the division. According to Latest Risk management Guideline 2018, UBL has established 8 (eight) separate desks and functions of particular desks. The responsibilities of RMD & 8 (eight) separate desks are ensured by the In-charge/Deputy CRO. The defined separate desks within the risk management division will oversee each key risk areas. The main functions of the division include, but not limited to, the following:

- managing the process for developing risk policies and procedures;
- coordinating with business users/units to prepare functional specifications;
- preparing and forwarding risk reports; and
- assisting in the implementation of all aspects of the risk function.

8.05.01: Desk wise function of RMD

For smooth functioning of risk management activities, the desks of RMD should commonly do the defined tasks. All the desks are individually responsible for collecting the related data/ information, progress report of the previously taken decisions of ERM and BRMC from concerned divisions for proper risk analysis and identification of risks, making appropriate recommendations, preparing memo on related issues, monitoring and following up of implementation status of the decisions of meeting minutes, ensuring regulatory compliance on related issues, assisting in formulation and review of risk appetite and risk related policies/guidelines. The desks are also responsible for monitoring the associated risks through concerned department/divisions. However, RMD is performing its specific tasks with the 8(eight) desks are as follows:

- Desk-1: Investment/Credit Risk Management Desk
- Desk-2: Capital Management Desk
- Desk-3: Liquidity Risk Management Desk
- Desk-4: Risk Management Reporting Desk
- Desk-5: Operational Risk Management Desk
- Desk-6: Risk Research and Policy Development desk
- Desk-7: Market Risk Management Desk
- Desk-8: Basel Implementation Desk

9.00: Risk Management Reporting

The bank adheres to the applicable rules, regulations and relevant policy guidelines related to risk management reporting as amended up to date. In these contexts, RMD has been preparing and submitting the following reports, summary of which are as under:

Sl. No.	Name of report	Reporting Frequency	Status	Remarks
1.	Statement of Capital Adequacy	4	Complied	Quarterly reporting to BB, BRMC & Board of Directors
2.	Statement of ICAAP under Supervisory Review Process	1	Complied	Yearly reporting to BB, BRMC & Board of Directors.
3.	Stress Testing Report	4	Complied	Quarterly reporting to BB and Board of Directors.
4.	Comprehensive Risk Management Report (CRMR)	2	Complied	Half yearly reporting to BB for determination of risk management rating.
5.	Monthly Risk Management Report (MRMR)	10	Complied	<ul style="list-style-type: none"> Monthly reporting to ERM & BB. Quarterly reporting to BB, BRMC & Board of Directors.
6.	Statement of Market Discipline	1	Complied	Yearly reporting to BB & Board of Directors and disclose the same in the Bank's Website.
7.	Statement of Risk Appetite	1	Complied	Yearly reporting to BB & Board of Directors for approval.
8.	Review Report on Risk Management Policies and Effectiveness of Risk Management Functions	1	Complied	Yearly reporting to BB & Board of Directors for approval.
9.	Bank's Credit Rating	1	Complied	Yearly reporting to BB, Board of directors, bank's website, daily newspapers.
10.	Compliance Report	As and when required.	Complied	Reporting to the respective departments of BB from time to time.

10.00: Core Risk Management

Bangladesh Bank issued core risk management guidelines for banks which provided the benchmark that needs to be followed by the banks as minimum standard apart from the bank specific internal core risk management guidelines. Bank's core risk management compliance issues are monitored by the Executive Risk Management Committee (ERMC) in its monthly meeting through RMD. The recommendations/ suggestions are communicated to the concerned divisions for ensuring timely compliance of the particular risk factors. In managing the core risks, banks follows the latest core risk management guidelines, such as:

1. Investment/Credit Risk
2. Foreign Exchange Risk
3. Asset-Liability Risk
4. Internal Control & Compliance (ICC) Risk
5. Information & Communication Technology (ICT) Risk
6. Money laundering and terrorist financing (ML & TF) Risk

11.00: Key initiatives in the year-2021

- Established and maintained prudent risk management framework
- Review the core risk management guidelines in line with latest risk management guidelines of BB.
- Effective risk management functioning with 08 (eight) separate desks as per latest Risk Management Guideline.
- Arranged Annual Risk Management Conference with the participation of all the branch managers including officials related to risk issues.
- Initiatives for strengthening Core Capital of the bank through issuing IPO so that bank may able to meet up the regulatory requirement and subsequently bank has implemented the issue.
- Outline the identified areas for the development of CAMELS Rating where bank required to take remedial action and subsequently, Bank's CAMELS rating has been improved comparing to December 2020.
- Conveyed the remedial actions for improvement of key liquidity ratios i.e. IDR, LCR, Wholesale borrowing. Subsequently Bank has maintained IDR and LCR within regulatory limit and also reduce wholesale borrowing.
- Greater Reliance on Information Technology for efficient supervision
- Expedited credit rating process to reduce risk weighted assets and thus improving bank's capital adequacy.
- Formulated Individual Investment Risk Assessment & Evaluation Checklist and assessed the risk originating from Top investment clients accordingly.
- Address key risk areas and action plan for the year 2021 and communicated the same to the Board of Directors and Senior Management for necessary guidance as against.
- Developed bank's risk profile considering the risks under Basel-III accord.
- Streamlining risk management reporting to the Regulator, Management, BRMC & Board.

- Developed a comprehensive "documentation checklist" for investment.
- Review of "Management Action Trigger" for the selective risk areas.
- Review of "Methodology of assessing Customer Services & Evaluation Report".
- Developing Operational Risk Management Framework for taking necessary measures to identify and mitigate the operational risk issues properly.
- Introducing robust employees' awareness programs on risk management; etc.

12.00: Action Plan for the year-2022

- Developing risk profile of the bank and determining appropriate risk management strategies based on the periodic capital adequacy as well as identified and potential risks.
- Strengthen capital base and expediting Credit rating of eligible client to reduce Risk Weighted Assets (RWA) of the bank.
- Ensuring all applicable regulatory compliances related to capital adequacy & risk management.
- Forming a separate cell for ensuring duly & timely submission of various reports & returns as well as implementation of regulatory directives with more meticulousness and accuracy at the same time interpret the same in a sensible manner.
- Prepare a guideline for archiving updated regulatory instructions, circulars, guidelines and other major information.
- Develop a recovery plan for prompt and effective action in the event of a stress situation.
- Identify triggers and key vulnerabilities of the bank for adequate monitoring of the risk factors.
- Properly monitor stress situation and inform to the Board and senior management regularly for taking timely action.
- Initiating the process of developing automated resources for calculating different risk indicators.
- Identifying, assessing and controlling the environmental risk.
- Ensuring the defined activities under Basel Unit.
- Reviewing the ICAAP Policy document.
- Implementation of Key Risk Indicators (KRIs) for addressing the risks on timely basis.
- Updating the required risk management policies and procedures of the bank through Management, BRMC & Board Approval.
- Improving bank's core risk segments.
- Ensuring automation of bank's Management Information Systems (MIS) through the Centralized MIS Cell and its supporting team.
- Regular review of board approved risk appetites/limits.
- Monitoring the national and global risk issues in line with bank's exposure.
- Communicating the key risk issues to the Senior Management, BRMC and Board; etc

13.00: Concluding Remarks

After the pandemic situation, banking business are struggling to recover with reducing scope of earnings and to maintain regulatory requirements. COVID-19 has shown that risk management should evolve to be more dynamic and agile to better manage risk and maintain sustainable development. However, we are fortunate that, Union Bank Ltd. managed the risk by taking proactive measures and good governance in its operational arena. Apart, the bank risk management organs are working together for minimizing the identified and future potential risks with a view to sustainable growth of the bank in the long run and constantly taking forward looking initiatives by the all responsible authorities of the bank considering the changing circumstances from time to time.

TREASURY OPERATION AND FUND MANAGEMENT

Treasury Division maintains liquidity, based on historical requirements, anticipated funding requirements from operation, current liquidity position and collection of financing available sources of funds, risks and returns. Union Bank Limited's Treasury is fully concentrated on fund management and maintaining adequate cash to meet day-to-day requirements. Treasury Division is responsible for maintaining Cash Reserve Requirement (CRR), Statutory Liquidity Requirement (SLR), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Maximum Cumulative Outflow (MCO). Treasury deals with funding operation for managing the liquidity positions in local and foreign currency & Inter-Bank Market dealings etc. Treasury Division also ensures Balance Sheet Risk Management and oversees the asset-liability mismatch gap position and implements appropriate measures to mitigate liquidity risk. Thus the Treasury Division of UBL essentially deals with liquidity management and as a service center.

Asset Liability Committee (ALCO)

The Asset Liability Committee (ALCO) is constituted with the senior management of the bank headed by the Managing Director. Treasury Mid office responsible for balance sheet planning from risk-return perspective including the strategic management of profit rate risk and liquidity risk being within the limits. ALCO meets at least once in a month to review economic, market status, outlook and liquidity position of the bank. ALCO also assesses pricing of assets and liabilities, maturity wise grouping of assets and liabilities, liquidity contingency funding plan in order to manage the Balance Sheet Risk in a prudent way. The Committee also reviews transfer pricing, other liquidity ratios and sensitivity of asset-liabilities.

The Asset Liability Committee of the Bank monitors balance sheet risk, liquidity risk, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. The primary objectives of the ALCO are liquidity management, fund management and assets liability matching. The committee monitors and averts significant volatility in net investment income (NII), investment value and exchange earnings. In every ALCO meeting, the committee reviews the action taken in previous ALCO meeting, economic and market status and outlook, liquidity risk related to Balance Sheet, profit rate structure etc. Special ALCO meeting is arranged as and when any contingent situation arises.

ANTI-MONEY LAUNDERING & COMBATING FINANCING OF TERRORISM ACTIVITIES

Money Laundering and Terrorist Financing have become a globally burning issue for the nations, decision makers as well. These problems are not only for the world's major financial markets and offshore centers, but also for emerging markets. Bangladesh, being a developing country also is in vulnerability like other parts of the world for Money Laundering, Terrorist Financing and Financing in Proliferation of Weapons of Mass Destruction. Money Laundering and Terrorists Financing issues are crucial part of core risk management activities. We have framed a structure to fight against those risks.

In this regard, Bangladesh government has taken a number of significant steps adhering to international guidelines in preventing money laundering, combating terrorism financing and proliferation of weapons of mass destruction. Bangladesh's banking sector has come forward to play the best role in preventing these issues. Union bank Ltd treats the money laundering and terror financing issues as a vital part of its core risk management activities. Bank has formulated its own guidelines for prevention of money laundering approved by the Board of Directors in line with Anti Money Laundering Law and Bangladesh Bank guidelines. Money laundering risk is a national issue. KYC and transaction profile as well CTR & STR reporting is being followed in our bank to minimize money laundering risks.

Union Bank Limited is also committed to take appropriate measures from its position to handle these issues. With this view, Union Bank Limited has taken the following steps to work together with Bangladesh Financial Intelligence Unit (BFIU) in preventing Money Laundering, Terrorist Financing and Financing in Proliferation of Weapons of Mass Destruction.

- Anti-Money Laundering (AML) & Combating Financing of Terrorism (CFT) Policies (Updated);
- Guidelines for Prevention of Trade Based Money Laundering (TBML);
- Money Laundering (ML) & Terrorist Financing (TF) Risk Management Guidelines (RMG)
- Customer Acceptance Policy (CAP)
- Implementation e-KYC through using Mobile App Account.
- A well-formed Central Compliance Committee(CCC)
- Well defined responsibilities of CAMLCO and D-CAMLCO for overall monitoring of the AML&CFT compliance issues;
- Automated Screening Mechanism (Velocity AML Solution Suites) for UN & Local Sanction
- Arrangement of Trainings Program / workshop for all Employees to enhance their skills on AML&CFT issues;
- Issuing Circulars to the Branches regarding AML&CFT issues;

Over and above, UBL also considers the following issues:

- Prohibition of Business Relationship with Shell Banks;
- Conducting System Check Inspection of Branches regarding Compliance status of AML&CFT issues;
- High-risk accounts are reviewed annually and Low-risk accounts are checked in any specific incidents;
- Customers' Transaction Profile is also reviewed and updated on justifiable grounds with appropriate documents when it is needed;
- Customers' Cash transactions (deposits or withdrawals) that breach certain limits set by Bangladesh Bank are reported to the BFIU regularly;
- Client Awareness Program is arranged as per instruction of Bangladesh Bank.
- Training /Workshop on ML, TF, TBML & CBML are conducted through banks Training Institute.

Moreover, Honorable Managing Director of the bank regularly circulates his yearly statement of commitment conveying the messages to the concerned officials regarding in identifying the Beneficial Owner, KYC and Transaction profile properly. He also advises the bank officials to be more careful in ascertaining and recognizing suspicious /unusual transactions, contact point verification and complete record keeping requirements etc. Our bank also arranges program to aware the members of the Board of Directors on AML & CFT issues. For successful compliance of all activities, we all are committed to uphold Union Bank Limited's image in the financial arena.

HUMAN RESOURCE DIVISION

Human Resources plays a strategic role in managing people, the workplace culture, environment and to build & accomplish a successful Business strategy. Human Resources always play a prime role for an organization. Human Resources is a function within an organization concentrated basically on recruiting, managing and directing people who work in it. Besides, it deals with issues related to compensation, performance management, organization development, safety, wellness, benefits, employee motivation, training and others. If effective, it can contribute greatly to the overall company direction and success of its goals and objectives. Successful organizations realize the importance of well-trained and motivated employees to achieve the company's financial goals. Successful HR divisions realize the importance of keeping employees' focus on the company's financial goals while providing opportunities for employee growth and advancement. Thus, employees and management must both realize that a cooperative, not adversarial, relationship is vital to a company's success.

Union Bank Ltd. is an Islami Shariah based 4th generation Bank with an advanced and service oriented disclosure. With a view to ensure best of the service to its clients and compete with other organizations in the same business line, thousands of employees are dedicatedly working for stirring its improvement. A service based financial institute always give emphasis on the growth & development of its manpower to provide quality services to its clients and UBL is not an exception to this. It believes that the factors which help the Bank to survive and differentiate it from other banks are closely interlinked with the quality of services and satisfaction of the clients and those entirely depends on the qualification of the employees, efficiency & effectiveness of their works. The Bank distinguishes the value

and contribution of its human resources in its achievements. As the Bank identifies that the human resources give the organization a significant competitive edge, it continues the policy of recruiting the best possible professionals making equal opportunity for new talents in its process of recruitment & selection. The Bank, thereby, simultaneously adopts & implements different programs which includes training, workshops, seminar at home & abroad to develop its human resources with a view to make it a human capital for the organization and to retain high quality professionals to face the challenges of the 21st Century. Union Bank Ltd. as one of the employee responsive organizations always recognizes and responds to the necessity & prospects of its members and thus implements & embraces various policies to ensure their job security as well as social security even after retirement.

BUSINESS DEVELOPMENT DIVISION (BDD)

Business Development Division has been formed with a view to pave the way for strategy formulation in relation to achievement of business targets, analytical preparation of potential growth opportunities of the Bank as well as extending subsequent support for its implementation. The main activity of BDD is categorized in following major areas:

Business Planning:

Business planning is the key strategies to achieve the business target. We make the bridge between branch, client and Head Office to minimize the business process time. Always keep close watchdog on market trend of business and competitor to set the business strategy with the industry at per.

Follow-up & Monitoring:

Follow up and monitoring of the achievement status of Branch's Business Budgets on monthly, quarterly and yearly basis and report to the management is a vital issue for banking business. BDD performs these duties from time to time. BDD also rationalizes/pragmatic the action plans received from the Branches, if necessary and communicate the same to the concerned Branches to pave the way for their business targets achievement.

Business Solution and process reengineering:

We always play the pivotal role to solve the branch Business bottle neck and take steps to solve the problem at end earliest time.

Keeping liaison with different department of bank to minimize time of approval and make the process simple and fast.

Business Development:

Developing New Business Insights (NBI) for a growth Strategy of the Branches focused on financial gain.

At last, to continue successive Business growth as well as market position despite having challenging business activities of the economy supervising business targets and giving all sorts of necessary assistances and co-operations to the branches from the Division in respect of business targets achievement. In addition to these, BDD provides required policy/guideline and support on Business Target time to time.

UNION BANK TRAINING INSTITUTE

In 2021, Union Bank Training Institute has conducted and facilitated training, workshops, discussion for meeting the banking challenges. In-Sha-Allah this effort will be continued in upcoming days to enrich knowledge, improve skills and build positive attitudes.

Synopsis of the activities of the Union Bank Training Institute are as follows:

a) Advanced Training Course conducted during 2021:

S.L	Name of the Courses	Period	Duration	No. of Participants
01	Training on "Foreign Trade Operations"	24.10.21-29.10.21	5 Days	27
Sub Total				27

b) Workshops conducted during 2021:

S.L	Name of the Courses	Date	Duration	No. of Participants
01	e-workshop on "Marketing of new products"	16.02.21	Day Long	50
		17.02.21		50
		18.02.21		50
		22.02.21		43
02	e-Workshop on "Prevention of Money Laundering & Combating Terrorist Financing"	21.03.21 & 22.03.21	2 Days	36
03	e-Workshop on "Investment Classification and Provision Reporting Solution"	21.03.21	Day Long	50
		22.03.21		50
		23.03.21		49
		24.03.21		42
04	e-Workshop on "Gender Equality: Challenges"	19.05.21	Day Long	40
05	e-Workshop on "e-Account Opening & Operations"	24.05.21 Morning & Evening (2 batch)	Day Long	(45+48)=93
		25.05.21 Morning & Evening (2 batch)		(34+45)=79

S.L	Name of the Courses	Date	Duration	No. of Participants
06	e-Workshop on "Prevention of Money Laundering & Combating Terrorist Financing"	07.06.21 & 08.06.21	2 Days	39
07	e-Workshop on "Gender Equality: Challenges"	23.06.21	1 Day	32
08	Workshop on "Automated Challan Management System"	06.08.21	Day Long	23
09	Workshop on "Automated Challan Management System"	07.08.21	Day Long	22
10	e-Workshop on "Automated Challan Management System"	22.08.21	Day Long	48
11	e-Workshop on "Automated Challan Management System"	23.08.21	Day Long	50
12	Virtual Seminar On "National Mourning Day-2021"	31.08.21	Day Long	91
13	e-workshop on "Effective Investment Management"	26.09.21 & 27.09.21	2 Days	48
14	Refreshers e-BAMLCO Conference-2021	13.12.21	Day Long	99
Subtotal				1084

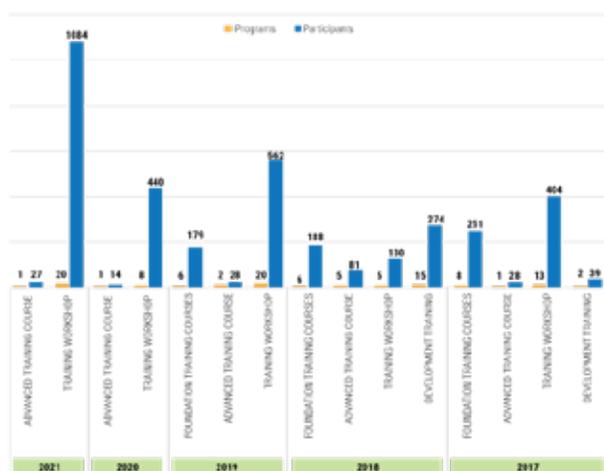
Total (a+b) = 1111

Performance Report

Union Bank Training Institute has conducted and facilitated training, workshops, discussion for meeting banking challenges will be continued in upcoming days to enrich knowledge, improve skills and build positive attitudes in sha Allah. Synopsis of the activities of the Union Bank Training Institute are as follows:

Year	Title	Number of Programs	Total Participants
2021	Advanced Training Course	01	27
	Training Workshop	20	985
	Conference	01	99
	Total	22	1111
2020	Foundation Training Courses	01	29
	Advanced Training Course	01	14
	Training Workshop	08	440
	Total	10	483
2019	Foundation Training Courses	06	179
	Advanced Training Course	02	28
	Training Workshop	20	562
	Total	28	769
2018	Foundation Training Courses	06	188
	Advanced Training Course	05	81
	Training Workshop	05	130
	Other Development Training	15	274
	Total	31	673
2017	Foundation Training Courses	08	251
	Advanced Training Course	01	28
	Training Workshop	13	404
	Other Development Training	02	39
	Total	24	722

GRAPHICAL PERFORMANCE



DIVIDEND

The Board of Directors has recommended 05% Cash Dividend and 05% Stock Dividend (Subject to approval from Bangladesh Securities and Exchange Commission) for the year ended December 31, 2021.

RETIREMENT & RE-ELECTION OF DIRECTORS

As per the Companies Act, Bank Companies Act and Articles of Association of the Company, each year one-third of the Directors retire from the office of Directors and depending on eligibility, may offer themselves for re-election by shareholders at the Annual General Meeting. Therefore, by rotation, every Director is required to submit themselves for retirement and reelection by shareholders at regular intervals.

APPOINTMENT OF AUDITORS

The present Auditor K. M. Hasan & Co., Chartered Accounts was appointed as external Auditor for the year 2021 by the Shareholders in the 8th Annual General Meeting as per provision of Companies Act, 1994. They have completed their Third term audit for the year 2021 as external Auditor and they also complete their full term as auditor they are not eligible for re-appointment. So a new auditor will be appointed for the period until the next AGM.

APPOINTMENT OF COMPLIANCE AUDITORS

Rahman Mostafa Alam & Co. Chartered Accountant was appointed as Compliance Auditor of the Bank for the year 2021 by the Shareholders as per condition 9(2) of the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of Bangladesh Securities & Exchange Commission. So a new Compliance Auditor will be appointed for the next year 2022.

APPRECIATION

Thanks to Almighty Allah for the Business success of the Bank in 2021. I would like to thank my Board colleagues for their continued support and on their behalf to express my thanks to Managing Director, officials and also all staffs of Union Bank Limited. The Board of Directors and the bank management are confident that the Bank is well-positioned to continue its growth journey in the coming years. This can be achieved through an unwavering focus on enhancing the Bank's customer service and product proposition, adopting sound asset and liability management, embracing market best practices and practicing prudent risk management and good governance. I would like to take this opportunity to extend my sincerest gratitude and appreciation to Union Bank Limited shareholders and clients for their trust and support. And I would also like to thank Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC and all other concerned regulatory authorities who have supported us and extended to us their valuable co-operation.

May Almighty Allah grant his infinite mercy upon us.

Ameen.

On behalf of the Board of Directors

Signature

Ahsanul Alam
Chairman

REPORT OF THE AUDIT COMMITTEE

FOR THE PERIOD FROM JANUARY-2021 TO DECEMBER-2021

The Audit Committee of the Board of Directors of Union Bank Limited has been constituted to act as a watchdog on behalf of the Board of Directors and carries oversight responsibilities. The Board of Directors sets out the overall business plan and formulates policies and the Management plans into effect. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the process/ procedures set out in the Business Plans and Policies.

The existing members of the Audit Committee:

Sl.	Name	Status in the Board	Status in Audit Committee
1	Mr. Md. Abdul Quddus	Independent Director	Chairman
2	Mr. Showkat Hossain, FCA	Director	Member
3	Mr. Mohammad Fazlay Morshed	Director	Member
4	Mr. Md. Abdus Salam, FCA	Independent Director	Member

Roles and Responsibilities of Audit Committee:

The Audit Committee is responsible for exercising the full powers and authority of the Board in accounting and financial reporting matters and any activity within its terms of reference. The committee reports to Board of Directors as per terms of reference, on the activities assigned. The role and responsibilities of the committee includes:

I. Activities Related to Internal Control

- Review compliance status of the commercial audit report, comprehensive inspection report conducted by Bangladesh Bank and statutory audit report and advise the Management to ensure full compliance.
- Discuss the decisions of the compliance report of internal audit conducted on different branches on quarterly basis.
- Evaluate whether Management is setting the appropriate compliance culture by communicating the importance of internal control and the Management risk and ensuring that all employees are understanding of their roles and responsibilities.
- Review the corrective measures taken by the Management as regards the reports relating to fraud-forgery, deficiencies in internal control by the inspectors of the regulatory authority and inform the Board on a regular basis.
- Review Management Letter/Letters regarding weakness of Internal Control issued by statutory auditors.

II. Activities Related to Financial Reporting

- Review along with the Management, the annual, half yearly and quarterly financial statement submission to the Board for approval with the determination whether they are complete and consistent with the accounting standards set by the regulatory authority.

- Check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to the existing rules and regulations and standards enforced in the country as per relevant prescribed accounting standards set by Bangladesh Bank.
- Meet with Management and the external auditors to review the financial statements before their finalization.

III. Activities Related to Internal Audit

- Discuss the internal audit report on different branches and instructed Management to take necessary disciplinary action against fraud forgery committed by the employees;
- Review responsibility fixation report of internal audit for irregularities in routine works in different branches and recommendation(s) for taking necessary disciplinary action against responsible person;
- Review the efficiency and effectiveness of internal audit plan.
- Review the efficiency and effectiveness of internal audit functions.
- Review the findings and recommendations made by internal auditors for removing the irregularities and ensure compliance by the Management in running the affairs of the Bank.

IV. Activities Related to External Audit

- Review the auditing performance of the external auditors and audit report.
- Review the findings and recommendations made by the external auditors for removing the detected irregularities in running the affairs of the Bank are duly considered by the Management.
- Make recommendations to the Board regarding the appointment of the external auditors for conducting audit works of the Bank.

V. Compliance with existing laws and regulations

- Review whether the laws and regulations framed by the regulatory authorities (Bangladesh Bank, BSEC and other bodies) and internal regulations approved by the Board are being complied with.

Other Responsibilities

Place compliance report before the Board on quarterly basis regarding regularization of the errors, fraud and forgeries and other irregularities detected by the internal & external auditors and inspectors of regulatory authorities;

Perform other oversight functions as requested by the Board and evaluate the committee's own performance on a regular basis.

Meeting of the Audit Committee

The Audit Committee of the Bank held Four (04) meetings during the year 2021 and had detail discussions and review sessions with Head of Internal Control & Compliance, External Auditors etc., regarding their findings, observations and remedial suggestions on issue of the bank affairs that need improvement.

The Audit Committee instructed Management to follow those remedial suggestions and monitored those accordingly.

Dates of Audit Meetings held during the year 2021 are:

Meeting	Date of Meeting Held
38 th Audit Committee Meeting	29-04-2021
39 th Audit Committee Meeting	02-09-2021
40 th Audit Committee Meeting	28-10-2021
41 st Audit Committee Meeting	02-12-2021

Activities in 2021:

- Reviewed Internal Audit Plan-2021 prepared by Internal Control & Compliance Division, Head Office and recommended to submit it to the Board of Directors.
- Reviewed Financial Statements of 2020 prepared on 31-12-2020 and recommended those to place before the Board of Directors for consideration.
- Reviewed Comprehensive inspection report of Union Bank Ltd, Head Office, Dhaka conducted by Bangladesh Bank based on 30-06-2020 and advised to the Bank Management to regularize the irregularities and recommended to submit it to the Board of Directors.
- Reviewed and Approved "Report of the Audit Committee" to be attached with "Annual Report 2020".
- Reviewed surprise inspection report of Panthapath Branch conducted by Bangladesh Bank and advised to the Bank Management to regularize the irregularities.
- Reviewed Financial Statements of 1st quarter of 2021 prepared on 31-03-2021 and recommended those to place before the Board of Directors for consideration.
- Reviewed Financial Statements of 2nd quarter of 2021 prepared on 30-06-2021 and recommended those to place before the Board of Directors for consideration.
- Reviewed and approved proposal of hiring K. M. Hasan and Co., Chartered Accounts as an external auditor from 8th Annual General Meeting to 9th Annual General Meeting and recommended to submit it to the Board of Directors.
- Reviewed and approved proposal of hiring Rahman Mostafa Alam and Co., Chartered Accounts as a Compliance Auditor and recommended to submit it to the Board of Directors.
- Reviewed summary of Comprehensive Report and report on non-complied vital issues of Compliance report of (12) Branches submitted by Internal Audit from 01-01-2021 to 31-03-2021 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary of Comprehensive Report and report

on non-complied vital issues of Compliance report of (23) Branches submitted by Internal Audit from 01-01-2021 to 30-06-2021 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.

- Reviewed summary of Investment Documentation Checklist (IDCL) of all Branches in 1st quarter submitted by Internal Audit from 01-01-2021 to 31-03-2021 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary of Investment Documentation Checklist (IDCL) of all Branches in 2nd quarter submitted by Internal Audit from 01-04-2021 to 30-06-2021 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed and approved Annual Health Report-2020 and recommended to submit it to the Board of Directors.
- Reviewed and Enlargement of Internal Control & Compliance guideline of Union Bank Ltd. and recommended to submit it to the Board of Directors.
- Reviewed summary of Investment Documentation Checklist (IDCL) of all Branches in 3rd quarter submitted by Internal Audit from 01-07-2021 to 30-09-2021 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary of Comprehensive Report and report on non-complied vital issues of Compliance report of (42) Branches submitted by Internal Audit from 01-01-2021 to 30-09-2021 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary of Comprehensive Report and report on non-complied vital issues of Compliance report of (71) Branches submitted by Internal Audit from 01-01-2020 to 31-12-2020 prepared on 30-12-2020 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.

Acknowledgement

The Audit Committee expresses its sincere thanks to the Members of the Board, Management and the Auditors for their excellent support while carrying out and discharging their duties and responsibilities effectively and smoothly. _



(Md. Abdul Quddus)

Chairman
Audit Committee