

UNION BANK PLC

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

Auditor's Report on Utilization Proceeds from Public Offering For the Quarter ended March 31, 2025



AUDITORS' REPORT

On Status Report on Utilization of Proceeds from
Public Offering Union Bank PLC.
For the quarter ended March 31, 2025

We (G. Kibria & Co.) ("the Practitioner") have been engaged by Union Bank PLC. ("the Company" or "Bank") to provide an opinion on whether the company has complied with the conditions of its Initial Public Offering (IPO) regarding the utilization of proceeds from the public offering for the period from 01 January 2025 to 31 March 2024, as mandated by the Bangladesh Securities Exchange Commission (BSEC).

The scope of our work is limited to examining whether the company has utilized the IPO proceeds in accordance with the conditions outlined in the consent letter (Ref. No. BSEC/CI/IPO-319/2021/599 Dated November 24, 2021) and other relevant rules and regulations.

Responsibilities of the management and those charged with governance

Those charged with governance and management of the Bank are responsible for utilizing the proceeds from the IPO in accordance with the terms and conditions of the IPO and preparation of Status Report on Utilization of Proceeds from Public Offering in accordance with the conditions laid down in clauses 2, 3, 5, 6, 7 and 8 of Part-C of the consent letter BSEC/CI/IPO-319/2021/599 dated 24 November 2021 and other applicable rules and regulations.

Responsibilities of Auditor's

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of IPO and clauses 3 and 4 of Part-C of the consent letter BSEC/CI/IPO-319/2021/599 dated 24 November 2021 and other applicable rules and regulations.

Conclusion

We have examined relevant documents and obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the annexed status report on utilization of IPO proceeds of Union Bank PLC. as of 31 March 2025.

We draw attention to the following matters:

- 1 The Bank has utilized BDT 1,005,069,150 which is 100.51% of the budgeted amount up to 31 March 2025, for the purpose of Investment in SME as specified in the prospectus.
- 2 The Bank has utilized BDT 1,465,000,000 which is 100% of the budgeted amount up to 31 March 2025 for the purpose of Investment in Project Finance as specified in the prospectus.
- 3 The Bank has utilized BDT 1,000,000,000 which is 100% of the budgeted amount up to 31 March 2025 for the purpose of Investment in Government Securities as specified in the prospectus.
- 4 The Bank has utilized BDT 96,984,949 which is 12.93% of the budgeted amount up to 31 March 2025 for the purpose of Investment in the Capital Market through the Time Securities Ltd. (BO ID no. 1203350051006617). Furthermore, the market value of this investment is decline by approximately 46.89% and stands at BDT 51,505,058.80 as of 31 March 2025.
- 5 The Bank has utilized Taka 59,930,850 which is 92.20% of the budgeted amount up to 31 March 2025 for the purpose of IPO Expenses as specified in the prospectus. The Bank applied to BSEC for permission to reallocate the unutilized portion to Investment in SME. However, via letter No. BSEC/CFD/59/2017/Part-II/171 dated July 3, 2024 Bangladesh Securities and Exchange Commission didn't consider this request.

Ref: GKC/25-26/M/012

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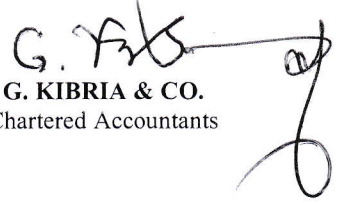
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- 6 As per prospectus, the IPO Proceeds were to be utilized by 17 January 2023, the bank was unable to meet this prescribe timeline and subsequently applied to BSEC for a time extension along with reallocation of some purposes/heads as specified in the prospectus. However, via letter No. BSEC/CFD/59/2017/Part-II/171 dated July 3, 2024 Bangladesh Securities and Exchange Commission didn't consider this request.
- 7 According to the prospectus and BSEC (Public Issue) Rules 2015, IPO proceeds should be maintained in a separate bank account which was Union Bank Limited, Gulshan Branch, No. 0021210000747. However, the whole proceeds were received in Bangladesh Bank, Motijheel Branch, A/C No. 30001638096, which is a regular bank account not for any specific purpose. During our review the transaction, we found usage of other bank account.
- 8 As at 31 March 2025, the total unutilized amount stood at BDT 653,015,051. Management was unable to provide us any reconciliation of this fund.
- 9 The company failed to submit the quarterly status report on IPO proceeds utilization within the stipulated timeline in compliance with clause 3 of Part C of consent letter.

Date: 21 August 2025
Place: Dhaka, Bangladesh


G. KIBRIA & CO.
Chartered Accountants



Report on Utilization of Initial Public Offering (IPO) of Proceeds for the Quarter ended March 31, 2025

Name of the Company **Union Bank PLC.**
Amount (BDT) of Capital Raised Through Issuance of Ordinary Share **4,280,000,000**
Date of Close Subscription **December 30, 2021**
Proceeds Receiving Date **January 9, 2022 & January 18, 2022**
Last Date of Full Utilization of Fund as Per Consent Letter **Within January 17, 2023**

All the Figures are in BDT

Sl. No	Date of Subscription	Amount of Subscription (In BDT)	Purpose of issue	Time Line as per Prospectus	Amount as per prospectus (BDT)	Status of Utilization						Remarks
						Utilized up to December 31, 2024 (In BDT)	During the Quarter (In BDT)	Total Utilized Amount (In BDT)	Utilized %	Total Un-Utilized Amount (In BDT)	Unutilized%	
1	December 30, 2021	4,280,000,000	Investment In SME	17 January 2023	1,000,000,000	1,005,069,150	-	1,005,069,150	100.51%	(5,069,150)	0.00%	
2			Investment In Project Finance		1,465,000,000	1,465,000,000	-	1,465,000,000	100%	-	0.00%	
3			Investment In Government Securities		1,000,000,000	1,000,000,000	-	1,000,000,000	100%	-	0.00%	
4			Investment In Capital market: Secondary Market (A Category Listed Securities)		750,000,000	96,984,949	-	96,984,949	12.93%	653,015,051	87.07%	
5			IPO Expenses		65,000,000	59,930,850	-	59,930,850	92.20%	5,069,150	7.80%	
					4,280,000,000	3,626,984,949	-	3,626,984,949	84.74%	653,015,051	15.26%	

All conditions of the BSEC consent letter have been complied except for the following:

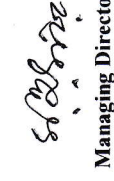
- IPO Proceeds have been utilized for the purposes/heads as specified in the prospectus except time limit and investment in capital market as per with the condition of the commissions consent letter.
- The IPO proceeds should be used from a separate bank account as per BSEC (public issue) rules 2015 but now it is using from others.
- The bank requested to BSEC for the utilization time extension and changes of investment mode/head. However, Bangladesh Securities and Exchange Commission (BSEC) didn't consider this request.



Company Secretary



In-Charge of F&AD



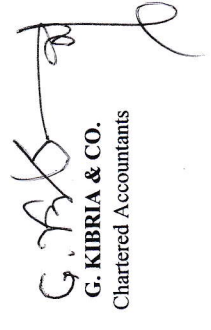
Managing Director



Director

Place: Dhaka, Bangladesh
Dated: 21 August 2025




G. KIBRIA & CO.
Chartered Accountants