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 September 30, 2024

AUDITORS' REPORT

On Status Report on Utilization of Proceeds from
Public Offering Union Bank PLC.
For the quarter ended September 30, 2024

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 July 2024 to 30 September 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 30 September 2024.

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 30 September 2024, 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 30 September 2024 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 30 September 2024 for the purpose of Investment in Government Securities as specified in the prospectus.

4 The Bank has utilized BDT 110,295,366 which is 14.71% of the budgeted amount up to 30 September 2024 for the purpose of Investment in the Capital Market through the Time Securities Ltd. (BO ID no. 1203350051006617). In the last quarter report, it stood at 18.96%. Management withdraw BDT 35,000,000 from this investment on September 12, 2024 and transferred the amount to Sonali Bank PLC, Local Office (A/C No. 0002002005773), which was not the designated IPO proceed account. Furthermore, the market value of this investment are decline by approximately 42.20% and stands at BDT 63,749,334 as of 30 September 2024.

5 The Bank has utilized Taka 59,930,850 which is 92.20% of the budgeted amount up to 30 September 2024 for the purpose of IPO Expenses as specified in the prospectus. The Bank applied to BSEC for permission to

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 of this period, we found usage of other bank account as mentioned in Serial 4 earlier.

8 As at 30 September 2024, the total unutilized amount stood at BDT 639,704,634. Management was unable to provide us any reconciliation of this fund. However, based on our review we were able to trace only BDT 17,229,171 (comprising BDT 16,943,979 in Bangladesh Bank, Motijheel Branch, A/C No. 30001638096 and BDT 285,193 in BO account).

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.

G. Kibria

G. KIBRIA & CO.
Chartered Accountants

Date: 21 August 2025
Place: Dhaka, Bangladesh

G. KIBRIA & CO. DHAKA CHARTERED ACCOUNTANTS

Annexure- 1

Report on Utilization of Initial Public Offering (IPO) of Proceeds for the Quarter ended September 30, 2024

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 June 30, 2024	During the Quarter	Total Utilized Amount	Utilized %	Total Un-Utilized Amount	Unutilized%	
						(In BDT)	(In BDT)	(In BDT)		(In BDT)		
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	100.00%	-	0.00%	
3			Investment In Government Securities		1,000,000,000	1,000,000,000	-	1,000,000,000	100.00%	-	0.00%	
4			Investment In Capital market: Secondary Market (A Category Listed Securities)		750,000,000	142,171,497	(31,876,131)	110,295,366	14.71%	639,704,634	85.29%	
5			IPO Expenses		65,000,000	59,930,850	-	59,930,850	92.20%	5,069,150	7.80%	
Total					**4,280,000,000**	**3,672,171,497**	**(31,876,131)**	**3,640,295,366**	**85.05%**	**639,704,634**	**14.95%**	

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

a) 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.

b) 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.

c) 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 FAD

Managing Director

Director

Place: Dhaka, Bangladesh
Dated: 21 August 2025

G. KIBRIA & CO.
Chartered Accountants

G. KIBRIA & CO. ★ DHAKA ★ CHARTERED ACCOUNTANTS

Ref: GKC/25-26/M/010