

**Certificate on
Status Report on Utilization of Proceeds from
Public Offering Union Bank Limited
For the quarter ended 30 June 2023**

We have been engaged by Union Bank Limited for the quarter ended 30 June 2023 to certify whether the Bank has complied with the conditions of Initial Public Offering (IPO) in relation to the utilization of proceeds from Public Offering, as required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1969.

Responsibilities of the management and those changed with governance

Those charged with governance and management of the Bank are responsible for utilizing the proceeds from IPO in accordance with the terms and conditions of IPO and preparation of Status Report on Utilization of Proceeds from Public Offering in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, 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.

Report of the auditor's

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 Limited as of 30 June 2023.

As per Terms of Reference, we draw attention to the following matters:

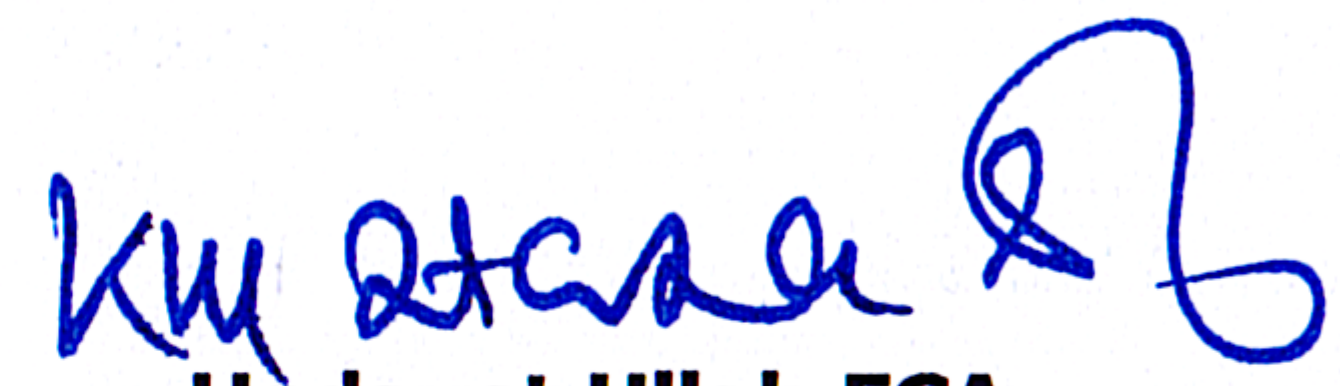
- i. The Bank has utilized Taka 1,005,069,150 which was 99.50% of the budgeted amount up to 30 June 2023 for the purpose of Investment in SME as specified in the prospectus.



- ii. The Bank has utilized Taka 1,465,000,000 which was 100% of the budgeted amount up to 30 June 2023 for the purpose of Investment in Project Finance as specified in the prospectus.
- iii. The Bank has utilized Taka 1000,000,000 which was 100% of the budgeted amount up to 30 June 2023 for the purpose of Investment in Government Securities as specified in the prospectus.
- iv. The Bank has utilized Taka 136,712,503 which was 18.23% of the budgeted amount up to 30 June 2023 for the purpose of Investment in Capital market.
- v. The Bank has utilized Taka 59,930,850 which was 100% of the budgeted amount up to 30 June 2023 for the purpose of IPO Expenses as specified in the prospectus.
- vi. 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.
- vii. The IPO proceeds should be used from a separate bank account as per rule 4 (1) (d) of the BSEC (public issue) rules 2015 but now it is using from others.
- viii. The bank received more than 51% approval from general shareholders in the annual general meeting about time extension up to 30 June 2024 and changes of investment mode/head as well as informed through a letter to Bangladesh Securities and Exchange Commission (BSEC) but approval yet to be received.

Place: Dhaka, Bangladesh.

Dated: 31 July 2023



Hedayet Ullah FCA

Senior Partner

K. M. HASAN & CO.

Chartered Accountants

DVC: 2307310281CC177639



ক. এম. হাসান এন্ড কো
K. M. HASAN & CO.
Chartered Accountants

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Report on Utilization of Initial Public Offering (IPO) Proceeds

For the quarter ended 30 June 2023

Name of the company : Union Bank Limited
Amount (BDT) of Capital Raised Through IPO : Tk. 4,280,000,000
Date of Close of Subscription : 30 December 2021
Proceeds Receiving Date : 09 January 2022 & 18 January 2022
Last Date of Full Utilization of Fund as per Prospectus : 17 January 2023

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus (BDT)	Status of Utilization				Remarks	
				Amount Mentioned after Modification	Total Utilized Amount (BDT)	Utilized (%)	Underutilized/ (Overutilized)		Underutilized (%)
1	Investment in SME	17/01/2023	1,000,000,000	1,005,069,150	1,000,000,000	99.50%	5,069,150	0.50%	
2	Investment in Project Finance	time	1,465,000,000	1,465,000,000	1,465,000,000	100.00%	-	0.00%	
3	Investment in Government Securities	extended	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)	up to 17/04/2023	750,000,000	750,000,000	136,712,503	18.23%	613,287,497	81.77%	
5	IPO Expenses		65,000,000	59,930,850	59,930,850	100.00%	-	0.00%	
Total			4,280,000,000	4,280,000,000	3,661,643,353		618,356,647	14.45%	

Note:

Underutilized IPO proceeds: 14.45%

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 rule 4 (1) (d) of the BSEC (public issue) rules 2015 but now it is using from others.
- The bank received more than 51% approval from general shareholders in the annual general meeting about time extension up to 30 June 2024 and changes of investment mode/head as well as informed through a letter to Bangladesh Securities and Exchange Commission (BSEC) but approval yet to be received.

Chief Financial Officer

Managing Director

Place: Dhaka, Bangladesh
Dated: 31 July 2023



Hedayet Ullah FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants
DVC: 2307310281CC177639

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