



Directors' Reports



DIRECTORS' REPORT



Bismillahir Rahmanir Rahim

Assalamu Alaikum

Dear Shareholders,

It is our great pleasure to welcome you all to the 10th Annual General Meeting of the Bank. On behalf of the Board of Directors, we are honored to present the Directors' Report, Auditors' Report, and Audited Financial Statements for the year ended 31st December 2022 for your esteemed consideration, adoption, and approval. The report and financial statements have been prepared in compliance with the Companies Act 1994, the Bank Company Act 1991, Bangladesh Bank Circulars & Guidelines, and other relevant rules and regulations from the Bangladesh Securities & Exchange Commission and respective regulatory authorities. Before delving into the Bank's performance, we would like to provide a brief overview of the current macroeconomic and banking scenario.

GLOBAL ECONOMY

A series of severe and mutually reinforcing shocks such as the COVID-19 pandemic, the war in Ukraine and resulting food & energy crisis, surging inflation as well as the climate emergency battered the world economy in 2022. Global growth is expected to slow sharply to 1.7% in 2023, one of the slowest growth rates in almost 30 years. This is mostly because policies have been tightened simultaneously to stop high inflation, worsening financial conditions and the ongoing problems caused by Russia's invasion of Ukraine. The United States, the euro area, and China are all going through a period of severe weakness. This makes it harder for Emerging and Developing Economies to deal with other problems (EMDEs).

Slow growth, tightening financial conditions, and a lot of debt are likely to hurt investment and cause companies to go bankrupt. The global economy could go into recession if more bad things happen, like higher inflation, even stricter policies, financial stress, more weakness in major economies, or rising geopolitical tensions. The world needs to act quickly to reduce the chances of a global recession and debt problems in EMDEs.

Policies are needed to help EMDE invest more, which can help to reverse the slowdown in long-term growth caused by the pandemic, the invasion of Ukraine, and the rapid tightening of global monetary policy. This will require new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies. To increase investment growth in advanced economies, there needs to be a wide range of fiscal and structural reforms, such as moving money away from subsidies that don't work well.

BANGLADESH ECONOMY

Bangladesh's economy has been growing consistently for over a decade, reaching milestones of 7.0% in FY 2015-16 and 8.0% in FY 2018-19. However, due to the COVID-19 pandemic, the growth rate reduced to 3.45% in FY 2019-20, but it grew by 6.94% in FY 2020-21. The provisional estimates of BBS suggest that the GDP growth rate stood at 7.25% in FY 2021-22, which is higher than the target rate and the previous fiscal year. The per capita GDP and per capita national income also increased, while the consumption and investment rose in FY 2021-22.

However, the country is facing inflationary pressures due to rising prices of petroleum and commodities, and the ongoing Russia-Ukraine conflict. The trade deficit has widened, and the current account balance showed a deficit due to a fall in workers' remittances. The government is highly concerned about maintaining the budget deficit within 5% of GDP by increasing efficiency in revenue management. The country is also facing natural disasters such as extreme floods, which can impact the agricultural sector, as it is one of the key sectors of the economy.

To overcome the challenges, the government has adopted short, medium, and long-term action plans, including the expansion of agricultural productivity, subsidizing fertilizers and other agricultural activities, and supporting farmers through seed production activities. The government is also providing different support programs and incentives packages to the industry sector to overcome the shock of COVID-19. The country is also emphasizing the diversification of energy sources, particularly on the efficient and optimum use of energy, construction of power plant based on coal, LNG, dual fuel, atomic and renewable energy.

To summarize, the Bangladesh economy is facing both challenges and opportunities. The country is experiencing a slowdown due to the COVID-19 pandemic, inflationary pressures, and the Russia-Ukraine conflict. However, the country is emphasizing agriculture, industry, power generation, and energy diversification to revive its economy. The government is also working on revenue management and providing support to the affected sectors.

BANKING SECTOR

The banking industry is a vital contributor to the economic development of Bangladesh, with deposits being the primary source of funds for the industry. In December 2022, the total Bank deposits reached BDT 14,89,787.10 crore, representing a 5.66% increase compared to the previous year, while the total credit to the private sector was BDT 14,26,133.50 crore, a 12.89% increase from December, 2021. The country's foreign exchange reserve made a significant decrease, standing at USD 33,767.46 million at the end of 29th December 2022, compared to USD 43,166.5 million at 30th December 2021.

The banking industry in Bangladesh will face the challenge of mobilizing deposits in 2023, as witnessed in the latter part of 2022. Providing the finance ministry with funds can be difficult for the central bank, as a result. When credit growth is high and deposit growth falls far behind, banks suffer from a terrible shortage of loanable funds and seek government support. Such a liquidity crisis in the banking sector will tighten their profit opportunities, discouraging them from expanding the workforce and adding salt to the open wound of high unemployment. The new year is likely to see more defaulters come out the woodwork and damage depositors' confidence even more.

There are several steps that can be taken to improve the banking sector in Bangladesh. Encouraging banks to expand digital banking, particularly in rural and less-privileged areas, can help to improve financial inclusion and bring more people into the formal banking sector. Encouraging working capital and phasing out long-term loans for big businesses can help to channel funds to smaller businesses that need them the most. Designing policies to ensure the fastest possible distribution of remittances can help to reduce the reliance on hundi and other informal channels, improving the efficiency and transparency of the remittance market. Improved financial literacy can help borrowers better understand the risks and benefits of borrowing and help them make more informed decisions. Bangladesh Bank should invest in financial education programs for both borrowers and lenders.

AN OVERVIEW OF UNION BANK LIMITED

Union Bank Limited has triumphantly reached its 10-year milestone, creating a long-term growth plan to fulfill its mission and vision. Even with the economic challenges faced by Bangladesh and the world, the bank has greatly enhanced its customer service and experienced consistent growth due to its diligent, skilled, and well-trained employees. Money laundering and terrorist financing are crucial risk management concerns worldwide, and Bangladesh is no exception. Union Bank Ltd. has put into action guidelines to counteract money laundering and is devoted to cooperating with the Bangladesh Financial Intelligence Unit in order to tackle these problems.

The Bank has been expanding its network of touchpoints and delivering exceptional customer service by

integrating the latest banking technologies like internet banking, UniOn apps, and Shari'ah-based products. The use of modern technology such as UniOn Apps and internet banking has improved customer convenience. In consideration of customer demand, four new deposit products: Nisa for Women, Ehsan for Senior Citizens, Waleda for beloved Mothers, and a one-year deposit plan called Sohoj were introduced this year.

To guide its employees, Union Bank Limited has designed a Code of Conduct that emphasizes ethics, integrity, honesty, fairness, and professionalism. As a responsible business enterprise, the bank is committed to conducting its affairs to the highest standards and creating a workforce of high-quality professionals. The bank's own Training Institute ensures that its employees receive proper training to uphold these standards. Union Bank places a strong emphasis on data protection and business continuity. It has established two data centers with modern security systems, ensuring the safety of precious data during any natural disaster. It has also implemented measures to protect the integrity of its systems, including secured corporate intranet, password-protected access, maker-checker concept for transaction confirmation, and fingerprint-based time attendance. The bank has developed its own Cyber Security Policy and has committees in place to supervise and monitor risk management issues.

BANK'S PERFORMANCE IN 2022

The Bank is well-positioned to continue its growth and success in the future. With a strong focus on customer service, technological innovation, and risk management, Union Bank Limited has shown a commitment to meeting the needs of its clients and maintaining its position as a leader in the banking industry. Additionally, the Bank's expansion into new branches and partnerships, as well as its successful initial public offering (IPO), demonstrate a willingness to take calculated risks and pursue strategic opportunities. Overall, Union Bank Limited appears poised for continued growth and success in the coming years. The IPO was a significant accomplishment for the Bank. The bank launched the largest IPO of the Bank sector in the country's stock market history, offering 428 million shares to the capital market. This extraordinary success of the IPO serves as a testament to the bank's robust financial capacity and industry expertise.

At the end of 2022, the bank's total deposits reached BDT 2,13,375.30 million, an increase of 6.56%

compared to the previous year's total of BDT 200,229.79 million. Similarly, the bank's total investments grew by 14.68% to reach BDT 2,22,275.44 million, up from BDT 1,93,822.28 million the previous year. In terms of international trade, the bank recorded imports worth BDT 9,247.60 million (equivalent to USD 88.07 million) and exports worth BDT 4,801.95 million (equivalent to USD 50.15 million) in 2022. It is hoped that the bank's export-import business will continue to improve as the economy recovers. The Bank has attained an operating profit of BDT 4,148.58 million compared to the last year's operating profit BDT 3,597.99 million. The profit growth has increased 15.30% this year. At present UBL is disbursing remittance being affiliated with 14 remittance houses. During this year 2022, we have been able to open 08 new branches and 15 Sub-Branches both in rural and urban areas. At the end of the year, we have total 112 branches and 46 Sub-Branches.

The Bank boasts a global correspondent network of 153, as well as 12 Standard Settlement Instructions for key currencies. It has also fortified its remittance relationships with prominent exchange houses, disbursing remittance in partnership with 14 such houses. The Central Trade Operations Unit (CTOU) provides trade services exclusively for Non-AD branches and features a specialized FX team to foster foreign exchange business in the Chattogram Region. In 2022, despite disruptions caused by the COVID-19 pandemic and the Ukraine-Russia conflict, CTOU executed import and export transactions worth BDT 2,369.90 million and BDT 1,267.10 million, respectively. This year, the Bank finalized 110 successful corporate agreements with notable organizations like Titas and DWASA, offering exclusive benefits to employees and debit cardholders while reinforcing its brand image in a competitive market.

FUTURE OUTLOOK

We are projecting a strong recovery in 2023 and 2024 as a way out of the health and economic crisis, aroused by various reasons like Russia-Ukraine conflict, inflation, difficulty in mobilizing deposits in the banking industry, shortage of investable funds due to high credit growth and low deposit growth and damage to depositors' confidence due to defaulters. The management is committed to strengthening the quality of the bank's assets by complying with Basel III requirements and following core risk management guidelines. Additionally,

the bank is focusing on building a strong brand image by completing more business agreements with renowned organizations in the country. The implementation of state-of-the-art technology such as e-KYC and a standard call center is expected to enhance customer experience and attract more customers, positioning the bank among the top 4th generation banks. The bank's nurturing of human capital and prudent management are also positive indicators for future success.

FINANCIAL PRODUCTS & SERVICES

Deposit Products of the Bank are as follows:

- Al Wadia 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 Monthly Payable SND Account (Fayida)
- 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 (ICT) DIVISION

Union Bank Limited (UBL), on the edge of completion of a decade in banking, it takes immense pride in its accomplishments as a technology-driven bank, offering a range of customer-centric services such as Internet Banking, SMS Banking, Mobile Banking, ATMs, SWIFT Network, Electronic Clearing, Chip-based Card, and Automated Processes, and enabling customers to bank from home, all made possible through the Information and Communication Technology (ICT) platform of UBL. With a total of 112 branches, 46 sub-branches, and 96 ATM machines across the country, Union Bank provides a comprehensive banking experience to its customers.

When the vision of **'Smart Bangladesh'** was first publicized in Bangladesh, there was skepticism that it wouldn't be accomplished in the speculated time or way. However, the progress made towards this goal has been so remarkable that it has turned the dream into a progressive reality. Union Bank has always admired the concept and fulfilled its role to the best of its abilities by making every possible contribution to help achieving the cause. The Bank began to view Information and Communication Technology in two ways to clarify their efforts: as a tool for communication and connectivity, and as a means to restructure business processes. The utilization of Information and Communication Technology facilitates the development of advanced products, improves market infrastructure, implements dependable risk management techniques, and enables financial intermediaries to access diverse and geographically distant markets. Customer service, branch productivity, innovation in service delivery, fast and reliable service, seamless fund transfer, risk management, and real time information system are some of the benefits derived through the information technology by new ground-breaking delivery channels in the form of Online Banking, SMS Banking, Mobile Banking, ATM Facility, SWIFT Network, Electronic Clearing Service, chip-enabled card service, etc. It is also viewed as an instrument of cost reduction and effective communication with people and institutions associated with the banking business.

Union Bank has always been committed to embracing enhanced services and efficiency. Union Bank believes that grasping new technology has now become the key element for strengthening the competitive advantage

in the business as well as to improve the profitability, productivity and efficiency in the service delivery. In order to ensure better and efficient banking services, we have been using renowned shariah based CORE (Centralized Online Real-time Electronic) banking software 'Ababil' developed by Millennium Information System Limited, a Bangladeshi company with a global mindset engaged in the technology business. The CBS (Ababil) enables us to provide various level of services to our valuable customers and also enhancing the management efficiency and business productivity. With 'Ababil', we can provide all sorts of general banking, investment and trade finance related services to our valued customers. Moreover, it enables us to generate essential reports for our customers, management, and regulatory authority. Ever since Union Bank's inauguration, the Bank has been a part of Bangladesh Automated Clearing House (BACH) and Bangladesh Electronic Fund Transfers Network (BEFTN). Union Bank has been carrying out RTGS (Real Time Gross Settlement) operations seamlessly with Bangladesh Bank following its implementation in Bangladesh. Union Bank has already initiated the new BACH-II infrastructure with the guidance of Bangladesh Bank. With the initiation of new BACH infrastructure, the branches are now capable of transferring funds using BEFTN within the same day as BEFTN has introduced 02 sessions per day. We have establishment of Network Connectivity with Election Commission (EC) to access the National ID (NID) Database for identity verification (KYC) purposes during any account opening process.

Continuation in expansion of banking services has always got priority in Union Bank. The Bank has decided to introduce sub-branches in order to extend banking services to the unbanked and underprivileged population, making it more accessible to them and sparing them from various difficulties associated with accessing traditional banking services in remote places. On that note, bank already has inaugurated 46 sub-branches and some other sub-branches are waiting to be introduced in near future. Union Bank now has 112 branches, 46 sub-branches, and 96 ATM machines all over the country.

Union Bank has always stimulated advanced digital services for customer convenience. Our ATM services provide round-the-clock cash withdrawal facilities, enabling any Union Bank debit cardholder to withdraw cash from ATMs of any bank. In addition, Union Bank's debit cardholders will soon be able to perform

e-commerce transactions on any e-commerce website, as this service is expected to go live in the near future. Union Bank has also initiated Real Time Fund Transfer using Internet Banking to other banks through NPSB (National Payment Switch Bangladesh) Network for the customers from 21st July, 2022. Union Bank's SMS banking service is operated by a 'SMS Banking Portal' which contains features like 'Registration' as well as services like 'Balance Inquiry', and generates alerts for any kind of transaction of any amount for all customers from bank's masked name. Internet banking facility of Union Bank ensures superior banking experience over the internet features like Real-time Balance Enquiry, Real-time MTDR and Deposit Scheme Information, Real-time Transaction Search, and Statement Download etc. Customers have the option to carry out real-time fund transfer between own (personal) accounts of Union Bank, real-time fund transfer to other beneficiary accounts of Union Bank, inter-bank (other banks) real-time fund transfer, mobile recharge, credit card bill payment, NESCO utility bill payment, and IVAC (Indian Visa Application Center) services as well. In addition to that, we also collect bills of DESCO, WASA, NESCO, BREB, TITAS Gas etc. through utility bill payment software in bank premises. Furthermore, Union Bank has introduced 'Union', the Android and iOS based mobile application on 22nd January 2021 to its customers with features like balance enquiry, A/C statement, fund transfer (inter and intra bank account), mobile recharge, utility bill payment, credit card bill payment, etc., are easily made possible at finger-tips with android and iOS based devices from anywhere over the internet. On top of that, customers can now use 'NAGAD' and 'bKash' mobile financial services using internet banking web platform and internet banking application.

Since its inception in the financial sector of Bangladesh, Union Bank has been continuously improving foreign exchange actions. Since the inauguration of Union Bank in Bangladesh, the institution has been offering its SWIFT service. Presently, 07 AD branches and the Head Office are utilizing this service to carry out foreign exchange transactions. Union Bank has established connection with SWIFT Network through 'Nelito' which offers services that integrate with the SWIFT network to enable bank to send and receive secure financial messages, automate their payment processes, and manage their correspondents and nostro accounts. Union Bank has upgraded SWIFT Alliance Access (SAA) to 7.6.52 which is allowing the Bank to have upper edge

in terms of secured and reliable connection. Besides, Union Bank has also introduced a SWIFT module called 'The KYC Security Attestation (KYC-SA)' application under CSP (Customer Security Program) which enables the transparent exchange of security status information with counterparties to support cyber risk management and business due diligence. We are using a remittance management software called 'RemitBook' to run and maintain the foreign remittance services such as RIA, Western Union, MoneyGram, Prabhu Money Transfer, Aftab Currency, Placid NK, First Security Islami Exchange, Merchantrade Asia, Nec, Sha, Trans-Fast, Small World etc. These are being maintained efficiently by ICT Division to ensure smooth flow of foreign remittance.

Union Bank's management and banking operation has largely been supported by our several **in-house developed automation software** such as eSupport, Inventory Management System, UBL Training Institute System, Integrated Supervision System (ISS), Tahlil etc. We have a 'CIB Module' in our CBS for CIB sorting, handling and delivery of credit information reporting system that are being used for reporting to Bangladesh Bank. Union AML Interface and Anti-Money Laundering Software, 'The Velocity AML Solution Suite' was developed in accordance with the regulations of the Bangladesh Financial Intelligence Unit (BFIU) and the Bangladesh Bank to conduct monitoring, analysis, screening, and detection of potential money laundering and illegal financial activities, as well as the identification of terrorist financing and money laundering that must be reported to Bangladesh Bank. We have developed a reporting system for Bangladesh Bank's ISS (Integrated Supervision System) which is being used to supervise the Bank's Head Office and branches' financial health. Another In-house Developed Solution, 'Tahlil' was introduced for investment classification and provisioning reporting of Union Bank. The Document Management System (DMS) is a solution managed by ICT Division that enables all the departments of bank to archive necessary data to promote the concept of green banking. Another benefit provided by this system is process automation like customer onboarding, KYC verification, loan processing, and document storage which leads to increased operational efficiency, faster processing times, and improved customer experience for the bank. Soon, the facility will be available to the branches as well as the bank intends to extend the service in the near future. Another software called 'Cihno' is managed by ICT division which has been

used by the branch officials to verify the information that customers provide while creating instant account from home. This 'INST@ANT Account' facility of Union Bank has been provided to the customers through its internet banking application and customers can use it to open account from anywhere and at any time. The Bank has also implemented a Card Management Portal, 'TWCMS', which is used for all debit card issues such as card and pin production, activate/de-activate, card transaction report/reconciliation, etc.

The protection of data and continuity of business operations have always been a top priority for the Bank. We are proud to declare that we have one of the best ICT infrastructures compared to any other banks in the country. In order to maintain minimum financial and reputational loss, the bank assures that critical operations can resume normal processing within a reasonable time frame. For the Core banking solution, we have established two data centers: one active data center (DC) and one disaster recovery site (DRS) with all modern security system installed along with servers, storage system, and core network equipment which will safeguard bank's precious data especially at any natural disaster like floods or earthquakes. The data centers are now running 24x7 with their full operational capacity both with continuous power supply along with sufficient generators in case of any contingency situation and are asynchronously updated as a mirror site of each other. In case of any contingency situations like earthquake, fire-hazard, hardware/software failure of the main data center, interruption of connectivity etc., the Disaster Recovery site (DRS) is fully capable to ensure business continuity on its own. Bank has developed and implemented effective policy for data backup and recovery for each critical business application which is being meticulously followed. To ensure business continuity in any situation, BCP, DRP, and BIA have been defined and adhered to.

Over an extended duration, Union Bank has been **striving to implement adequate security measures to ensure the integrity of its systems**. We have established our secured corporate Intranet countrywide using WAN connectivity among all the branches and head office that enables us to stay connected all the time. For ensuring confidentiality of information at the branch level, access to banking software is secured using password protected user IDs. Transaction confirmation is performed using maker-checker

concept. To ensure information integrity, physical and logical access to system database is highly protected. We have implemented next generation firewall for managing cyber security. We are equipped with high resolution CCTV-DVR surveillance system. These cameras record, monitor and store up to 01 (one) year of activities in all our branch premises and ATM booths to ensure security as mandated by Bangladesh Bank. We have implemented fingerprint based time attendance system in all our branches and divisions with reporting system for management. Security of information for banks has gained much importance recently and it is vital for the banks to ensure that the risks are properly identified and managed. Union Bank effectively addressed ICT risks as one of the key risk management issue which leads to ensure ICT security functions and operations in an effective manner. We have already developed our own 'Cyber Security Policy' for management of various operations, services and associated risks, which are closely in line with the latest ICT Security Guideline of Bangladesh Bank. In addition, bank's ICT Steering Committee, ICT Security Committee, and ICT Risk Management Committee supervises and monitors business disruption and system failures, execution, delivery and process management, data entry errors, vendor disputes, data security, physical security, and network security so that any kind of risks can be properly addressed, mitigated and controlled.

Union Bank intends to revolutionize banking by leveraging the **power of ICT to move from traditional banking to smart banking**. More incorporation of ICT innovations to integrate with the existing system and successful project implementation will pave the way to achieve the ever-growing expectations of the customers, regulators, shareholders, and employees. In coming years, Union Bank intends to utilize ICT to gather and analyze customer data, helping them to offer personalized banking solutions and improve customer satisfaction. Moreover, Union Bank will use ICT to fully automate its internal processes, and streamline operations, leading to increased efficiency, cost savings, and better customer services. Additionally, the Bank will concentrate on firming its cybersecurity measures in the next year by implementing advanced security technologies, conducting regular security audits, and providing regular training to employees to prevent and respond to cyber threats which is a concerning fact for all over the worlds now-a-days. Union Bank's dedication to innovation, customer

satisfaction, and sound financial management has led to robust financial performance, increased market share, and establishment as a prominent bank in Bangladesh, and the bank aims to maintain this reputation in the years ahead.

Services of UBL:

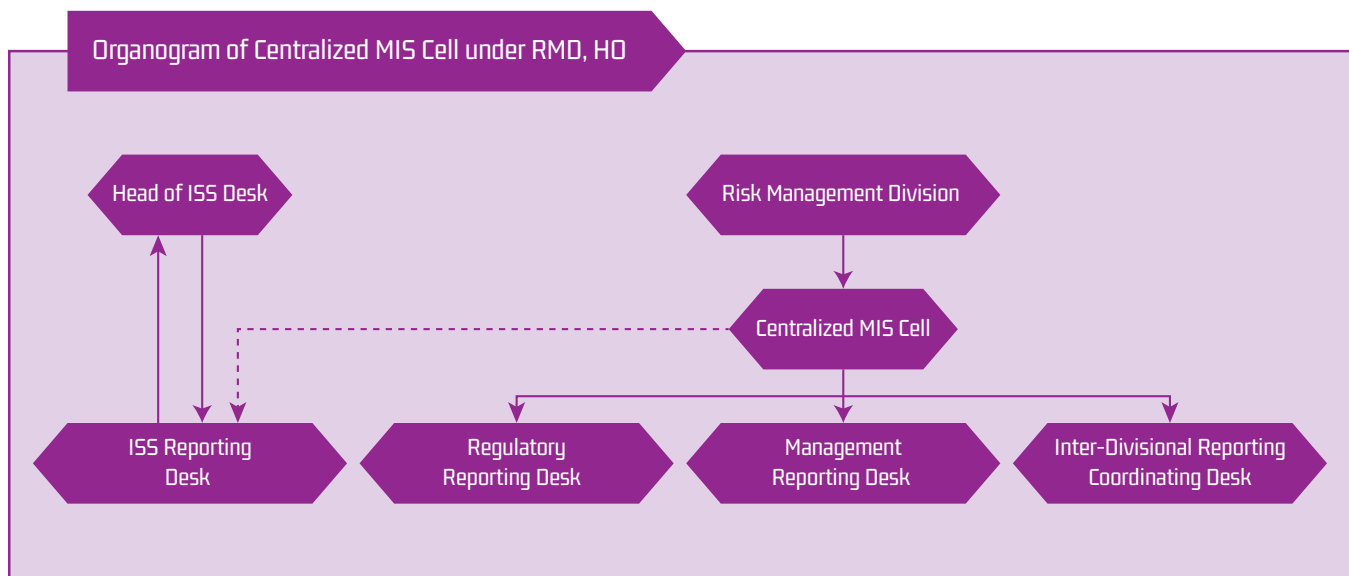
- Online Banking
- Internet Banking in Web & Mobile App (Android & iOS)
- SMS Banking
- Automated Cheque Clearing
- Bangladesh Automated Cheque Processing System (BACPS)
- Facilities related to SWIFT Network
- Electronic Fund Transfer (EFT)
- Bangladesh Electronic Fund Transfer Network (BEFTN)
- Real Time Gross Settlement (RTGS)
- NPSB Network (ATM & Internet Banking)
- Instant Account
- Banking from Home
- E-KYC
- ATM Service
- Visa Card (Debit Card)
- Visa Instant Card
- e-GP
- ACS (Automated Challan System)
- Remittance
- Utility Bill Payment (Through Internet Banking)
- 24/7 Call Center

MANAGEMENT INFORMATION SYSTEMS

A Management Information System is a set of combined procedures that gathers and produces reliable, relevant, and properly organized data that supports the decision making process of an organization.

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 Bank 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) to provide improved banking services and support decision making process from its 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.



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.

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 by 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 the stipulated time.

Management Reporting Desk:

Provide necessary information to the Senior Management to take proper strategic decision from time to time as well as 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;
- Assist to prepare annual Budget;
- Prepare Presentation for Annual Business Conference, etc.

BRANCH EXPANSION

SL.	Branch Name	Branch Code	Opening Date	Urban/Rural
2013				
	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	Urban
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
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

SL.	Branch Name	Branch Code	Opening Date	Urban/Rural
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	08.05.2016	Urban
46.	Ataikula Branch	0305	15.05.2016	Rural
47.	Barishal Branch	0401	19.05.2016	Urban
48.	Keranihat Branch	0023	02.06.2016	Rural
49.	Mymensingh Branch	0701	16.06.2016	Urban
50.	Nawabpur Road Branch	0117	20.07.2016	Urban
51.	Ati Bazar Branch	0116	28.07.2016	Rural
52.	Khilpara Branch	0024	17.08.2016	Rural
53.	Eidgaon Branch	0025	21.08.2016	Rural
54.	Jashore Branch	0202	01.09.2016	Urban
55.	Kalukhali Bazar Branch	0118	04.12.2016	Rural
56.	Banskhali (Chandpur) Branch	0027	08.12.2016	Rural
57.	Jamuna Future Park Branch	0119	27.12.2016	Urban
2017				
58.	Kumira Branch	0026	29.03.2017	Rural
59.	Jotpukuria Bazar Branch	0029	24.05.2017	Rural
60.	Laldighi Branch	0028	25.05.2017	Urban
61.	Dhanmondi Branch	0120	20.08.2017	Urban
62.	Rangpur Branch	0602	22.08.2017	Urban
63.	Tangail Branch	0122	05.10.2017	Urban
64.	Shakpara Chowmuhony Branch	0031	19.10.2017	Rural
65.	Madhobdi Branch	0121	26.10.2017	Rural
66.	Lohagara Branch	0030	07.12.2017	Rural
67.	Keranigonj Branch	0124	19.12.2017	Rural
68.	Gazipur Chowrasta Branch	0123	21.12.2017	Urban
2018				
69.	Kushtia Branch	0203	09.05.2018	Urban
70.	Jubilee Road Branch	0032	13.05.2018	Urban
71.	Raozan Branch	0033	14.05.2018	Rural
72.	Dinajpur Branch	0603	08.10.2018	Urban
73.	Islampur Branch, Dhaka	0125	24.10.2018	Urban
74.	Moulvibazar Branch	0504	18.11.2018	Urban
75.	Bhulta Branch	0126	20.11.2018	Rural
76.	Jorargonj Branch	0034	27.11.2018	Rural
77.	Hemayatpur Branch	0127	20.12.2018	Rural

SL.	Branch Name	Branch Code	Opening Date	Urban/Rural
2019				
78.	Chapainawabganj Branch.	0306	01.08.2019	Urban
79.	Barlekha Branch	0505	05.08.2019	Rural
80.	Bandartila Branch	0036	13.11.2019	Urban
81.	Fatikchhari Branch	0035	14.11.2019	Rural
82.	Ukhiya Branch	0038	24.11.2019	Rural
83.	Link Road Branch	0037	24.11.2019	Rural
84.	Rajabari Bazar Branch	0128	05.12.2019	Rural
85.	Tajmahal Road Branch	0129	12.12.2019	Urban
86.	Ambarkhana Branch	0506	19.12.2019	Urban
87.	Kanchan Branch	0130	24.12.2019	Rural
2020				
88.	O R Nizam Road Branch	0039	11.06.2020	Urban
89.	Tongi Branch	0131	07.07.2020	Urban
90.	Borodighir Par Branch	0040	29.07.2020	Rural
91.	Chambal Branch	0042	03.12.2020	Rural
92.	Brahmanbaria Branch	0041	10.12.2020	Urban
93.	Elephant Road Branch	0132	14.12.2020	Urban
94.	Fenchuganj Branch	0507	24.12.2020	Rural
95.	Ramu Branch	0043	29.12.2020	Rural
2021				
96.	Goalabazar Branch	0508	07.01.2021	Rural
97.	Kadamtali Branch	0044	17.06.2021	Urban
98.	Habiganj Branch	0509	07.09.2021	Urban
99.	Dohazari Branch	0045	17.11.2021	Rural
100.	Bijoyagar Branch	0133	20.12.2021	Urban
101.	Satkhira Branch	0204	23.12.2021	Urban
102.	Sapahar Branch	0307	28.12.2021	Rural
103.	Nazumeah Hat Branch	0046	28.12.2021	Rural
104.	Sagardighi Branch	0134	29.12.2021	Rural
2022				
105.	Bahaddarhat Branch	0047	20.07.2022	Urban
106.	Khajura Bazar Branch	0205	02.10.2022	Rural
107.	Jhalakathi Branch	0402	27.11.2022	Urban
108.	Nazirhat Branch	0048	01.12.2022	Rural
109.	Bijoy Sarani Branch	0135	07.12.2022	Urban
110.	Gouripur Branch	0049	14.12.2022	Rural
111.	Naria Branch	0136	21.12.2022	Rural
112.	Munshiganj Branch	0137	29.12.2022	Urban

SUB-BRANCH EXPANSION (as on March, 2023):

Sl.	Sub-Branch Name	Controlling Branch	Opening Date
2020			
01.	Jaldi	Banshkhali (Chandpur)	29.07.2020
02.	Bazalia	Keranihat	26.08.2020
03.	Adhunagar	Lohagara	21.09.2020
04.	Kadoir Bazar	Munshirhat	28.09.2020
05.	Mirpur Bazar	Bahubal	28.09.2020
06.	Nachol	Chapainawabganj	02.11.2020
07.	Fazilpur	Feni	03.12.2020
08.	Sitakunda	Kumira	10.12.2020
09.	Merul Badda	Gulshan	14.12.2020
10.	Rowshanhat	Patiya	21.12.2020
11.	Matarbari	Badarkhali	21.12.2020
12.	Gunagori	Banshkhali (Chandpur)	24.12.2020
13.	Fakirhat	Fatikchhari	27.12.2020
14.	Bangla Bazar	Jotpukuria Bazar	27.12.2020
2021			
15.	Halishahar Bus Stand	D.T Road Eidgah	07.01.2021
16.	Hathazari	Sarkarhat	28.01.2021
17.	Ghatail	Tangail	28.01.2021
18.	Palongkhali	Hnila	15.02.2021
19.	Khuntakhali	Eidgaon	15.02.2021
20.	Chatkhil	Khilpara	24.03.2021
21.	Kachua	Miar Bazar	24.03.2021
22.	Shibganj	Chapainawabganj	12.04.2021
23.	Kutupalong	Ukhiya	12.04.2021
24.	College Bazar	Shantirhat	19.07.2021
25.	Khanhat	Keranihat	19.07.2021
26.	Dakshinkhan	Ashkona Bazar	17.08.2021
27.	Solingmoor	Mawna	17.08.2021
28.	Tilpapara	Hatkhola	15.09.2021
29.	Kamrangirchar	Dhanmondi	15.09.2021
30.	College Gate	Tongi	29.11.2021
31.	Gobindganj	Amberkhana	29.11.2021
2022			
32.	Gokarnoghat Bazar	Brahmanbaria	14.02.2022
33.	Chatmohar	Pabna	09.03.2022
34.	Puichhari	Chambal	27.03.2022
35.	Mariumnagar	Lichu Bagan	20.06.2022
36.	Peton Shah Mazar Gate	Shakura Chowmuhony	20.06.2022
37.	Gohira	Raozan	27.06.2022
38.	Mahiganj	Rangpur	17.07.2022
39.	Gopalganj Bazar	Dinajpur	17.07.2022
40.	Zero Point	Khulna	17.07.2022
41.	Rayer Bazar	Dhanmondi	17.07.2022
42.	Roazarhat	Lichubagan	01.09.2022
43.	Tokirhat	Nanupur	01.09.2022
44.	Madhabdi Bazar	Madhabdi	01.09.2022
45.	Tanbazar	Narayanganj	19.12.2022
46.	Chhagalnaiya	Feni	19.12.2022
2023			
47.	Dakshin Banasree	Gulshan	23.01.2023
48.	Khilkhet	Ashkona Bazar	27.02.2023
49.	Bijoypur Bazar	Lalmal	27.02.2023
50.	Madam Bibir Hat	Kumira	21.03.2023

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 consists of three wings as follows:

- i. Compliance Unit
- ii. Monitoring Unit and
- iii. Audit/Inspection Unit

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 2022, 05 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 2022, IC&C Division conducted Comprehensive Audit in 100 Branches and 28 sub branches, 03 Divisions at Head Office, Online Foreign Exchange Transaction Monitoring System Audit in 07 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&CD is thoroughly guided by the motto "Prevention is better than cure". The array of IC&CD 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 established with the aim of ensuring seamless banking operations at the branch level and enhancing customer satisfaction. Its primary objective is to oversee the operational activities of branches and provide solutions for operational bottlenecks. The division serves as a liaison between branches and the head office. The key functions of BOCD are classified into four major categories.

Formation of Automated Annual Business Budget Module:

Branches Operation and Control Division (BOCD) has developed a comprehensive module for creating Annual Business Budget. The purpose of this module is to provide a profit target for the branches based on deposit, investment, and non-funded business growth. This module takes into account various factors such as Deposit, Investment, Profit, Import, Export, Remittance, Cost of Deposit, Cost of Fund, and Yield on Investment.

The module has been developed through a rigorous process of evaluating the existing budget performance, achievement, and variance of the Branches, as well as considering the present economic situation and Bangladesh Bank Monetary Policy.

Moreover, this module also takes into account the contemporary growth of the Banking Industry, which provides a comprehensive outlook for BOCD. By considering all these factors, BOCD will be able to set realistic targets for the up-coming years. This approach will enable the bank to make more informed decisions based on the data-driven analysis and provide a more accurate representation of their financial position. Ultimately, this approach will support BOCD in achieving its strategic objectives and fulfilling its mission as a division.

Organizing Business Conference:

Arranging a business conference in a bank is an important undertaking that requires careful planning and execution. As an organizer, it is BOCD's responsibility to ensure that the conference runs smoothly and meets the goals and objectives of the bank. This includes selecting a suitable venue, coordinating with branch managers and sub-branch in-charges, preparing branch's performance data, evaluate the performance of branches based on business categories and reward them accordingly, managing registrations, and ensuring that all logistical details are taken care of. In addition, BOCD has to handle any issues that may arise during the conference and ensure that participants have a positive and productive experience. Overall, the success of the conference rests largely on the BOCD's ability to plan, coordinate, and execute the event with professionalism and attention to detail.

Customer Service and Complaint Management:

Ensuring customer satisfaction is essential for business growth, and BOCD is taking steps to address service-related issues and customer complaints. The division is actively collecting feedback from customers through various channels such as phone calls, emails, complaint boxes, and Bangladesh Bank. BOCD manages all complaints by providing solutions in accordance with the guidelines set forth by Bangladesh Bank.

Core Banking Operation solutions through ICTD :

Branches rely to BOCD for advice and answers to any problems relating to operations of any kind. Then, in order to address the problems, BOCD seeks the required authorization, when necessary, from the appropriate authority. Also, all operational policies and procedures have been compiled in accordance with Bangladesh Bank guidelines.

BOCD plays a significant role in implementing government initiatives to promote inclusive banking. Inclusive banking involves providing financial services to individuals that are typically underserved, such as those with low incomes. BOCD support these efforts by establishing and managing "no-frills" accounts, which are basic savings accounts with minimal fees and requirements. Additionally, BOCD collaborates with branch to develop school banking programs that teach students about banking and financial literacy while promoting good savings habits. Ultimately, BOCD's

role in promoting inclusive banking can enhance financial inclusion and economic growth, particularly in disadvantaged and marginalized communities.

Our topmost priority is delivering superior customer service and banking experience

INTERNATIONAL DIVISION

2022 was another extraordinary year for our business. Economies started to emerge from the shadow of the pandemic. Company order books began to fill up once more, and demand for energy, cars, travel and home improvements returned. And again new virus outbreaks continued to appear, with the pandemic in its second year, thousands of companies had to make bold moves to survive and thrive. In addition, The Russian invasion of Ukraine has already begun to affect the global economy through economic uncertainty and disruptions in supply of essential food staples and essential inputs, such as energy and fertilizers. The consequent shortage has led to inflation, globally.

For controlling the recent volatility in the foreign exchange market Bangladesh Bank released part of its reserve into the market because of which the total reserve came down to USD 33.74 billion. Within the year there was no change in policy rates, Cash Reserve Ratio (CRR) was 4.0.

International Division was the most active player in the market in 2022. The division explores Foreign Exchange business opportunities while maintaining associated risks. The desk is also responsible for maintaining the bank's Net Open Position (NOP), in line with regulatory limits, and forecasting exchange rates. The bank's International division currently comprises four units: **(1) International Trade (2) the Financial Institution Unit/Correspondent Banking Relationship Unit (3) the Foreign Remittance Unit and (4) Central Trade Operation Unit.**

Key Responsibility:

The FX Desk manages the day-to-day FCY requirements and also the surplus/shortfall of the bank's FCY holdings. The desk is also responsible for maintaining the net open position of the bank, as per regulatory requirements.

Core strengths

- Focused FX management strategy aligned with market dynamics.
- Strong management focus and support for growth of the foreign exchange business
- Rich understanding of FX markets and good relationships with customers.
- Sustained exposure in terms of training and development opportunities to FX traders to reinforce core fundamental knowledge and also enable them to explore new business opportunities
- Management support in maintaining a balance between import-export volumes growth.

1. International Trade:

Global inflation has resulted in increased demand for the US dollars and, hence, the Bangladeshi taka, like many other currencies in the world, has recently began losing value. Meanwhile, the higher dollar expenditure for imports and other necessities is putting pressure on foreign exchange reserves.

During 2022, Union bank experienced significant competitive pressure in both import and export business compared to previous year. Import Business experienced **BDT 9,247.60 million (Equivalent to USD 88.07 million)** in 2022. Import business of UBL covers areas like industrial raw materials, food items, chemicals, medicines, textiles, capital machineries etc. Export Business also experienced a positive growth of 17.12% in the year 2022 compared to the previous year. Total Export was **BDT 4,801.95 million (Equivalent to USD 50.15 million) at the end of the year 2022 which was BDT 4,099.80 million (Equivalent to USD 48.29 million) in 2021 which is 17.12% progressive than that of the year 2021.** Export business was concentrated in frozen fish, readymade garments, knitwear and other indigenous products.

2. 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**

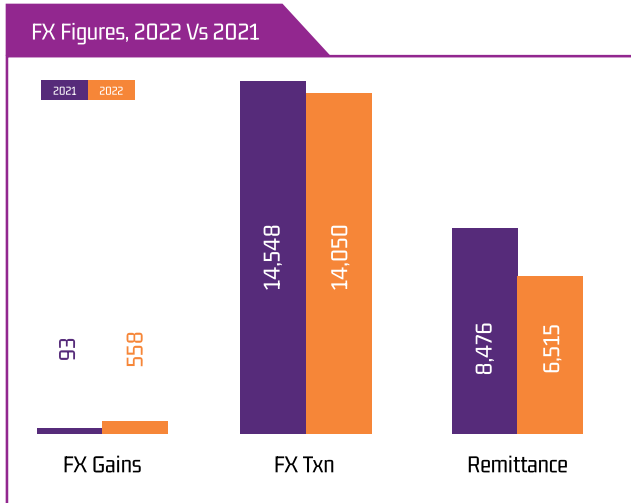
Division is doing outstanding by exploring the potential partners and paths for its FX businesses and developing a strong base in terms of establishing RMA, maintaining Nostro accounts, arrangement of Credit Lines etc. UBL has a wide range of correspondent network across the world to facilitate smooth 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 153 (Home and abroad) as on 31 December 2022.

3. Remittance:

Union Bank has been using an excellent state-of-the-art remittance software for excellence in remittance operation of the Bank. We strengthened the remittance relationship with various renowned exchange houses in 2022. Now we are focusing on excellence in customer service through the existing Branch network and agents. A dedicated "Remittance Hub" backed by advanced technology platform helps expanding the Bank's service to the doorstep of the customers. Our corporate clients remained another major source of foreign currency. We are also trying to broaden its base through solicitation of indigenous export clients. UBL disbursing remittance being affiliated with 14 remittance houses and total remittance at the end of the year 2022 was BDT 6,514.99 million (Equivalent to USD 60.89 million.)

4. 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. Moreover, a dedicated FX team was included as a wing under CTOU named Regional Trade Operations Unit, Chattogram (RTOU-CTG) working for developing foreign exchange business for Chittagong Region. In 2022 CTOU performed Import business amounting BDT 2,369.90 million (Eqvt. \$25.24 million) and Export business amounting BDT 1,267.10 million (Eqvt. \$13.62 million) which is very significant compared to the year 2020 & 2021 despite overall disruption due to after COVID-19 Pandemic impact & Ukraine-Russia war.



Highlights of 2022- International Division

- Income from Foreign Exchange increased to BDT 558.18 million in 2022 from BDT 92.62 million in 2021.
- Rebate income stood at BDT 14.89 million in 2022 compared to BDT 9.73 million in 2021.

CORPORATE AFFAIRS AND 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"> • Post 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 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 **110** 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 successfully completed agreement with **Titas** and **Dhaka WASA**, or collecting utility bills both online and offline medium. In the beginning of 2022, 04 (Four) new deposit products named **Nisa for Women, Ehsan for Senior Citizen, Walida for beloved mother and a special 01 year deposit Scheme Sohoj** have been launched by Corporate Affairs & Branding Division. Apart from this, CABD had arranged a deposit campaign in 2022 for enhancing retail 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:

- Active involvement of board and senior management;
- Adequate organization, policies and procedures;
- Appropriate management information systems; and
- 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
- BRPD Circular No.03 regarding Recovery Plan for Banks
- DOS Circular No.03 regarding Introduction of new Input Template for Comprehensive Risk Management Report
- Other related instructions/circulars/letters as issued by regulators from time to time; etc.

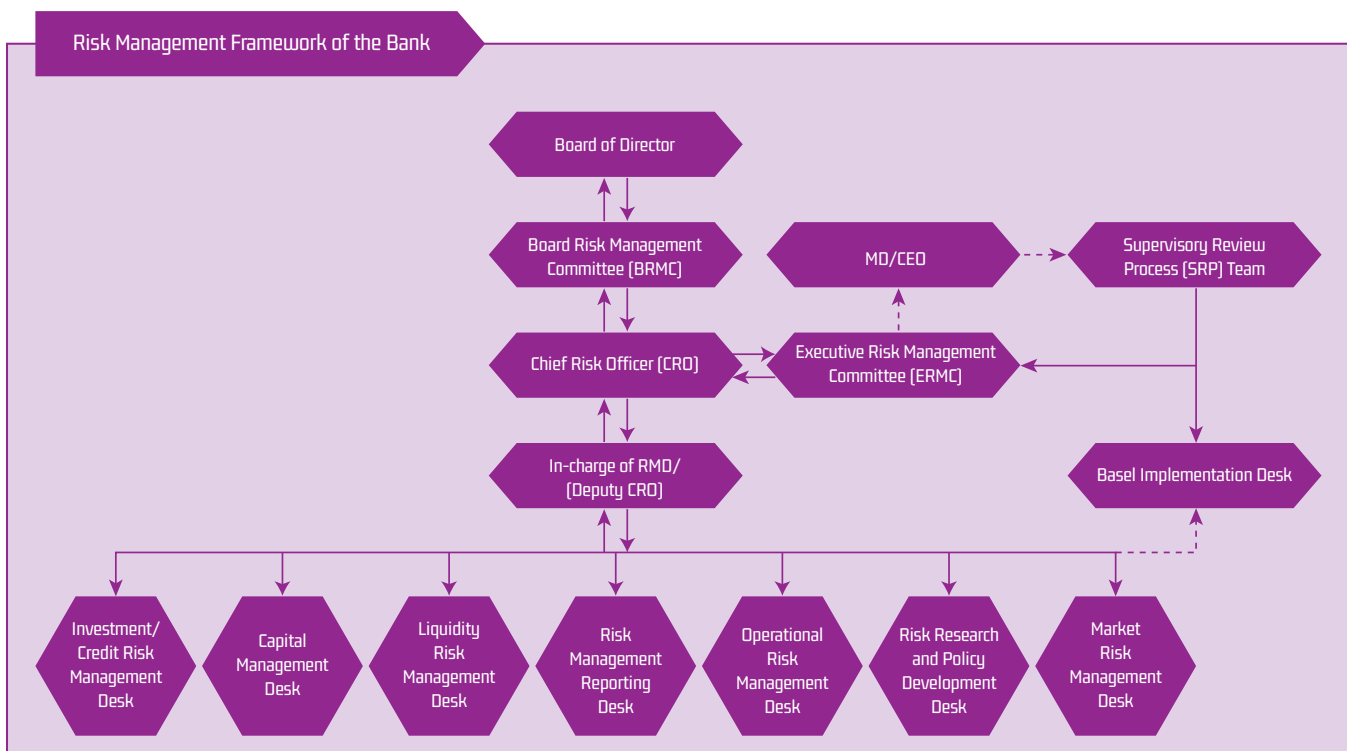
6.00: Risk Appetite Statement

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 the 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 2022. 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;
- 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 Guidelines 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 departments/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.	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.	Recovery Plan	1	Complied	Yearly reporting to BB, Board of directors.
11.	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-2022

- 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.
- Taken initiatives for strengthening Core Capital of the bank through IPO and subsequently, inserted Tk 428 crore tier-1 capital to meet up the regulatory requirement.
- Arranged a workshop on CAMELS Rating and outlined the areas where bank required to take remedial action.
- Conveyed the remedial actions for improvement of key liquidity ratios i.e. IDR, LCR, Wholesale borrowing.
- Prepared Recovery plan as per instruction of Bangladesh Bank for identifying credible options of recovery against stressed scenario and subsequently submitted the board approved Recovery Plan to BRPD.

- Greater Reliance on Information Technology for efficient supervision
- Expedited credit rating process to reduce risk weighted assets and thus improving bank's capital adequacy.
- Formated 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.
- Formulated Individual Investment Risk Assessment & Evaluation Checklist and assessed the risk originating from Top investment clients accordingly.
- Addressed key risk areas and action plan for the year 2022 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.
- Introducing robust employees' awareness programs on risk management; etc.

12.00: Action Plan for the year-2023

- To develop risk profile of the bank and determining appropriate risk management strategies based on the periodic capital adequacy as well as identified and potential risks.
- Initiatives for issuance of subordinated bond or perpetual bond for strengthening capital base of the bank.
- Expediting Credit rating of eligible client to reduce Risk Weighted Assets (RWA) of the bank.
- Taking strategic measures to tackle systemic risk arised in banking sector.
- Ensuring all applicable regulatory compliances related to capital adequacy & risk management.
- Vigilant
- Preparing a guideline book for archiving updated regulatory instructions, circulars, guidelines and other major information.
- Review and update recovery plan for promptly and effectively acting in the event of a stress situation.

- Identify triggers and key vulnerabilities of the bank for adequate monitoring of the risk factors.
- Focus on digital and online banking and provide better customer services
- Properly monitor stress situation and inform to the Board and senior management regularly for taking timely action.
- Initiating 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.

14.00: Concluding Remarks

Banking business are struggling to recover with reducing scope of earnings and to maintain regulatory requirements within global economic turmoil due to Russia-Ukraine war, Dollar crisis and inflation. However, Union Bank Ltd. managed the risk by taking pro-active 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's 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 DIVISION

Treasury Operations 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.

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.

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

Activities To Prevent Money Laundering And Terrorist Financing

Money Laundering and Terrorist Financing have become a globally burning issue for the nations and 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 is also in vulnerability like other parts of the world for Money Laundering, Terrorism 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. 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 terrorist 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.

Union Bank Limited is also committed to take appropriate measures from its position to handle these issues. With this backdrop, Union Bank Limited has taken the following steps to work together with Bangladesh Financial Intelligence Unit (BFIU) towards 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, Union Bank Ltd. also considers the following issues:

- Prohibition of Business Relationship with Shell Banks;
- Automated Screening Mechanism (Velocity AML Solutions Suites) for UN & Local Sanction;
- 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 & CEO of the bank regularly circulates his yearly statement of commitment conveying the messages to the concerned officials 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 RESOURCES 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 responses 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

Business Development Division has been established from vision to show and grow scope for developing plan of action by analytical preparation as well as necessary assistance related to achieve Business targets with prospected opportunities to execute. For materialization of aforesaid vision, BDD performs in four imperative categories:

Business Planning:

Business planning is the key strategy to achieve the business target. By close monitoring of Business and market trends, BDD develops plan to compete with competitors in market. BDD also performs as connector among the Branches, its clients and Head Office to reduce the business processing time.

Business Development:

BDD develops and provides New Business Insights (NBI) for financial gain by growing up Business techniques for branches. In addition, BDD provides required policy/guideline and supports business idea time to time.

Follow-up & Monitoring:

BDD paves the way for formulating strategies by following up & monitoring with report to the management periodically i.e., monthly, quarterly and yearly achievement of Branch's Business Budgets. BDD also rationalizes the action plans received from the Branches and provides necessary supports to achieve business targets according to the plan.

Business Solution and Process Reengineering:

BDD plays a vital role to find solution and takes necessary action to sort out problem for the Business gridlock of branch within shortest period of time. BDD also keeps liaison with different departments of bank to minimize time of approval and makes the process simple and fast.

Presently, in spite of facing global & national economic crisis, optimist and convenient business strategy can show the right path to increase Business growth as well as having solid market position. By developing suitable business plan, monitoring & following up and providing solution accordingly, BDD regularly assists and co-operates the branches to achieve the business targets.

UNION BANK TRAINING INSTITUTE

Union Bank Training Institute provides training to the employees of UBL in several areas that include Islamic Shariah, Islamic Economics, Islamic Banking, General Banking, Green Banking, National Integrity Strategy, Investment Mechanism, Foreign Exchange & Foreign Trade, Modern Techniques of Project Appraisal & Evaluation, Selection of Clients, Supervision & Follow-up of Investment, Customer Service Policy & Business Development, ICT operation & Security, Prevention of Money Laundering & Terrorist Financing, Core Risks Management, Non-Performing Investment Management and other areas of banking to the employees. A total of 813 employees of UBL were trained during the year 2022.

Training and Development

Human capital is an important asset for organizations under competitive market condition. Training and Development function enables human capital to unleash their skill. A profound training program acts as an effective way to enhance employee skills and enable them to perform better in their job. Training and development is indispensable strategic tool for enhancing employee performance and organizations. It aims to improve employee's skills by making them learn new techniques and compliance of regulations & circulars. Thus, it helps updating their knowledge of doing work which results in increasing their efficiency and hence, results in increasing productivity of an organization.

Union Bank Training Institute always strives for excellence in improving the ethical & professional standard of the officials of the bank & reviews the issue from time to time. The systematic improvement of the qualities of human resources of an organization is very much essential for sustainable development. Training is being provided to the employees round the year in the following manner:

- Foundation Training Course
- Advanced Training on Specialized Areas
- Workshop on Different Issues
- e-Workshop on Various Issues
- Virtual Conference

PERFORMANCE REPORT 2022

In 2022, 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.

Summary of the activities of the Union Bank Training Institute in 2022 are as follows:

a) Foundation Training Courses conducted during 2022:

S.L	Name of the Courses	Period	Duration	No. of Participants
01	Foundation Training Course for Probationary Officers	21.03.2022 to 07.04.2022	18 Days	30
		29.05.2022 to 16.06.2022	19 Days	30
		04.09.2022 to 2.09.2022	19 Days	29
		12.10.2022 to 31.10.2022	20 Days	34
02	Foundation Training Course (Phase-I)	16.11.2022 to 30.11.2022	15 Days	29
Sub Total				152

b) Workshops conducted during 2022:

S.L	Name of the Courses	Date	Duration	No. of Participants
01	Workshop on E-Payment	15.01.2022	1 Day	24
		19.02.2022	1 Day	45
02	e-Workshop on "Prevention of Money Laundering & Combating Terrorist Financing"	05.02.2022	1 Day	57
		05.03.2022	1 Day	70
		23.04.2022	1 Day	62
		21.05.2022	1 Day	68
03	Workshop on CAMELS Rating	02.04.2022	1 Day	28
04	Workshop on "Automated FC Clearing"	16.07.2022	1 Day	29
05	e-Workshop on EDP-"National Integrity Strategy Highlighting Compliance"	01.08.2022	1 Day	41
06	e-workshop on "Customer Service & Business Development"	24.08.2022	1 Day	79
07	e-Workshop on EDP-"National Integrity Strategy Highlighting Compliance"	29.08.2022	1 Day	41
08	Workshop on "Guidelines for Trust Fund Management"	17.12.2022	1 Day	22
09	Workshop on "BAMLCO Conference (Online)"	22.12.2022	1 Day	95
Sub Total				661

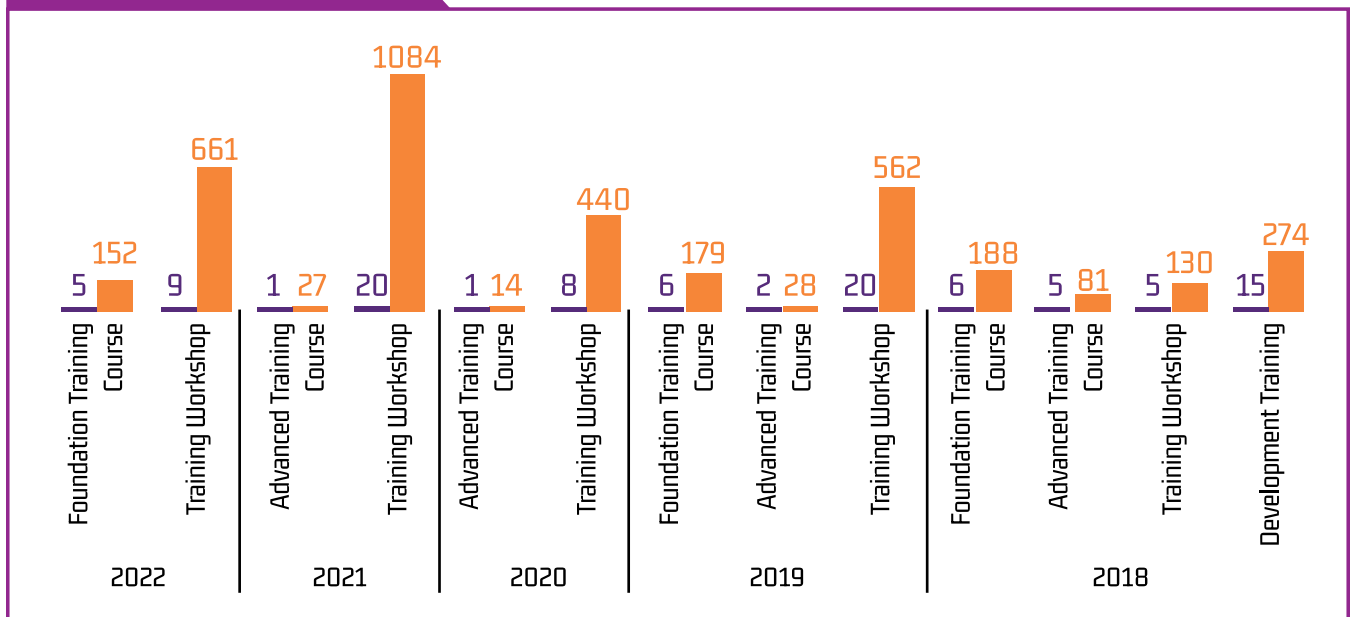
Total (a+b) = 813

PERFORMANCE REPORTS OF LAST FIVE YEARS

2022		
Title	Number of Programs	Total Participants
Foundation Training Courses	5	152
Training Workshop	9	661
Total	14	813
2021		
Title	Number of Programs	Total Participants
Advanced Training Course	01	27
Training Workshop	20	985
Conference	01	99
Total	22	1111
2020		
Title	Number of Programs	Total Participants
Foundation Training Courses	01	29
Advanced Training Course	01	14
Training Workshop	08	440
Total	10	483
2019		
Title	Number of Programs	Total Participants
Foundation Training Courses	06	179
Advanced Training Course	02	28
Training Workshop	20	562
Total	28	769
2018		
Title	Number of Programs	Total Participants
Foundation Training Courses	06	188
Advanced Training Course	05	81
Training Workshop	05	130
Other Development Training	15	274
Total	31	673

Year	Title	Number of Programs	Total Participants
2022	Foundation Training Courses	5	152
	Training Workshop	9	661
2021	Advanced Training Course	1	27
	Training Workshop	20	1084
2020	Advanced Training Course	1	14
	Training Workshop	8	440
2019	Foundation Training Courses	6	179
	Advanced Training Course	2	28
	Training Workshop	20	562
2018	Foundation Training Courses	6	188
	Advanced Training Course	5	81
	Training Workshop	5	130
	Development Training	15	274

Graphical Performance



INITIAL PUBLIC OFFERING (IPO):

After getting final approval of Bangladesh Securities and Exchange Commission (BSEC) via consent letter no. BSEC/CI/IPO-319/2021/599 dated November 24, 2021, Union Bank Limited has raised paid-up capital Tk. 428,00,00,000/- (Four Hundred Twenty-Eight Crore) issuing 42,80,00,000 shares of Tk. 10/- each through Initial Public Offering (IPO) under fixed price method. The subscription period for IPO of Union Bank Limited was from December 26, 2021 to December 30, 2021 and the total subscription was 3.62 times higher. It was the Largest IPO in the Banking Sector and Fourth largest among all sectors. Prime Bank Investment Limited and BRAC EPL Investment Limited served as the Issue Manager and Co-Issue Manager respectively for the said Initial Public Offering (IPO). Union Bank Limited was listed with Dhaka Stock Exchange Limited on January 18, 2022 and Chittagong Stock Exchange PLC on January 17, 2022. The debut trading and ring the bell ceremony of Union Bank Limited was held on January 26, 2022 at Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC office. On behalf of Union Bank limited the high officials were present at the ceremony. The key officials of Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC, Prime Bank Investment Limited (Issue Manager) and BRAC EPL Investment Limited (Co-Issue Manager) were also present at the ceremony.

Utilization of proceeds raised through public issues:

Union Bank received the proceeds of Initial Public Offering (IPO) amounting Tk. 428,00,00,000/- (Four Hundred Twenty-Eight Crore only) in the mid of January 2022 followed by subscription from December 26, 2021 to December 30, 2021. As per condition number 3, Part C of the consent letter # BSEC/CI/IPO-319/2021/599 dated on 24 November 2021, our external Auditor K M Hasan & Co. Chartered Accountants conducted the audit of status report on Utilization of Initial Public Offering (IPO) Proceeds. The status of Utilization of Initial Public Offering (IPO) Proceeds as on December 31, 2022 is as follows:

Sl No	Purpose Mentioned in Prospectus	Amount as per Prospectus	Total Utilized	Utilized %	Total Un-utilized	Un-utilized %
1	Investment in SME	100,00,00,000/-	100,00,00,000/-	100%	-	-
2	Investment in Project Finance	146,50,00,000/-	146,50,00,000/-	100%	-	-
3	Investment in Government Securities	100,00,00,000/-	100,00,00,000/-	100%	-	-
4	Investment in Capital Market	75,00,00,000/-	19,00,00,000/-	25.33%	56,00,00,000/-	74.67%
5	IPO Expenses	6,50,00,000/-	5,99,30,850/-	92.20%	50,69,150/-	7.80%
	Total	428,00,00,000/-	371,49,30,850/-	86.80%	56,50,69,150/-	13.20%

The deadline of Utilization of Initial Public Offering (IPO) Proceeds is 12 months from the date of receiving fund.

DIVIDEND

The Board of Directors has recommended 05% Cash Dividend for the year ended December 31, 2022.

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 re-election by shareholders at regular intervals.

APPOINTMENT OF EXTERNAL AUDITORS

The present auditor Rahman Mostafa Alam & Co., Chartered Accountants was appointed as external auditor for the year 2022 by the Shareholders in the 9th Annual General Meeting as per provision of Companies Act, 1994. A new auditor will be appointed for the year 2023 (until the next AGM).

APPOINTMENT OF COMPLIANCE AUDITORS

M M Yasin & Co. Chartered Accountants was appointed as Compliance Auditor of the Bank for the year 2022 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. The Board of Directors has recommended Haruner Rashid & Associates, Chartered Secretaries & Management Consultants as Compliance Auditor for the year 2023.

APPRECIATION

With deep gratitude to Almighty Allah for the remarkable business success of Union Bank Limited in 2022, I express my heartfelt thanks to my esteemed colleagues on the Board of Directors for their unwavering support. I am also grateful to our Managing Director, officials, and all the dedicated staff at Union Bank Limited who have contributed to our achievements.

The Board of Directors and the bank management are confident that our bank is strategically positioned to continue its growth journey in the years ahead. We remain committed to enhancing our customer service and product proposition, adopting sound asset and liability management practices, embracing market best practices, and upholding prudent risk management and good governance.

I would like to extend my sincerest gratitude and appreciation to our valued shareholders and clients for their unwavering trust and support. Furthermore, I express my heartfelt thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange PLC, and all other regulatory authorities for their invaluable cooperation and support.

Together, with the collective efforts of our dedicated team, regulatory bodies, and stakeholders, we are poised for continued success in the future, and we remain steadfast in our commitment to excellence in the banking industry.

May Almighty Allah grant his infinite mercy upon us.

Ameen.

On behalf of the Board of Directors



Ahsanul Alam
Chairman