

Report On  
**A study on the valuation of UCBL: from the perspective of  
Multiples Method**

By

Farhan U Ismail

16304142

An internship report submitted to the BRAC Business School in partial fulfilment of the  
requirements for the degree of  
Bachelor of Business Administration

BRAC Business School

BRAC University

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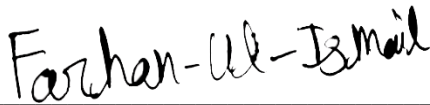
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## **Declaration**

It is hereby declared that

1. The internship report submitted is my original work while completing my degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material, which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all the main sources of help.

**Student Full Name & Signature:**



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**Farhan Ul Ismail**

Student ID: 16304142

**Supervisor's Full Name & Signature:**

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**Sang H Lee, PhD**

Professor & Dean

BRAC Business School

BRAC University

## **Letter of Transmittal**

Sang H Lee, PhD

Professor & Dean

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on “A study on the valuation of UCBL: from the perspective of Multiples Method”

Dear Sir,

It is a pleasure for me to complete my internship report on “A study on the valuation of UCBL: from the perspective of Multiples Method”. I have tried my level best to collect relevant information and related issues to dive deep into this matter and used my full effort to make this report meaningful. I gave my best effort to follow the instructions though I believe there are maybe some mistakes and shortcomings.

I am grateful for your valuable advice, direction and cooperation. I will be glad if you kindly check my internship report and evaluate my performance on this report. Thank you.

Sincerely yours,

---

Farhan Ul Ismail

16304142

BRAC Business School

BRAC University

Date: September 27th, 2020

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between UCB Capital Management Ltd and Farhan Ul Ismail, the undersigned student of BRAC University to undertake the internship project described in this report based on the assurance of avoiding the unapproved disclosure of any confidential data of the organization.

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UCB Capital Management Ltd

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Farhan Ul Ismail

## **Acknowledgement**

Almighty Allah has provided me with the strength and dedication to perform such a hard task of completing this internship report on time. It certainly would not have been possible without the help of many people I have worked with. Firstly, I would like to take the opportunity to especially thank, Sang H Lee, PhD, Professor & Dean, BRAC Business School in BRAC University for his guidance in every step of my report formulation which helped me immensely to be in the right direction. Secondly, my thankfulness goes to UCB Capital Management Limited, which allowed me to work as an intern. Last but not the least; I would like to give thanks to my supervisor at UCB Capital Management, Md. Main Uddin, who is Senior Executive Officer and Head of Accounts. He helped me to learn about different works of finance and accounts department. My special thanks to Md. Shakeb Ayub, who is an Officer of Finance & Accounts and Md. Zobayer Islam, who is an Executive Officer of Admin at UCB Capital Management. I would like to thank all the members of UCB Capital Management who were on my journey at UCB Capital.

## **Executive Summary**

Internship program creates an opportunity to transform four years of academic learning of Business Administration into practical business knowledge. However, I have worked as an intern in UCB Capital Management but my internship report is about overall United Commercial Bank Limited (UCB). The main objective of this report is to evaluate the financial performance of United Commercial Bank based on ratio analysis. For the ratio analysis price to earnings, price to book value, price to sales, enterprise value to earnings before inters tax, enterprise value to earnings before interest, tax, depreciation, and amortization ratios have been used. The multiple valuation approach has been used for the ratio analysis. For stock price valuation, the market approach has been followed, which is one of the popular approaches to identify the actual stock price. Furthermore, ratio analysis results have been compared with the industry average. After analysis, it has been discovered that the share price of United Commercial Bank (UCB) is undervalued. The investor who has already brought the share of United Commercial Bank (UCB) should hold their share as the price would go up in the future. In addition, the investor who does not hold the shares of United Commercial Bank (UCB) should buy shares of United Commercial Bank (UCB), as the market price will reach the implied price due market nature.

Keywords: United Commercial Bank (UCB), UCB Capital Management, Market approach, Multiple valuation, Investor, Undervalued, Implied price, Ratio analysis,

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# **Chapter 1 : Overview of Internship**

## **1.1 Student Information:**

Myself Farhan Ul Ismail, ID: 16304142, a student of BRAC Business School, BRAC University. I am writing this report to fulfil the requirement to complete my Bachelor of Business Administration Degree (BBA). My majors of BBA are finance and Supply Chain Management.

## **1.2 Internship Information:**

### **1.2.1 Period, Company Name, Department, Address**

I am doing my internship at UCB Capital Management Ltd. I am working as an intern at the finance and account department of UCB Capital Management. My internship duration is from August 12, 2020, to November 12, 2020. UCB Capital Management Ltd is located at Motijheel, which is one of the major business and commercial hub area of Dhaka city. The address is 6 Dilkhusha C/A (1st Floor), Dhaka-1000.

### **1.2.2 Internship Company Supervisor's Information: Name and Position**

As I was appointed as an intern at the finance and accounts department, my supervisor is Md. Main Uddin. He is the Senior Executive Officer & Head of the Accounts of UCB Capital Ltd who tremendously supported me in both official issues and developing my career. The report is a major requirement of the internship program and therefore it is a must to complete my graduation. The internship helped me to learn about a specific work filed and observe the activities of the professionals who deal with different complex situations. The aim of this internship program is to obtain a job sector exposure and cope up with the organization culture before joining the actual profession.

### **1. 2.3 Job Scope at UCB Capital Ltd**

While working at UCB Capital Ltd, I have experienced various task and activities of the corporate company on daily basis. Parts of my regular tasks were receiving cash and cheque and ensure that all the deposits were alright and upload the deposits into the software with client B/O account code, amount of cash, in case of cheque, I had to cross-check the date to enlist the amount of money, cheque number. The organization closes transactions at 4 P.M daily. After that, I had to print the final report of an investor receiving and calculate the total cash deposit and total cheque

amount. After the calculation, I had to take the final report to my supervisor to double-check all the transactions and match it with the bank statement of United Commercial Bank and One Bank as the organization maintains two bank accounts to receive the cash deposit and cheque. It is a very risky job and I was not comfortable with it from the very first day I joined. But my supervisor helped me to understand how to work with the software and other things. Moreover, I had to check the mail of the finance department as some client's mail their cash or cheque deposit slip picture with their B/O account number and I had to upload the transaction in the software. I am thankful to my supervisor who helped me to understand the whole process. Sometimes I made mistakes when I needed to input the transaction in the software. Then, I had to mail my supervisor with the details to delete the input from the software. I also had to communicate with the clients, which helped me to improve my communication skill and learned how to handle different situations. After working a few days, I have grown to like the task. But it was a very risky job for which I had to maintain a sound mind to complete the task without any mistake.

## **1.3 Internship Outcome**

### **1.3.1 Contribution to the Company**

As an intern, I have contributed to UCB Capital Ltd by assisting in the tasks for which I was responsible for my department. I believe from my stand that I have worked for the betterment of the company. The tasks I have completed in the finance and account department helped the company. My work in many cases helped to bring better brand value for UCB Capital Ltd.

### **1.3.2 Benefits from the Internship**

An internship creates a scope for students from which they can get the actual taste of the corporate world and gain experience from it. It is a period where a student can get the opportunity to relate their coursework with real-life tasks and assignments. By working for an organization, we can learn many things outside of our prescribed books, which can only be learnt through working in a corporate set up. It was a great opportunity for me to get the chance of working as an intern at UCB Capital Management Ltd. Over the internship period, I have learnt a lot which will be with me for the rest of my life. I got to work with different clients and had the privilege of getting to

communicate with different employees, which helped me to develop my communication skill and interpersonal skill.

### **1.3.3 Difficulties and Recommendations**

During the internship period, I had to go to the office every working day, which was risky due to the COVID-19 pandemic situation. I am very thankful to my supervisor who always provided his valuable advice in completing the given tasks properly which were assigned to me. There was some limitation of access to data. Even though I was an intern there, they did not give me the entire access to their data due to security purposes of the organization. Besides that, I did not face any more difficulties.



**Chapter 2 : Organization Part: Overview, Organization & Strategic  
Audit**

## **2.1 Introduction**

### **2.1.1 Objective:**

The main objective of this study is to know more about UCB Capital Limited environment and their daily activities in a detailed manner. Beside form main objective, there are some specific objectives and they are:

- To gain experience regarding the corporate profession.
- To know in-depth about organization structure.
- To learn about different activities of UCB Capital Management Limited.
- To develop communication skill.
- To learn about the activities of different department.
- To find the problems in the organization.
- To learn how to handle complex situations in the organization.

### **2.1.2 Methodology:**

In this study, both primary and secondary data were used.

#### **Primary Data:**

I have informally discussed with the employees of UCB Capital Management to collect data. Moreover, my supervisor helped me to know in-depth about the activities of the finance and accounts department.

#### **Secondary Data:**

Secondary data sources include the website of the United Commercial Bank (UCB) Limited and UCB Capital Management Limited.

### **2.1.3 Limitation**

There are some limitations I have faced while doing my internship at UCB Capital Management Limited. Firstly, it was difficult to communicate with employees during office hours, as everyone was busy with their work. Secondly, I did not have full access to the software to collect data. Moreover, it was risky to go to the office every due to the global pandemic situation. Lastly, I believe that one month is not enough to complete this type of report.

## **2.2 Background of UCB Limited**

United Commercial Bank Limited is one of the first-generation banks established in 1983. The company listed as a public company in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). UCB has more than 180 branches all over the country. In 2006 UCB Limited introduced a product called UCB card. Later on, the product became the market leader in the local sectors. There are some unique features of UCB like more access to customers, lower service charge compared to others, and "Upay" cashless banking system.

## **2.3 Overview of UCB Capital Management Limited**

UCB Capital Management is one of the best stockbrokers in Bangladesh, which is a subsidiary company of UCB. Since 2013, UCB Capital Management is providing service with the highly qualified management team. UCB Capital Management is trying its best to provide global standard service.

### **2.3.1 Vision**

The vision of UCB Capital management is to become the preferred Brand for Investment Management in the Bangladeshi Capital Market.

### **2.3.2 Mission**

- To exceed the investors' expectations
- To become the leading source of Capital Market Research
- To operate the state of the art technologies for efficient operations and superior customer service



- To be the most ethical and compliant Capital Market player
- To develop human capital for organized growth and constructive customer relationship
- To promote gender diversity, environmental consciousness and care for the community

### 2.3.3 Values

- Trust: They build trust through their every action
- Accountability: They ensure responsibility and conformity
- Respect: Treating everyone with respect and courtesy is a must for them.
- Integrity: Honesty, transparency, ethical and fairness is in their day to day work
- Quality: They work to ensure quality

### 2.3.4 Board of Directors

**Mr. Mohammed Shawkat Jamil**

Chairman

**Mr. Akhter Matin Chaudhury**

Director

**Mr. Syed Faridul Islam**

Director

**Mr. Faruk Ahammad FCA**

Director

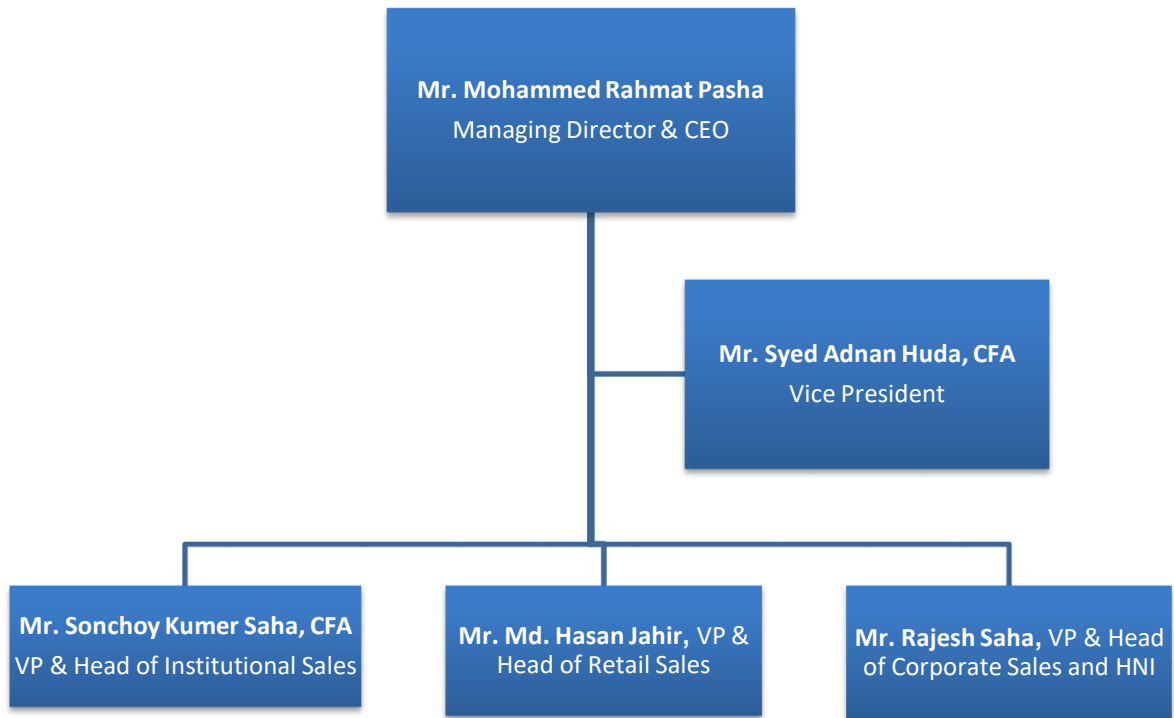
**Mr. ATM Tahmiduzzaman FCS**

Director

**Mr. Mohammed Rahmat Pasha**

Managing Director & CEO

### 2.3.5 Management Team



*Figure 1: Management Team of UCB Capital Management*

### 2.3.6 Overview of Department

**Retail Sales Department:** This department mainly works with an individual investor who wants to invest in the stock market. Md. Hasan Zahir is the head of the department under his supervision the department is performing very well.

**Corporate Sales Department:** The department works with different corporate organizations who want to invest in the stock market. It also works with the various high net individual.

**Institutional Sales Department:** Head of this department is Sonchoy Saha, CFA. This department has fewer employees compared to the other two sales departments but their performance is remarkable. This department mainly works with mutual fund organization. Moreover, the foreign **trade** is one of the key activity of the department.

**Settlement Department:** The key activities of this department are opening B/O accounts of clients, process dividends of stock, handle all the issue related to Central Depository Bangladesh Limited (CDBL).

**Compliance Department:** This department works with DSE and CSE related issues. Sometimes, investors try to buy or sell share aggressively then the DSE or CSE call this department to investigate the situation. They also have to reply to the queries of investor account to DSE or CSE.

**Finance & Accounts Department:** This department records all the financial activities. It also processes the fund withdrawals of investors from their B/O accounts. One of the key activities of this department is to ensure all the cheque that has been deposited by the investors are cleared. If the cheque is dishonoured than, they mail the trader of the client about the issue and charges a fee as a penalty.

**IT Department:** All the issues related to the software by which trade and other activities are performed handle by this department. Some investors trade on mobile apps. When they face problems, this department solves them. They also process the procedures to open mobile app trading accounts for the clients. Moreover, they help investors to apply for IPOs.

**Human Resource Department:** This department ensures that the organization has skilled employees for every position. They also try to find out whether the employees in different departments need training programs and organizes the program. They also collect performance evaluation data of employees and based on that, they give promotions to employees. They also update the contact list of every employee.

**Admin Department:** The main activities of this department is to create bills, collect important documents for the organization, update agreements with the landowners, trade licenses, and insurance documents of organization vehicles. It ensures that the all-necessary utilities are available in the organization.

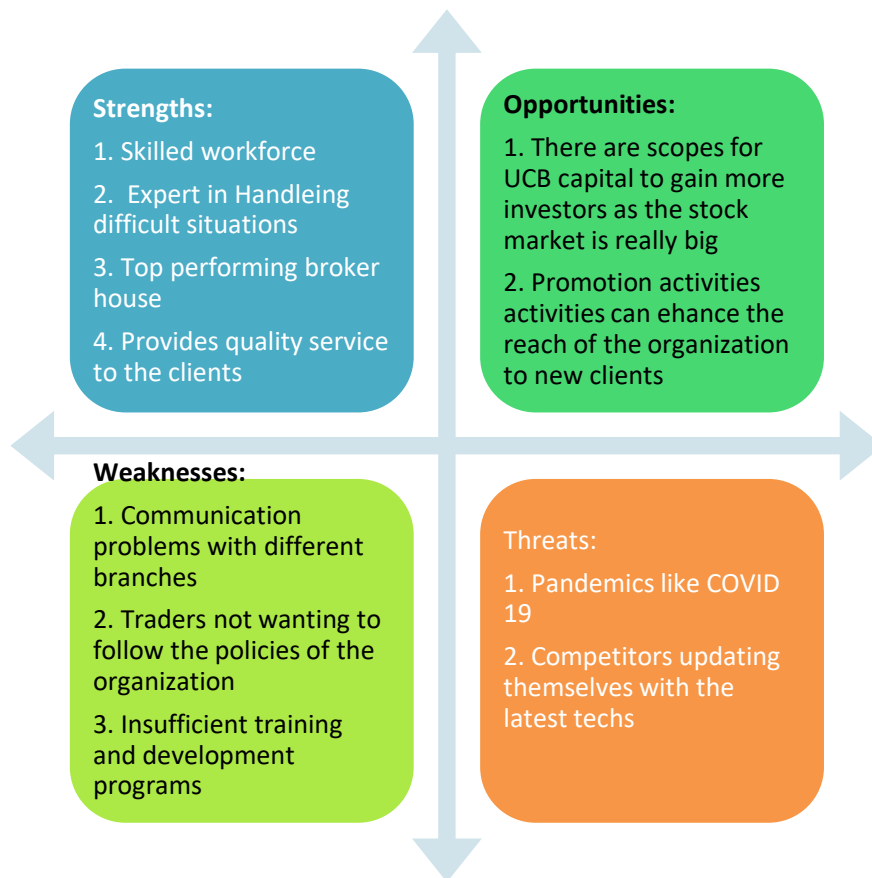
**Customer Service Department:** This department provides a helping hand to the clients regarding any issues. It is a very difficult job to do as it requires communicating with the clients. This is because the clients sometimes do not understand the actual situation. Providing updated news related to new IPO listed companies, helping the clients by giving them information related to opening B/O and other issues are also part of this department's job.

**Research Department:** This department works to predict the performance of stocks the next day by basing its analysis on the daily stock performances and reports the outcome. They also provide the industry updates, financial and economic news to the organization.

### **2.3.7 CSR activities**

UCB capital helps people by providing them with the financial assistance needed for health-related treatments. It also donates to different non-profit organizations for the betterment of society. It has been actively participating to provide for the disadvantaged population of the country. Expanding literacy and the development of education is also part of their CSR activities.

### 2.3.8 SWOT Analysis



*Figure 2: SWOT Analysis*

### 2.3.9 Porter's Five Forces Analysis



**Figure 3: Porter's Five forces model**

## **Chapter 3: Project Part: Valuation of United Commercial Bank**

### **3.1 Introduction**

There are many valuation processes to analyze an organization overall financial performance. One of the valuation tools is multiple valuation analysis. It evaluates one financial metric as a ratio of another, in order to make special business more comparable ("Multiples Analysis – Definition and Explanation of Valuation", 2020). Multiple is the proportion one financial metric (stock price) to every other financial metric (Earning per Share). It is a straightforward way to compute an organization value and compare it with different business.

#### **3.1.1 Background Study**

The main objective of this project is to find out the overall financial performance of UCB Ltd based on ratio analysis so to get the complete picture of their performance. For the performance analysis, multiple valuation method has been followed as it was advised by the supervisor of the project. I am very thankful to my supervisor who has always guided me in every step to complete this project on time. In order to complete the valuation process, I have used the annual report of UCB for multiple valuation. Moreover, I have selected five similar company for the industry average calculation and they are The City Bank, Dhaka Bank, Bank Asia, BRAC Bank and Eastern Bank. Furthermore, I also wanted to find the stock value of UCB and compare it the market price.



### **3.1.2 Objectives of Report:**

#### **Primary objective:**

The primary objective of this report is to evaluate the financial performance of UCB Limited.

#### **Specific objective:**

Along with the primary objective, there are some other objectives of this report and they are as follows:

- To learn about UCB Capital Management Limited history, mission, vision and organization structure as I worked as an intern in the organization, which is a subsidiary UCB Limited.
- To get in-depth knowledge about the activities of the finance and accounts department.
- To Know the activities of finance and accounts department.
- To Gain practical knowledge about the daily activity of a broker house.
- To gather practical experience about the organization environment.
- To develop communication skill.
- To analyze the finding of the study and giving the appropriate recommendation.

### **3.1.3 Scope of the study**

This project report focuses on the financial performance analysis of UCB Limited based on a ratio. Being an intern at UCB Capital Management Limited simplified the task of conducting this report. The scope of this study completely depends on the collaboration, roles, activity of the organization. While working as an intern I had explored many new terms. Md. Main Uddin, Senior Executive Officer & Head of Accounts, Md. Shakeb Ayub, Officer of Accounts and Md. Zobayer Islam, Executive Officer of Admin has helped me to collect in-depth information related to finance, overall organization structure and activities.

### **3.2 Literature Review**

Multiple valuation is one of the most popular valuation techniques to evaluate the stock price of listed companies in the stock market. Financial analyst mostly used multiple derived from comparable companies to value other companies in a similar sector or industry. The multiple valuation process gives more transparency result by harmonic mean (Schueler, 2020). It has also been analyzed that the relationship between multiple employed and transparency can be increased by reconciliation. In multiple valuation process, there is some ratio analysis. Moreover, it has been found out that the bottom down approach gives more accurate result in multiple valuations. Many surveys show that the multiple valuation is most widely used by investors. The accuracy level of multiple valuation must be identified as many investors rely on the result of the valuation.

Furthermore, the discretionary accruals have an impact on the accuracy of multiple valuation and the adjusted error size is small. There is some ratio in multiple valuation such as P/E, P/B, P/S, EV/EBIT, EV/EBITDA, EV/S (Agung Saputro & Hartono, 2017).

Many academic researcher's focuses on DCF and RIV model for valuation whereas practitioners focus on multiple valuation models as a result there is a gap between academics and practitioners (Brahmana & Hooy, 2011). It has also been discovered that Price Earnings Ratio (PER), Price to Book Value (PBV), Price to Sales Ratio (PSR) are best for multiple valuation approach by investing the error percentage. Multiple valuation can be used for the emerging stock market too.

### **3.3 Methodology of the Report**

I have used both primary and secondary data for this report so that I can provide a reliable analysis.

#### **3.3.1 Primary data**

I had an informal discussion with every department employee so that I can get in-depth information related to analysis and organization. I also communicated with the customers to know their expectation from the organization. Furthermore, I have talked with my supervisor related to various task and topic.

#### **3.3.2 Secondary data**

I have used various Journals, Articles, Websites, and Annual reports as a secondary data source.

### **3.4 Limitations**

Some limitations were faced while completing this report. Firstly, I did not have the proper access to the data. Even though I worked there as an intern, they could not give me the full exposure of the data due to company policy. Secondly, it was very difficult for me to communicate with the employees, as everyone was busy with trade and their department work. Moreover, due to the pandemic situation, it was very risky for me to travel every day to collect information from the employees. Lastly, the submission deadline was really short and thus I had to face a lot of difficulties in collecting data and managing the report on time.

### 3.5 Findings and Analysis of Data

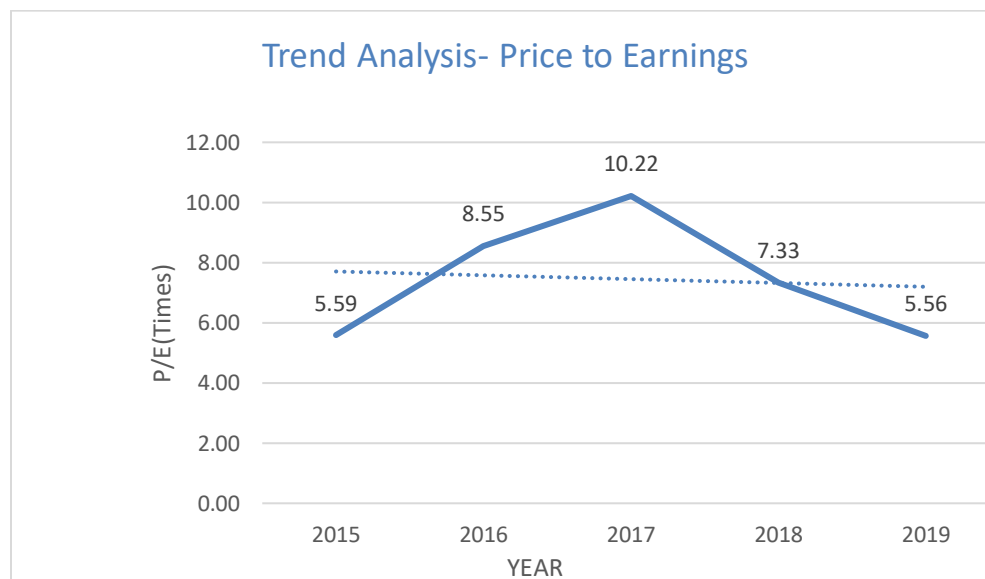
At first, I have collected the previous five-year annual reports of UCB from 2015-2019. Then calculated P/EPS, P/B, P/S, EV/EBIT, EV/EBITDA, EV/Sales ratio. Furthermore, I have calculated the industry average to compare the financial performance of UCB Ltd with the industry. After that, I have calculated the stock price of UCB based on enterprise value.

#### 3.5.1 Price to Earnings (P/E)

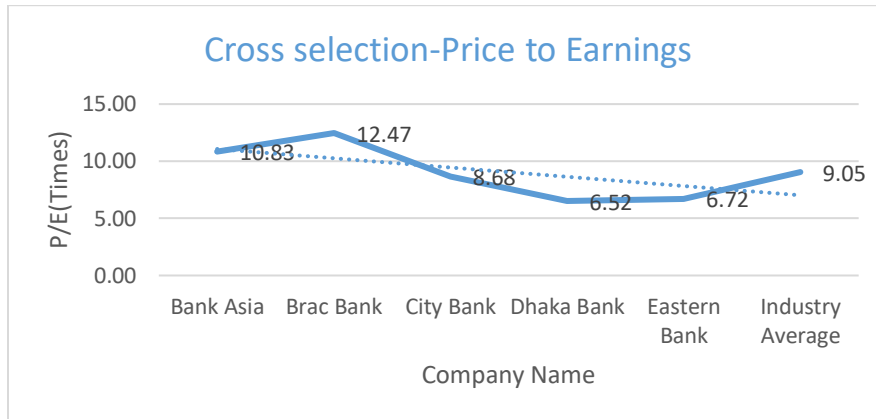
$$P/E = \frac{\text{Market Price per Share}}{\text{Earnings Per Share}}$$

Time Series	2015	2016	2017	2018	2019	Industry Average
P/E(Times)	5.59 Times	8.55 Times	10.22 Times	7.33 Times	5.56 Times	9.05 Times

**Table 1: Price to Earnings Ratio**



**Figure 4: Trend Analysis of P/E Ratio**



**Figure 5: Cross selection- Price to Earnings**

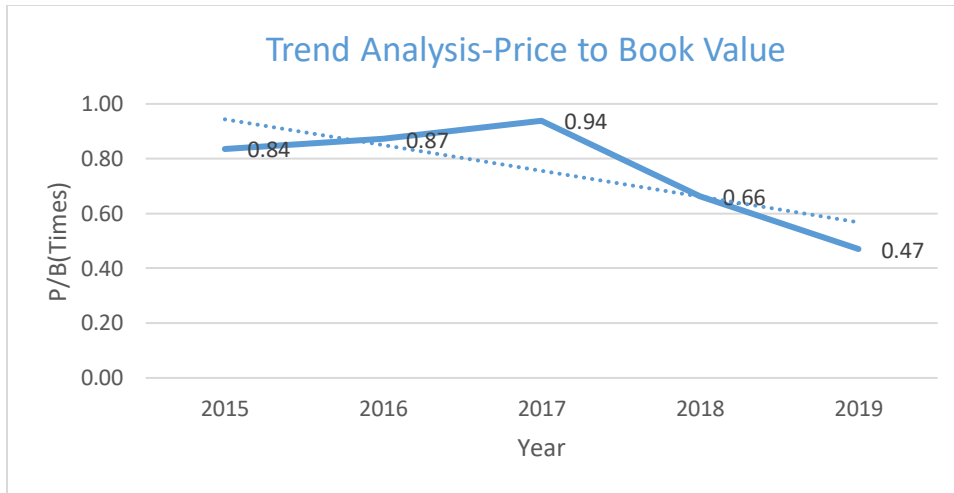
**Analysis:** From the table we can see that there are slightly ups and downs in the price-earnings ratio. Price-earnings ratio mainly indicates how much an investor willing to invest to gain 1tk. From the analysis we can see that the UCB Ltd P/E ratio is lower than the industry average which indicates that the stock of UCB Ltd is undervalued.

### 3.5.2 Price to Book Value (P/B)

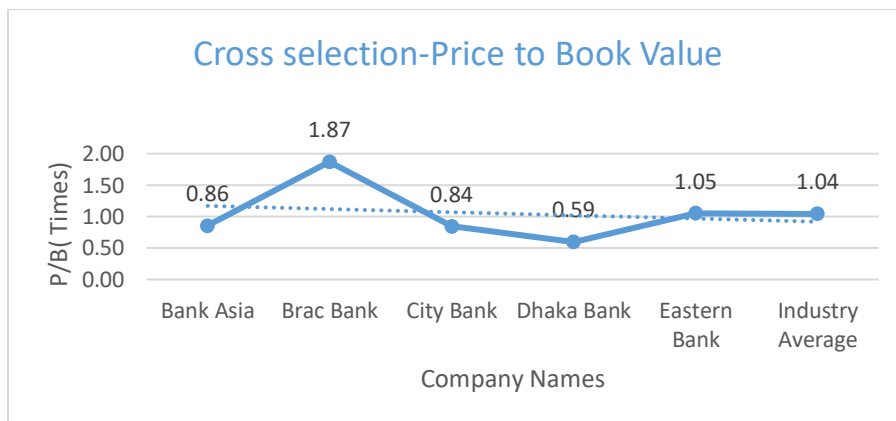
$$P/B = \frac{\text{Market Price per Share}}{\text{Book Value Per Share}}$$

Year	2015	2016	2017	2018	2019	Industry Average
P/B(Times)	0.84 Times	0.87 Times	0.94 Times	0.66 Times	0.47 Times	1.04 Times

**Table 2: Price to Book Value**



**Figure 6: Trend Analysis Price to Book Value**



**Figure 7: Cross selection-Price to Book Value**

**Analysis:** Price to book value (P/B) ratio mainly indicates the cost to each share. From the above table and chart shows that the P/B of UCB is lower than the industry average. The share price of UCB is undervalued, as it is lower than the industry average. The P/B is not suitable to make an investment decision. One of its major limitations is that it does not consider intangible assets like Goodwill, which leads to low book value and high artificial price/book ratio. The book value considers the original purchase price of an item, not the current market price that leads to measurement inaccuracies.

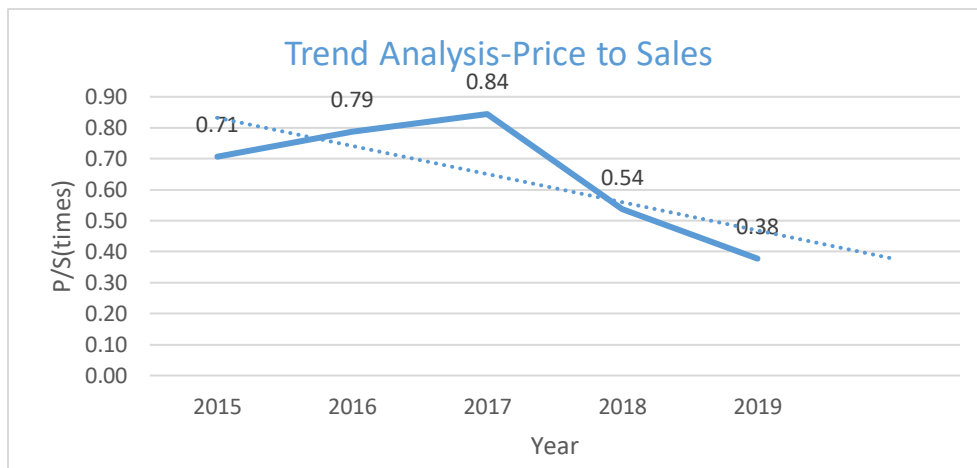
Another limitation is that in case of different accounting methods are used, e.g USGAP and IFRS, it gives different asset values, which make the comparison even harder.

### 3.5.3 Price to Sales (P/S)

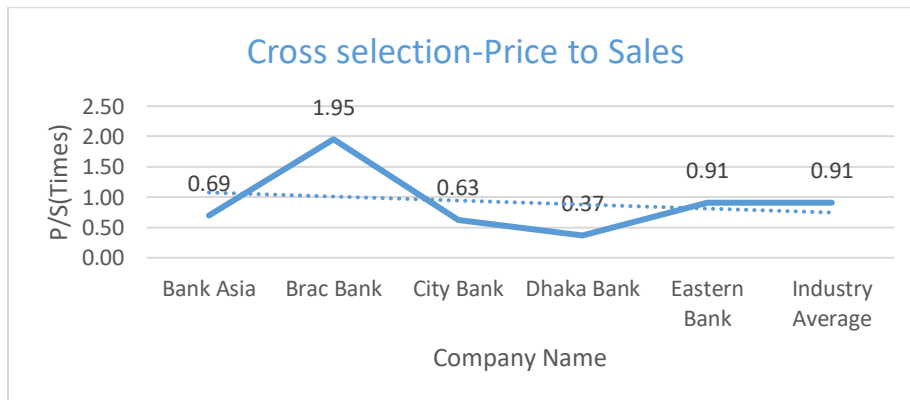
$$P/S = \frac{\text{Market Price per Share}}{\text{Sales Per Share}}$$

Year	2015	2016	2017	2018	2019	Industry Average
P/B(Times)	0.71 Times	0.79 Times	0.84 Times	0.54 Times	0.38 Times	0.91 Times

**Table 3: Price to Sales Ratio**



**Figure 8: Trend Analysis-Price to Sales**



**Figure 9: Cross selection- Price to Sales**

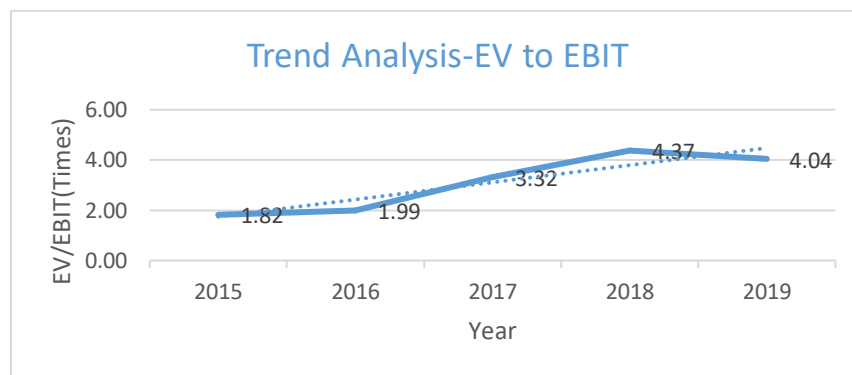
**Analysis:** From the trend of the P/S ratio, we can see that after 2017, the value is decreasing and the industry average is higher. Though UCB generated 18% more revenue in 2019 compared to 2018 due to some reason the stock market price did not increase.

### 3.5.4 Enterprise value to Earnings Before Interest and Tax (EV/EBIT)

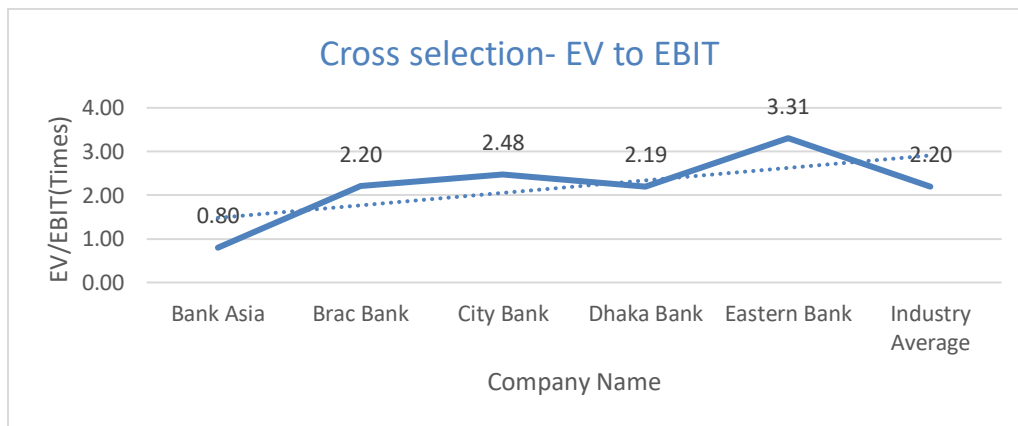
$$\text{EV/EBIT: } \frac{\text{Enterprise Value}}{\text{EBIT}}$$

Year	2015	2016	2017	2018	2019	Industry Average
EV/EBIT(Times)	1.82 Times	1.99 Times	3.32 Times	4.37 Times	4.04 Times	2.20 Times

**Table 4: Enterprise Value to EBIT**



**Figure 10: Trend Analysis- EV to EBIT**



**Figure 11: Cross selection- EV/EBIT**



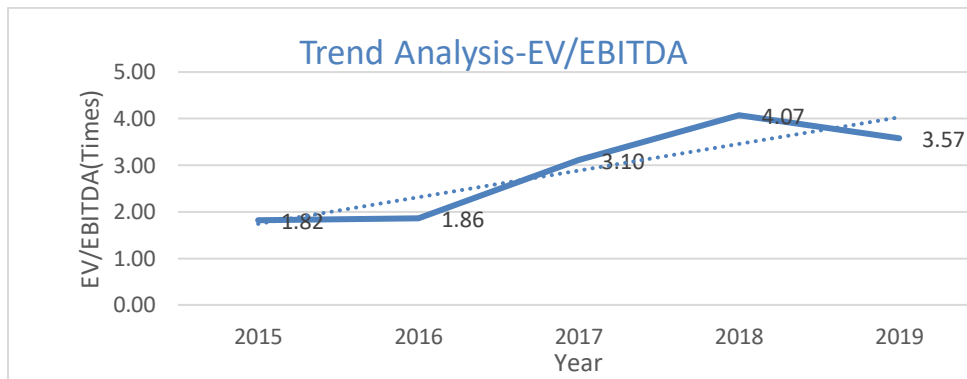
**Analysis:** EV/ EBIT shows that the UCB historical performance increased gradually but it slightly decreased in 2019. UCB Ltd had higher performance compare to the industry average. This ratio gives a more appropriate result than the P/E ratio as it covers all the limitations of the P/E ratio.

### 3.5.5 Enterprise Value to Earnings Before Interest, Tax, Depreciation, Amortization (EV/EBITDA)

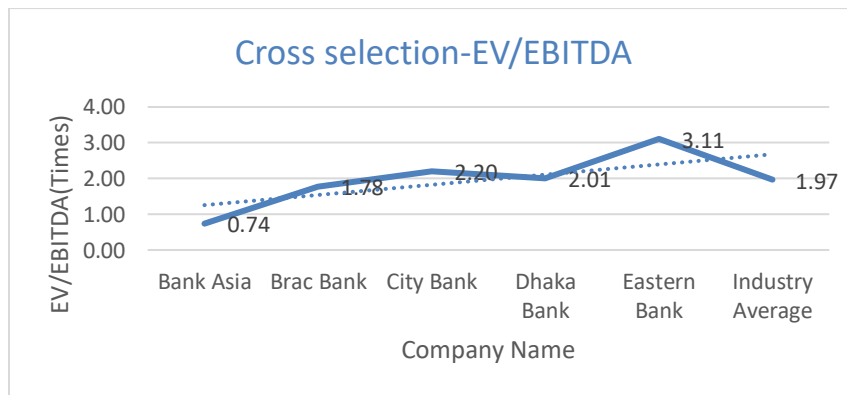
$$EV/EBITDA = \frac{\text{Enterprise Value}}{EBITDA}$$

Year	2015	2016	2017	2018	2019	Industry Average
EV/EBITDA(Times)	1.82 Times	1.86 Times	3.10 Times	4.07 Times	4.57 Times	1.97 Times

**Table 5: Enterprise Value to EBITDA**



**Figure 12: Trend Analysis of EV/EBITDA**



**Figure 13: Cross selection – EV/EBITDA**

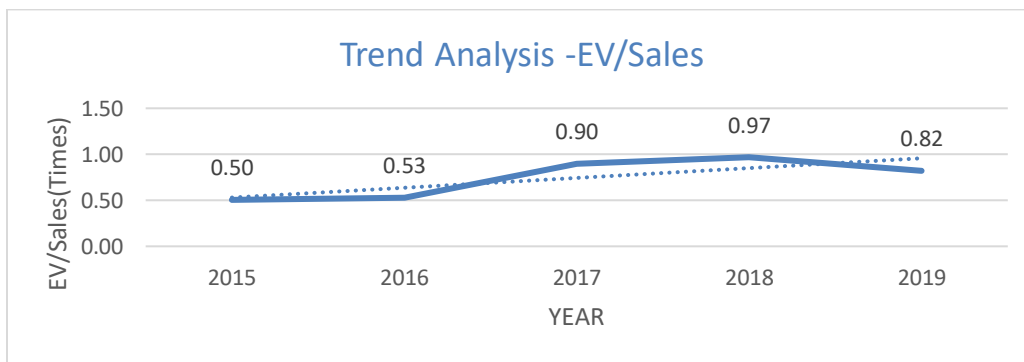
**Analysis:** In 2019, the EBITDA value of UCB Ltd increased by 14% due that the value of EV/EBITDA declined. UCB Ltd is a good option for the investor to invest as it has a higher value than the industry average.

### 3.5.6 Enterprise Value to Sales (EV/S)

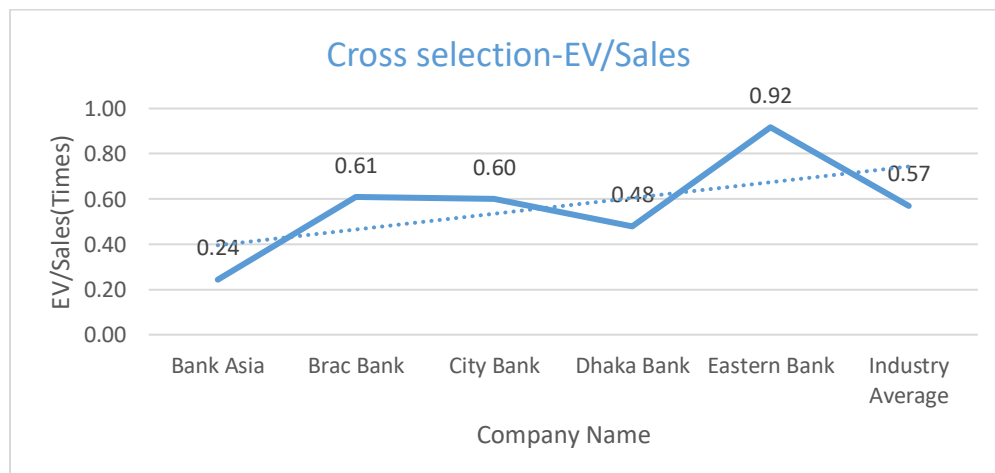
$$EV/S: \frac{\text{Enterprise Value}}{\text{Sales}}$$

Year	2015	2016	2017	2018	2019	Industry Average
EV/S(Times)	0.50 Times	0.53 Times	0.90 Times	0.97 Times	0.82 Times	0.57 Times

**Table 6: Enterprise Value to Sales**



**Figure 14: Trend Analysis-EV/Sales**



**Figure 15: Cross selection- EV/Sales**

**Analysis:** From the trend analysis, we can see that the value is below one, which indicates that UCB is undervalued. We know that when the value of EV/Sales is within a range of 1-3 it is considered as undervalued ("How to Use the Enterprise Value-to-Sales Multiple", 2020). The industry average is valued lower than UCB Ltd.

### **3.5.7 Stock Valuation of UCB**

**Valuation Process:** For stock price valuation, I have used the market approach, as the data was available so it was easy to use this approach. To determine the value of an asset the market approach is a method based on selling price of similar assets.

I have used this approach to determine the actual share price of UCB Ltd and compared it with the market share price of UCB.

#### **Steps of Implied Share Price Calculation:**

- Firstly, both UCB and the competitors' P/E, P/B, P/S, EV/EBIT, EV/EBITDA, EV/Sales ratios have been calculated from 2015- 2019 and to find out the industry average. The simple average has been used to calculate the industry average.
- For Price related ratios implied price, the industry average with each year UCB P/E, P/B, P/S ratios value have been multiplied.
- In the case of Enterprise value related ratios implied price, the steps are different. At first, the industry average ratio value of EV/EBIT has been multiplied with every year EBIT of UCB. The same process has been followed in the cases of EV/EBITDA, EV/ Sales and multiplied with EBIT, Sales value of UCB from 2015-2019. From the multiplication, enterprise value for the target is acquired.
- After that, the net debt of UCB has been calculated. For net debt value, the total cash from the long-term loan was deducted.
- The net debt value from the targeted enterprise value of UCB was minimized. Then the implied equity value of UCB is acquired for each year. Then, the implied equity value is divided with every year outstanding share of UCB to acquire the implied share price for the enterprise value (EV) ratios.
- Lastly, the implied share price value of both price related and enterprise value have been averaged.

**Selection of Peer Group:**

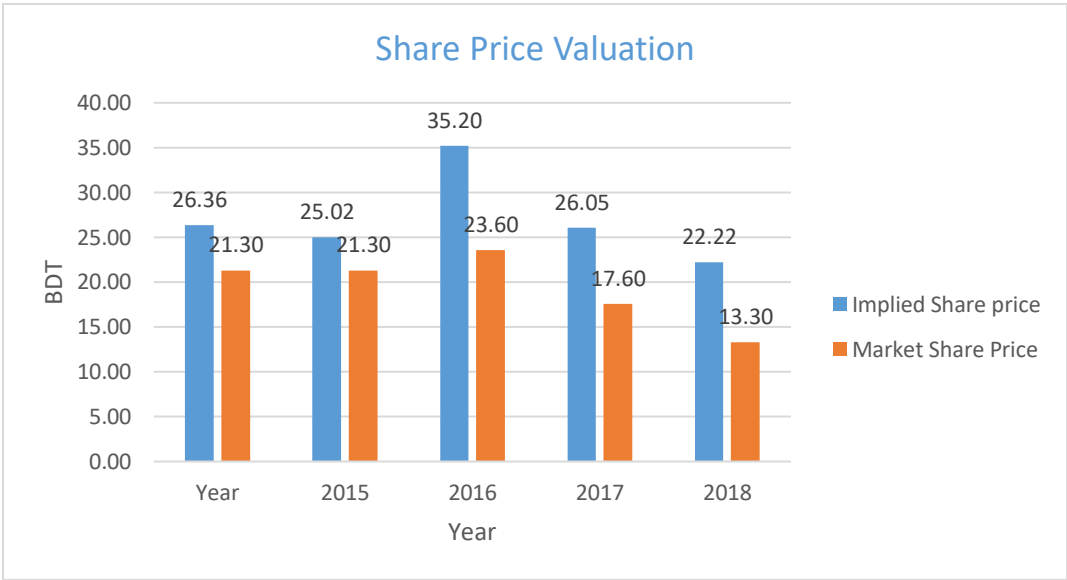
Debt to equity ratio based Bank Asia, City Bank, BRAC Bank, Dhaka Bank and Eastern Bank selected as a peer group. As UCB and its peer group are from the same industry sector so their business, activity have similarity like saving accounts, foreign trade, credit card, different types of loans. Physical bank activity is decreasing due to mobile and online banking so both UCB and peer group must improve their mobile and online banking system. Green banking system reduces the use of paper every bank must follow this system and its great opportunity to attract customer.

	UCB(2019) BDT	BANK Asia(2019) BDT	BRAC Bank(2019) BDT	City Bank(2019) BDT	Dhaka(2019 )BDT	Eastern Bank(2019) BDT
Total Liabili ties	413,977,10 1,737	329,055,25 5,779	330,262,22 5,955	329,273,35 0,963	267,798,777, 062	309,595,98 1,374
Total Equity	32,783,019, 810	24,745,117, 918	37,658,130, 242	25,415,636, 375	17,210,614,6 36	25,567,486, 351
Debt to Equity Ratio	12.63	13.30	8.77	12.96	15.56	12.11

***Table 7: Debt to Equity Ratio of UCB and Peer Group***

Year	2015	2016	2017	2018	2019
Implied Share price	26.36	25.02	35.20	26.05	22.22
Market Share Price	21.30	21.30	23.60	17.60	13.30

**Table 8: Implied Share price and the Market Share price of UCB Ltd.**



**Figure 16: Share price Valuation**

From the bar chart, we can see that the market price of UCB Share is lower than the implied share price of UCB. Furthermore, it can be said that the UCB Share is undervalued.

### **3.6 Summary and Conclusion**

From the multiple valuation analysis of the financial report, we can perceive that the P/E of UCB is lower than the industry average. The price-earnings ratio of 2019 was lower as the market price of the share was lower than compared to the previous year. By the analysis and finding, we can say that UCB Limited is an undervalued company. EV/EBIT, EV/EBITDA and EV/Sales ratio gives a more appropriate result compared to P/E, P/B and P/S ratio. By analyzing EV/EBIT, EV/EBITDA, EV/Sales we have to find out the United Commercial Bank Limited is an undervalued organization. Moreover, I have used the market approach to find the actual share price of UCB and compared it with the trading price in the stock market. For market approach valuation, I have found that the market price of UCB share is lower than the actual share.

### **3.7 Recommendations**

First of all, I would like to advise the investors who have already purchased the shares of UCB Limited hold their shares as its price will go up in the future. Secondly, the investors who did not buy UCB shares in the past, it is better for them to buy shares of UCB Ltd. The price of the shares has to reach the implied price because of the nature of the market and the shares of the company has should be priced perfectly.

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# **Appendix**

**Table 1: Information of UCB LTD**

	2015(BDT)	2016(BDT)	2017(BDT)	2018(BDT)	2019(BDT)
Interest Income	22,434,566,831	20,832,146,431	21,034,156,637	25,266,932,644	30,948,745,064
Non-Interest Income:					
investment income	4,228,589,712	4,140,566,385	4,097,003,932	4,430,705,298	4,853,217,348
Commission, exchange and brokerage	3,110,431,527	3,201,273,347	4,066,522,259	4,480,617,157	4,920,063,091
other Operating income	485,598,039	362,131,893	271,972,941	406,398,680	137,801,845
<b>Total sales</b>	<b>30,259,186,109</b>	<b>28,536,118,056</b>	<b>29,469,655,769</b>	<b>34,584,653,779</b>	<b>40,859,827,348</b>
<b>EBIT</b>	<b>8,402,340,416</b>	<b>7,587,382,155</b>	<b>7,951,409,495</b>	<b>7,657,888,383</b>	<b>8,278,684,469</b>
Depreciation	5471850428	551447070	549,708,936	565,184,745	1,094,023,437
<b>EBITDA</b>	<b>8,402,340,416</b>	<b>8,138,829,225</b>	<b>8,501,118,431</b>	<b>8,223,073,128</b>	<b>9,372,707,906</b>
<b>Net Income</b>	<b>3,977,340,416</b>	<b>2,628,634,461</b>	<b>2,433,908,495</b>	<b>2,526,579,254</b>	<b>2,772,040,725</b>
<b>EPS</b>	<b>3.81</b>	<b>2.49</b>	<b>2.31</b>	<b>2.4</b>	<b>2.39</b>
<b>Market Piece per share</b>	<b>21.30</b>	<b>21.30</b>	<b>23.60</b>	<b>17.60</b>	<b>13.30</b>
<b>Number of Share Outstanding</b>	<b>1003930000</b>	<b>1054130654</b>	<b>1054130654</b>	<b>1054130654</b>	<b>1,159,543,719</b>
<b>Market Capitalization</b>	<b>21383709000</b>	<b>22452982930</b>	<b>24877483434</b>	<b>18552699510</b>	<b>15421931463</b>
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>18,743,658,871</b>	<b>25,565,100,634</b>	<b>33,846,394,134</b>	<b>44,694,259,182</b>	<b>40,911,325,756</b>
<b>Total Shareholders' Equity</b>	<b>25,588,818,540</b>	<b>25,756,320,927</b>	<b>26,510,257,804</b>	<b>27,999,766,245</b>	<b>32,783,019,810</b>
<b>Cash and Equivalent:</b>					
Cash	17,960,684,783	21,102,743,897	23,914,511,782	22,790,705,537	26,403,416,203
Balance with other banks & financial Institution	10,705,568,587	14,167,986,239	9,768,664,310	16,256,142,471	12,123,383,064
Money at Call on short notice	390,000,000	950,000,000	290,000,000	150,000,000	1,700,000,000
<b>Total cash and Equivalent</b>	<b>29,056,253,370</b>	<b>36,220,730,136</b>	<b>33,973,176,092</b>	<b>39,196,848,008</b>	<b>40,226,799,267</b>
<b>NET DEBT</b>	<b>-10,312,594,499</b>	<b>-10,655,629,502</b>	<b>-126,781,958</b>	<b>5,497,411,174</b>	<b>684,526,489</b>

<b>Enterprise Value</b>	<b>15,276,224,041</b>	<b>15,100,691,425</b>	<b>26,383,475,846</b>	<b>33,497,177,419</b>	<b>33,467,546,299</b>
<b>Book value per share</b>	<b>25.49</b>	<b>24.43</b>	<b>25.15</b>	<b>26.56</b>	<b>28.27</b>
<b>Sales per share</b>	<b>30.14</b>	<b>27.07</b>	<b>27.96</b>	<b>32.81</b>	<b>35.24</b>

**Table 2: Information of UCB Competitors 2019**

	<b>Bank Asia (2019) BDT</b>	<b>BRAC Bank (2019) BDT</b>	<b>City Bank (2019) BDT</b>	<b>Dhaka Bank (2019) BDT</b>	<b>Eastern Bank (2019) BDT</b>
Interest Income	22,863,139,585	29,692,102,368	26,819,239,518	21,590,108,042	23,163,605,820
Non-Interest Income					
investment income	3,293,064,994	3,071,620,681	2,086,159,974	2,567,844,476	2,751,634,005
Commission, exchange and brokerage	3,361,368,126	3,151,040,824	3,380,963,967	3,421,193,673	3,448,216,291
other Operating income	1,018,730,455	127,646,830	1,985,585,042	260,813,792	238,812,687
<b>Total sales</b>	<b>30,536,303,160</b>	<b>36,042,410,703</b>	<b>34,271,948,501</b>	<b>27,839,959,983</b>	<b>29,602,268,803</b>
<b>EBIT</b>	<b>9,322,464,273</b>	<b>9,947,625,842</b>	<b>8,287,151,988</b>	<b>6,098,573,992</b>	<b>8,209,961,766</b>
Depreciation	761,091,855	2,407,135,299	1,056,692,296	543,572,010	525,837,464
<b>EBITDA</b>	<b>10,083,556,128</b>	<b>12,354,761,141</b>	<b>9,343,844,284</b>	<b>6,642,146,002</b>	<b>8,735,799,230</b>
<b>Net Income</b>	<b>1,960,811,140</b>	<b>5,645,802,388</b>	<b>2,471,639,95</b>	<b>1,571,362,018</b>	<b>4,008,142,125</b>
<b>EPS</b>	<b>1.68</b>	<b>4.58</b>	<b>2.43</b>	<b>1.84</b>	<b>4.94</b>
<b>Market Piece per share</b>	<b>18.20</b>	<b>57.10</b>	<b>21.10</b>	<b>12</b>	<b>33.20</b>
<b>Number of Share Outstanding</b>	<b>1,165,906,860</b>	<b>1,233,375,327</b>	<b>1,016,386,661</b>	<b>853,211,819</b>	<b>811,799,547</b>
<b>Market Capitalization</b>	<b>21219504852</b>	<b>70425731172</b>	<b>21445758547</b>	<b>10238541828</b>	<b>26951744960</b>
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>34,382,128,495</b>	<b>22,901,981,186</b>	<b>44,168,290,655</b>	<b>27,725,127,384</b>	<b>50,820,788,208</b>
<b>Stock Holder Equity</b>	<b>24,745,117,918</b>	<b>37,658,130,242</b>	<b>25,415,636,375</b>	<b>17,210,614,636</b>	<b>25,567,486,351</b>
<b>Cash and Equivalent:</b>					
Cash	23,985,692,079	22,829,508,087	25,906,831,013	17,638,446,211	19,690,222,660
Balance with other banks & financial Institution	23,113,553,804	15,799,498,546	23,036,295,521	13,929,095,184	28,956,894,306
Money at Call on short notice	4,600,000,000	-	89,379,167	11,300,000	594,300,000
<b>Total cash and Equivalent</b>	<b>51,699,245,883</b>	<b>38,629,006,633</b>	<b>49,032,505,701</b>	<b>31,578,841,395</b>	<b>49,241,416,966</b>
<b>Enterprise Value</b>	<b>7,428,000,530</b>	<b>21,931,104,795</b>	<b>20,551,421,329</b>	<b>13,356,900,625</b>	<b>27,146,857,593</b>
<b>Book Value</b>	<b>21.22</b>	<b>30.53</b>	<b>25.01</b>	<b>20.17</b>	<b>31.49</b>
<b>Sales Per Share</b>	<b>26.19</b>	<b>29.22</b>	<b>33.72</b>	<b>32.63</b>	<b>36.46</b>

**Table 4: Information UCB Competitor 2018**

	<b>Bank Asia(2018) BDT</b>	<b>BRAC Bank(2018) BDT</b>	<b>City Bank(2018) BDT</b>	<b>Dhaka Bank(2018) BDT</b>	<b>Easten Bank(2018) BDT</b>
Interest Income	20,910,683,339	25,090,005,051	22,916,894,717	18,985,328,720	19,821,280,127
Non-Interest Income					
investment income	2,311,462,131	2,961,103,311	1,842,359,857	2,199,992,049	2,317,871,538
Commission, exchange and brokerage	2,990,693,997	2,573,498,361	3,254,028,220	2,899,970,297	3,110,377,876
other Operating income	917,723,225	114,597,871	1,605,110,593	200,486,493	204,759,927
<b>Total sales</b>	<b>27,130,562,692</b>	<b>30,739,204,594</b>	<b>29,618,393,387</b>	<b>24,285,777,559</b>	<b>25,454,289,468</b>
<b>EBIT</b>	<b>8,060,377,919</b>	<b>8,822,274,416</b>	<b>6,679,192,921</b>	<b>6,564,167,234</b>	<b>7,143,910,387</b>
Depreciation	406,406,674	779,233,452	568,986,856	333,590,455	261,264,360
<b>EBITDA</b>	<b>8,466,784,593</b>	<b>9,601,507,868</b>	<b>7,248,179,777</b>	<b>6,897,757,689</b>	<b>7,405,174,747</b>
<b>Net Income</b>	<b>2,266,276,987</b>	<b>5,547,303,999</b>	<b>2,017,930,620</b>	<b>1,359,130,376</b>	<b>3080776920</b>
<b>EPS</b>	<b>2.04</b>	<b>5.17</b>	<b>2.08</b>	<b>1.67</b>	<b>4.17</b>
<b>Market Piece per share</b>	<b>17.70</b>	<b>72.70</b>	<b>30.20</b>	<b>14.20</b>	<b>36.00</b>
<b>Number of Share Outstanding</b>	<b>1,110,387,486</b>	<b>1,072,293,862</b>	<b>967,987,297</b>	<b>812,582,685</b>	<b>737,999,589</b>
<b>Market Capitalization</b>	<b>19653858502</b>	<b>77955763767</b>	<b>29233216369</b>	<b>11538674127</b>	<b>26567985204</b>
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>31,318,674,113</b>	<b>22,958,478,616</b>	<b>60,453,052,237</b>	<b>26,680,184,769</b>	<b>46,731,901,799</b>
<b>Stock Holder Equity</b>	<b>23,340,133,826</b>	<b>31,637,951,839</b>	<b>24,429,926,829</b>	<b>16,615,976,094</b>	<b>22,966,259,363</b>
<b>Cash and Equivalent:</b>					
Cash	15,552,120,728	22,374,550,269	19,435,408,446	15,451,445,066	16,337,965,498
Balance with other banks & financial Institution	25,865,613,166	14,878,545,136	27,252,586,866	17,494,371,384	16,959,025,020
Money at Call on short notice	100,000,000	0	89,379,167	11,300,000	0
<b>Total cash and Equivalent</b>	<b>41,517,733,894</b>	<b>37,253,095,405</b>	<b>46,777,374,479</b>	<b>32,957,116,450</b>	<b>33,296,990,518</b>

<b>Enterprise Value</b>	<b>13,141,074,045</b>	<b>17,343,335,050</b>	<b>38,105,604,587</b>	<b>10,339,044,413</b>	<b>36,401,170,644</b>
<b>Book Value</b>	<b>21.02</b>	<b>29.50</b>	<b>25.24</b>	<b>20.45</b>	<b>31.12</b>
<b>Sales Per Share</b>	<b>24.43</b>	<b>28.67</b>	<b>30.60</b>	<b>29.89</b>	<b>34.49</b>

**Table 5: Information of UCB Competitor 2017**

	<b>Bank Asia(2017) BDT</b>	<b>BRAC Bank(2017) BDT</b>	<b>City Bank(2017) BDT</b>	<b>Dhaka Bank(2017) BDT</b>	<b>Eastern Bank(2017) BDT</b>
Interest Income	16,411,574,859	20,498,331,789	16,783,958,930	13,714,929,994	14,399,103,828
Non-Interest Income					
investment income	2,535,391,259	3,580,988,216	2,790,987,000	2,884,488,508	3,414,685,634
Commission, exchange and brokerage	3,119,816,288	2,876,025,784	2,851,849,621	2,921,334,979	3,049,485,817
other Operating income	742,166,065	105,028,580	1,777,944,806	191,080,681	191,776,376
<b>Total sales</b>	<b>22,808,948,471</b>	<b>27,060,374,369</b>	<b>24,204,740,357</b>	<b>19,711,834,162</b>	<b>21,055,051,655</b>
<b>EBIT</b>	<b>6,687,556,777</b>	<b>9,049,839,624</b>	<b>6,869,487,246</b>	<b>5,204,542,530</b>	<b>6,795,615,595</b>
Depreciation	393,309,290	618,872,920	510,751,590	249,902,929	253,925,930
<b>EBITDA</b>	<b>7,080,866,067</b>	<b>9,668,712,544</b>	<b>7,380,238,836</b>	<b>5,454,445,459</b>	<b>7,049,541,525</b>
<b>Net Income</b>	<b>2,047,528,759</b>	<b>5,250,120,046</b>	<b>3,628,448,718</b>	<b>1,495,371,858</b>	<b>2,404,823,294</b>
<b>EPS</b>	<b>1.84</b>	<b>4.91</b>	<b>3.75</b>	<b>1.84</b>	<b>3.26</b>
<b>MKT Piece per share</b>	<b>23.10</b>	<b>108.40</b>	<b>53.20</b>	<b>22.00</b>	<b>51.10</b>
<b>Number of Share Outstanding</b>	<b>1,110,387,486</b>	<b>1,069,556,475</b>	<b>967,987,297</b>	<b>812,582,685</b>	<b>737,999,589</b>
<b>Market Capitalization</b>	<b>25649950927</b>	<b>1.1594E+11</b>	<b>51496924200</b>	<b>17876819070</b>	<b>37711778998</b>
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>30,268,312,053</b>	<b>23,210,933,175</b>	<b>24,869,342,148</b>	<b>21,533,553,426</b>	<b>50,997,691,604</b>
<b>Stock Holder Equity</b>	<b>21,054,493,564</b>	<b>25,990,805,975</b>	<b>37,906,297,408</b>	<b>15,245,245,785</b>	<b>21,585,565,600</b>
<b>Cash and Equivalent:</b>					
<b>Cash</b>	<b>17,930,274,917</b>	<b>18,284,483,347</b>	<b>23,786,980,337</b>	<b>13,684,591,050</b>	<b>14,321,017,568</b>
<b>Balance with other banks &amp; financial Institution</b>	<b>29,603,011,389</b>	<b>19,396,241,229</b>	<b>12,729,585,134</b>	<b>11,224,922,706</b>	<b>14,321,017,568</b>
<b>Money at Call on short notice</b>	<b>0</b>	<b>0</b>	<b>89,379,167</b>	<b>11,300,000</b>	<b>0</b>
<b>Total cash and Equivalent</b>	<b>47,533,286,306</b>	<b>37,680,724,576</b>	<b>36,605,944,638</b>	<b>24,920,813,756</b>	<b>28,642,035,136</b>



<b>Enterprise Value</b>	<b>3,789,519,311</b>	<b>11,521,014,574</b>	<b>26,169,694,918</b>	<b>11,857,985,455</b>	<b>43,941,222,068</b>
<b>Book Value</b>	<b>18.96</b>	<b>24.30</b>	<b>39.16</b>	<b>18.76</b>	<b>29.25</b>
<b>Sales Per Share</b>	<b>20.54</b>	<b>25.30</b>	<b>25.01</b>	<b>24.26</b>	<b>28.53</b>

**Table 6: Information of UCB Competitor 2016**

	<b>Bank Asia(2016) BDT</b>	<b>BRAC Bank(2016) BDT</b>	<b>City Bank(2016) BDT</b>	<b>Dhaka Bank(2016) BDT</b>	<b>Eastern Bank(2016) BDT</b>
Interest Income	14,569,387,489	17,842,334,464	16,042,227,272	13,165,602,608	13,545,638,173
Non-Interest Income					
investment income	3,548,303,241	2,543,593,402	4,745,837,129	3,238,231,845	3,315,432,277
Commission, exchange and brokerage	2,474,861,280	2,537,889,736	2,125,263,521	1,517,376,553	2,449,245,814
other Operating income	648,277,718	1,340,912,019	1,047,663,376	270,819,482	164,926,912
<b>Total sales</b>	<b>21,240,829,728</b>	<b>24,264,729,621</b>	<b>23,960,991,298</b>	<b>18,192,030,488</b>	<b>19,475,243,176</b>
<b>EBIT</b>	<b>5,920,634,510</b>	<b>9,266,766,855</b>	<b>7,515,638,786</b>	<b>5,403,650,494</b>	<b>6,418,214,705</b>
Depreciation	398,831,506	622,090,736	531,167,262	221,976,490	262,483,477
<b>EBITDA</b>	<b>6,319,466,016</b>	<b>9,888,857,591</b>	<b>8,046,806,048</b>	<b>5,625,626,984</b>	<b>6,680,698,182</b>
<b>Net Income</b>	<b>1,545,905,547</b>	<b>4,460,432,666</b>	<b>3,934,444,394</b>	<b>1,465,928,034</b>	<b>2,656,486,826</b>
<b>EPS</b>	<b>1.75</b>	<b>6.28</b>	<b>4.49</b>	<b>2.13</b>	<b>3.78</b>
<b>MKT Piece per share</b>	<b>17.90</b>	<b>64.10</b>	<b>27.20</b>	<b>17.90</b>	<b>29.00</b>
<b>Number of Share Outstanding</b>	<b>881,259,910</b>	<b>710,358,171</b>	<b>875,798,031</b>	<b>687,900,686</b>	<b>702,856,752</b>
<b>Market Capitalization</b>	<b>15774552389</b>	<b>45533958761</b>	<b>23821706443</b>	<b>12313422279</b>	<b>20382845808</b>
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>18,822,423,424</b>	<b>18,838,239,195</b>	<b>31,695,262,081</b>	<b>11,296,873,150</b>	<b>39,061,159,749</b>
<b>Stock Holder Equity</b>	<b>19,038,477,725</b>	<b>21,440,771,435</b>	<b>25,300,675,777</b>	<b>14,445,725,858</b>	<b>20,571,642,404</b>
<b>Cash and Equivalent:</b>					
Cash	15,980,758,895	15,820,785,235	24,484,105,366	16,715,649,259	12,198,971,592
Balance with other banks & financial Institution	13,273,233,476	15,366,993,079	12,848,826,498	11,170,526,692	13,572,287,207
Money at Call on short notice	4,870,000,000	0	91,379,167	1,051,300,000	100,000,000
<b>Total cash and Equivalent</b>	<b>34,123,992,371</b>	<b>31,187,778,314</b>	<b>37,424,311,031</b>	<b>28,937,475,951</b>	<b>25,871,258,799</b>

<b>Enterprise Value</b>	<b>3,736,908,778</b>	<b>9,091,232,316</b>	<b>19,571,626,827</b>	<b>-3,194,876,943</b>	<b>33,761,543,354</b>
<b>Book Value</b>	<b>21.60</b>	<b>30.18</b>	<b>28.89</b>	<b>21.00</b>	<b>29.27</b>
<b>Sales Per Share</b>	<b>24.10</b>	<b>34.16</b>	<b>27.36</b>	<b>26.45</b>	<b>27.71</b>

**Table 7: Information of UCB Competitor 2015**

	<b>Bank Asia(2015) BDT</b>	<b>BRAC Bank(2015) BDT</b>	<b>City Bank(2015) BDT</b>	<b>Dhaka Bank(2015 ) BDT</b>	<b>Eastern Bank(2015 ) BDT</b>
Interest Income	13,941,179,570	17,372,892,072	15,324,758,903	12,135,286,236	13,338,187,892
Non-Interest Income					
investment income	4,827,413,103	2,453,545,382	4,390,718,045	3,003,455,981	3,576,370,328
Commission, exchange and brokerage	2,156,115,753	2,914,827,015	1,891,835,512	1,316,145,294	2,629,430,927
other Operating income	572,527,938	1,042,313,532	995,879,735	370,836,561	144,843,472
<b>Total sales</b>	<b>21,497,236,364</b>	<b>23,783,578,001</b>	<b>22,603,192,195</b>	<b>16,825,724,072</b>	<b>19,688,832,619</b>
<b>EBIT</b>	<b>6,005,662,656</b>	<b>7,798,547,789</b>	<b>6,673,113,068</b>	<b>3,504,233,111</b>	<b>5,204,490,541</b>
Depreciation	375,572,725	601,855,008	459,605,305	189,519,675	267,241,554
<b>EBITDA</b>	<b>6,381,235,381</b>	<b>8,400,402,797</b>	<b>7,132,718,373</b>	<b>3,693,752,786</b>	<b>5,471,732,095</b>
<b>Net Income</b>	<b>2,573,920,194</b>	<b>4,460,432,666</b>	<b>3,578,882,069</b>	<b>1,437,588,980</b>	<b>2,220,916,202</b>
<b>EPS</b>	<b>2.92</b>	<b>3.43</b>	<b>4.09</b>	<b>2.09</b>	<b>3.16</b>
<b>MKT Piece per share</b>	<b>16.5</b>	<b>48.70</b>	<b>20.40</b>	<b>19.70</b>	<b>28.60</b>
<b>Number of Share Outstanding</b>	<b>881,259,910</b>	<b>709,287,321</b>	<b>875,798,031</b>	<b>687,900,686</b>	<b>702,856,752</b>
<b>Market Capitalization</b>	<b>14540788515</b>	<b>34542292533</b>	<b>17866279832</b>	<b>13551643514</b>	<b>20101703107</b>
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>12,296,115,548</b>	<b>15,532,693,400</b>	<b>22,079,989,593</b>	<b>10,634,730,420</b>	<b>30,543,479,439</b>
<b>Stock Holder Equity</b>	<b>18,979,331,885</b>	<b>18,815,411,704</b>	<b>25,509,136,090</b>	<b>13,388,671,265</b>	<b>20,496,092,411</b>
<b>Cash and Equivalent:</b>					
Cash	12,469,737,907	16,206,841,383	15,466,681,326	14,966,312,609	10,944,412,837
Balance with other banks & financial Institution	8,275,831,706	22,319,441,398	15,619,846,135	10,180,026,192	13,690,983,224
Money at Call on short notice	3,230,000,000	0	95,379,167	15,300,000	0
<b>Total cash and Equivalent</b>	<b>23,975,569,613</b>	<b>38,526,282,781</b>	<b>31,181,906,628</b>	<b>25,161,638,801</b>	<b>24,635,396,061</b>
<b>Enterprise Value</b>	<b>7,299,877,820</b>	<b>-4,178,177,677</b>	<b>16,407,219,055</b>	<b>-1,138,237,116</b>	<b>26,404,175,789</b>

<b>Book Value Per Share</b>	<b>21.54</b>	<b>26.53</b>	<b>29.13</b>	<b>19.46</b>	<b>29.16</b>
<b>Sales Per Share</b>	<b>24.39</b>	<b>33.53</b>	<b>25.81</b>	<b>24.46</b>	<b>28.01</b>

**Table 8: Ratio analysis of UCB Competitor form 2015 to 2019**

**2019**

	<b>Bank Asia</b>	<b>BRAC Bank</b>	<b>City Bank</b>	<b>Dhaka Bank</b>	<b>Eastern Bank</b>	<b>Industry Average</b>
<b>P/EPS</b>	10.83	12.47	8.68	6.52	6.72	9.05
<b>P/Book Value</b>	0.86	1.87	0.84	0.59	1.05	1.04
<b>P/sales per share</b>	0.69	1.95	0.63	0.37	0.91	0.91
<b>Enterprise value/EBIT</b>	0.80	2.20	2.48	2.19	3.31	2.20
<b>Enterprise Value/EBITDA</b>	0.74	1.78	2.20	2.01	3.11	1.97
<b>Enterprise Value /Sales</b>	0.24	0.61	0.60	0.48	0.92	0.57

**2018**

	<b>Bank Asia</b>	<b>BRAC Bank</b>	<b>City Bank</b>	<b>Dhaka Bank</b>	<b>Eastern Bank</b>	<b>Industry Average</b>
<b>P/EPS</b>	8.68	14.06	14.52	8.50	8.63	10.88
<b>P/Book Value</b>	0.84	2.46	1.20	0.69	1.16	1.27
<b>P/sales per share</b>	0.72	2.54	0.99	0.48	1.04	1.15
<b>Enterprise value/EBIT</b>	1.63	1.97	5.71	1.58	5.10	3.19
<b>Enterprise Value/EBITDA</b>	1.55	1.81	5.26	1.50	4.92	3.01
<b>Enterprise Value /Sales</b>	0.48	0.56	1.29	0.43	1.43	0.84

**2017**

	<b>Bank Asia</b>	<b>BRAC Bank</b>	<b>City Bank</b>	<b>Dhaka Bank</b>	<b>Eastern Bank</b>	<b>Industry Average</b>
<b>P/EPS</b>	12.55	22.08	14.19	11.96	15.67	15.29
<b>P/Book Value</b>	1.22	4.46	1.36	1.17	1.75	1.99
<b>P/sales per share</b>	1.12	4.28	2.13	0.91	1.79	2.05
<b>Enterprise value/EBIT</b>	0.57	1.27	3.81	2.28	6.47	2.88
<b>Enterprise Value/EBITDA</b>	0.54	1.19	3.55	2.17	6.23	2.74
<b>Enterprise Value /Sales</b>	0.17	0.43	1.08	0.60	2.09	0.87

**2016**

	<b>Bank Asia</b>	<b>BRAC Bank</b>	<b>City Bank</b>	<b>Dhaka Bank</b>	<b>Eastern Bank</b>	<b>Industry Average</b>
<b>P/EPS</b>	10.23	10.21	6.06	8.40	7.67	8.51
<b>P/Book Value</b>	0.83	2.12	0.94	0.85	0.99	1.15
<b>P/sales per share</b>	0.74	1.88	0.99	0.68	1.05	1.07
<b>Enterprise value/EBIT</b>	0.63	0.98	2.60	-0.59	5.26	1.78
<b>Enterprise Value/EBITDA</b>	0.59	0.92	2.43	-0.57	5.05	1.69
<b>Enterprise Value /Sales</b>	0.18	0.37	0.82	-0.18	1.73	0.59

**2015**

	<b>Bank Asia</b>	<b>BRAC Bank</b>	<b>City Bank</b>	<b>Dhaka Bank</b>	<b>Eastern Bank</b>	<b>Industry Average</b>
<b>P/EPS</b>	5.65	14.20	4.99	9.43	9.05	8.66
<b>P/Book Value</b>	0.77	1.84	0.70	1.01	0.98	1.06
<b>P/sales per share</b>	0.68	1.45	0.79	0.81	1.02	0.95
<b>Enterprise value/EBIT</b>	1.22	-0.54	2.46	-0.32	5.07	1.58
<b>Enterprise Value/EBITDA</b>	1.14	-0.50	2.30	-0.31	4.83	1.49
<b>Enterprise Value /Sales</b>	0.34	-0.18	0.73	-0.07	1.34	0.43

**Table 9: Multiple Valuation of UCB Implied Share Price****2019**

Iteam	Industry Average	UCB Company Metric		Implied Price or EV for Target	Less: Net Debt	Implied Equity value for UCB Ltd	outstanding Shares	Implied Share price for UCB(BDT)
P/E	9.05	EPS	2.39	21.62				21.62
P/B	1.04	BPS	28.27	29.52				29.52
P/S	0.91	SPS	35.24	32.09				32.09
EV/EBITDA	2.20	EBITDA	9,37,27,07,906	20578903362.10	68,45,26,489	19894376873.10	1,15,95,43,719	17.16
EV/EBIT	1.97	EBIT	8,27,86,84,469	16275384461.28	68,45,26,489	15590857972.28	1,15,95,43,719	13.45
EV/Sales	0.57	Sales	40,85,98,27,348	23275530162.33	68,45,26,489	22591003673.33	1,15,95,43,719	19.48
							<b>Average</b>	<b>22.22</b>

**2018**

Iteam	Industry Average	UCB Company Metric		Implied Price or EV for Target	Less: Net Debt	Implied Equity value for UCB Ltd	outstanding Shares	Implied Share price for UCB(BDT)
P/E	9.05	EPS	2.4	21.71				21.71
P/B	1.04	BPS	26.56	27.73				27.73
P/S	0.91	SPS	32.81	29.87				29.87
EV/EBITDA	2.20	EBITDA	8,22,30,73,128	18054742443.46	5,49,74,11,174	12557331269.46	1054130654	11.91
EV/EBIT	1.97	EBIT	7,65,78,88,383	15054937540.09	5,49,74,11,174	9557526366.09	1054130654	9.07
EV/Sales	0.57	Sales	34,58,46,53,779	19700919079.54	5,49,74,11,174	14203507905.54	1054130654	13.47
							<b>Average</b>	<b>18.96</b>

**2017**

Iteam	Industry Average	UCB Company Metric		Implied Price or EV for Target	Less: Net Debt	Implied Equity value for UCB Ltd	outstanding Shares	Implied Share price for UCB(BDT)
P/E	9.05	EPS	2.31	20.89				20.89
P/B	1.04	BPS	25.15	26.26				26.26
P/S	0.91	SPS	27.96	25.46				25.46
EV/EBITDA	2.20	EBITDA	8,50,11,18,431	18665224225.05	-12,67,81,958	18792006183.05	1054130654	17.83
EV/EBIT	1.97	EBIT	7,95,14,09,495	15631981992.40	-12,67,81,958	15758763950.40	1054130654	14.95
EV/Sales	0.57	Sales	29,46,96,55,769	16787194323.73	-12,67,81,958	16913976281.73	1054130654	16.05
							<b>Average</b>	<b>20.24</b>

**2016**

Iteam	Industry Average	UCB Company Metric		Implied Price or EV for Target	Less: Net Debt	Implied Equity value for UCB Ltd	outstanding Shares	Implied Share price for UCB (BDT)
P/E	9.05	EPS	2.49	22.52				22.52
P/B	1.04	BPS	24.43	25.51				25.51
P/S	0.91	SPS	27.07	24.65				24.65
EV/EBITDA	2.20	EBITDA	8,13,88,29,225	17869774859.27	-10,65,56,29,502	28525404361.27	1054130654	27.06
EV/EBIT	1.97	EBIT	7,58,73,82,155	14916326632.53	-10,65,56,29,502	25571956134.53	1054130654	24.26
EV/Sales	0.57	Sales	28,53,61,18,056	16255410745.41	-10,65,56,29,502	26911040247.41	1054130654	25.53
							<b>Avarege</b>	<b>24.92</b>



## 2015

Iteam	Industry Average	UCB Company Metric		Implied Price or EV for Target	Less: Net Debt	Implied Equity value for UCB Ltd	outstanding Shares	Implied Share price for UCB(BDT)
P/E	9.05	EPS	3.81	34.46				34.46
P/B	1.04	BPS	25.49	26.61				26.61
P/S	0.91	SPS	30.14	27.45				27.45
EV/EBITDA	2.20	EBITDA	8,40,23,40,416	18448345256.30	-10,31,25,94,499	28760939755.30	1003930000	28.65
EV/EBIT	1.97	EBIT	8,40,23,40,416	16518484447.26	-10,31,25,94,499	26831078946.26	1003930000	26.73
EV/Sales	0.57	Sales	30,25,91,86,109	17236945055.32	-10,31,25,94,499	27549539554.32	1003930000	27.44
							Average	<b>28.56</b>