Report On
The Impact of Managerial Changes on Key Liquidity Metrics of United Commercial Bank PLC post-July 2024

By

Atoshi Haque

22104073

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

BRAC Business School
BRAC University
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Declaration

It is hereby declared that:

1. The internship report submitted is my/our own original work while completing 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/We have acknowledged all main sources of help.

Atoshi Haque
22104073

Professor Mohammad Mujibul Haque, PhD
Dean, BRAC Business School, BRAC University

Letter of Transmittal

Professor Mohammad Mujibul Haque, PhD

Dean

BRAC Business School

BRAC University

Kha 224 Pragati Sarani, Merul Badda, Dhaka 1212.

Subject: Internship report on “The Impact of Managerial Changes on Key Liquidity Metrics of United Commercial Bank PLC post-July 2024

Dear Sir,

I am pleased to submit my internship report as part of the academic project under Fall 2025 session. This internship report has been created as a reflection of my experiences and observations made during my internship at United Commercial Bank PLC where I had the opportunity to explore the ways in which financial institution operate.

I have tried my best to present all my learning outcomes and findings gained from the three-month program in this report and I genuinely hope that it fulfills all the necessary requirements for the report.

Sincerely yours,

Atoshi Haque

22104073

BRAC Business School

BRAC University

Date: 04 January, 2026

Non-Disclosure Agreement

This agreement is made and entered into by and between United Commercial Bank PLC and Atoshi Haque, a student at BRAC University, that the paper titled "The Impact of Managerial Changes on Key Liquidity Metrics of United Commercial Bank PLC post-July 2024" has been written for academic purpose only and this paper will not be published anywhere else. The pieces of information used in this report have been collected from authorized and publicly available sources.

Executive Summary

This report aims to understand through my internship experience at United Commercial Bank PLC how a bank company operates and assess the company's financial performance over the last 3 years. Additionally, this report aims to compare the liquidity performance of United Commercial Bank PLC before and after the managerial changes took place post-July 2024 revolution.

Chapter 1 of this report discusses about the learnings gained from the internship along with the contributions made towards United Commercial Bank PLC. The three-month internship encouraged me to navigate through the banking jargons used in the organization and learn how the bank uses different policies set by Bangladesh Bank to regulate its operations.

Chapter 2 of the report presents an overview about the company and its different operational practices including the organization's management, marketing, financial and management information systems. A thorough analysis about the company's financial performance has also been presented in this chapter that gives us insights on how the bank's financial condition changed over the past 5 years. Additionally, the chapter identifies the strengths and weaknesses of the bank through SWOT Analysis and Porters' Five Forces Analysis to curate strategies for the bank to improve their performance in the future.

Chapter 3 is the study that aims to find out what changes occurred in the management system of United Commercial Bank PLC and how these changes affected the financial position of the bank in terms of liquidity after July 2024 revolution occurred. Financial data from the quarterly reports of 2023 to 2025 were taken to compute multiple ratios and the trend analysis of the results is done to figure out if there was any improvement after the Board of Directors were changed. The final results showed that the bank's liquidity position had visibly improved in 2025 under the governance of the new senior management.

Throughout the internship, I learned that banks are not only about depositing and lending money but they are crucial assets for a nation's economy as they may transaction flow smoother. Working as an intern in United Commercial Bank PLC for three months has motivated me to further learn about how asset management at financial institutions work and implement those learnings in my career.

Keywords: Liquidity, Loan to Deposit Ratio, Credit-Deposit Ratio, Board of Directors

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List of Acronyms

AMD	**Additional Managing Director**
ALM	**Asset-Liability Management**
API	**Application Programming Index**
BB	**Bangladesh Bank**
BRPD	**Banking Regulation and Policy Department**
CAR	**Capital Adequacy Ratio**
CEO	**Chief Executive Officer**
CHRO	**Chief Human Resources Officer**
CRR	**Cash Reserve Ratio**
CSR	**Corporate Social Responsibility**
DMD	**Deputy Managing Director**
DOS	**Department Of Off-site Supervision**
FEPD	**Foreign Exchange Policy Department**
IFRS	**International Financial Reporting Standards**
LDR	**Loan-Deposit Ratio**
MD	**Managing Director**
NAV	**Net Asset Value**
NIM	**Net Interest Margin**
ROA	**Return on Asset**
ROCE	**Return on Capital Employed**
ROE	**Return on Equity**
SLR	**Statutory Liquidity Ratio**
UCB PLC	**United Commercial Bank Public Limited Company**

Chapter 1: Internship Overview

1.1 Student Information

Name	Atoshi Haque
Student ID	22104073
Program	Bachelor of Business Administration
Major/Specialization	Finance

1.2 Internship Information

1.2.1 Details of the Internship

Company Name	United Commercial Bank PLC
Period	3 months (18/09/25 to 18/12/25)
Department/Division	Large Corporate Unit, Wholesale Banking Division
Address	Bulus Centre, Plot CWS -(A)-1, Road 34, Gulshan Avenue, Dhaka-1212

1.2.2 Internship Supervisor's Information

Name	Adnan Masud
Position	Additional Managing Director

1.2.3 Job Scope

1) Job Description: As a project intern at United Commercial Bank PLC, I had the opportunity to work with different circulars released by Bangladesh Bank. I had been assigned to go through the circulars released by FEPD, BRPD and DOS from 2020 to 2025 and create a booklet of

summary out of these circulars. There were around 1000 circulars released by the departments in the last 6 years and each circular had to be summarized briefly, ultimately compiling them together into a booklet. This allowed the employees to quickly and efficiently get an idea about the contents in a particular circular, without having to read the whole guideline from start to end. In summary, my responsibility was to summarize all the BRPD, FEPD and DOS circulars released in the past 6 years and turn it into a handbook that the bankers could use to get a quick review about guidelines set by Bangladesh Bank to be followed by the financial institutions.

2) The key job responsibilities for my role as an intern at United Commercial Bank were as follows:

a) Understand the content mentioned in the circulars from FEPD, BRPD and DOS

b) Thoroughly go through each of the circulars from these three departments for 2020 through 2025.

c) Summarize the detailed circulars into brief description highlighting the important points to be noted by the banking officials.

d) Print out the hard copy and organize it in chronological order to set it up in a file

e) Provide regular updates to the supervisor and receiving feedbacks accordingly

1.3 Outcome of the Internship

1.3.1 Contribution Towards United Commercial Bank PLC

Throughout my three-month internship at UCB PLC, I created a booklet consisting of the summary of all the FEPD, BRPD and DOS circulars released by Bangladesh Bank. The circulars released by Bangladesh Bank are quite long and time consuming to read. To make it easier, my short summary booklet became a useful handbook for the employees to swiftly go through a circular and understand what has been said in it. Other than that, I have engaged in meaningful discussions with the Human Resources Division of the bank when they arranged monthly meetings. I contributed to the discussion by suggesting actionable steps to enhance their internship onboarding program. Lastly, I believe that as an intern I was able to make contributions that were worthwhile.

1.3.2 Benefits of Completing the Internship

1. Knowing the core operations in a bank: The different types of loans that exist, how they are processed, how the hierarchy in UCB works
2. Building connection with the top management team and working with interns from different universities: learnt how to blend in with people from different areas.
3. Getting a taste of the real corporate world and being able to relate it to the things I learnt in my university. Realized that it is very similar as well as very different from my clubbing experience at university.

1.3.3 Challenges Faced During Internship

During the start of my internship, the primary challenge I faced was to adjust to a new environment. I had been feeling confused about what to do on the first day as I did not have any assigned desk or laptop to work on. However, the issue was resolved within the next two days as the staff at United Commercial Bank PLC were quick to respond to any issues an employee was facing. The second challenge that I faced was while doing the project assigned by my field supervisor as the banking jargons were still very new to me. It took me some time to get used to the wordings written in the circulars that I was assigned to summarize. However, through proper research and studying, I was able to grasp the terms shortly after a couple of days of reading the policy circulars.

1.3.4 Recommendations

As an intern at the bank, I was expecting that we would be given core banking related work that would help us understand how banking operations worked in more details. However, I was given a task that was based more on my own capability of organizing a booklet. Hence, I would suggest that the bank involved their interns more into the real world of banking where loans are processed. It would also be helpful for the newly hired interns if the HR conducted an orientation session to brief the interns about the things they might be expecting throughout the internship. That will give them some time for taking the mental preparation before starting office.

Chapter 2: Organization Part

2.1 Introduction

Throughout my internship, I worked in the "Wholesale Banking Division" under the "Large Corporate Unit" for three months and got the opportunity to gain a plethora of knowledge about different banking products and the way each of them was processed. Furthermore, I got the opportunity to explore the bank from the inside and understand the company's managerial practices along with their finance and accounting implications. Hence, this chapter comprises the knowledge that I gained about United Commercial Bank PLC regarding their management practices in terms of various aspects like finance, marketing, human resources, operations and information systems. Additionally, this chapter will help readers understand the bank's operations along with an overview about the company's financial performance through the analysis presented under the relevant sub-topics. It also contains an industry analysis to present where UCB PLC stands in the industry through SWOT and Porter Five Forces analysis. All in all, this section of the report serves as the background of the company that will support the overall study conducted.

2.1.1 Objective of the Study

The objective of this chapter is to identify the organization practices at United Commercial Bank PLC by looking into their management and marketing practices, financial performance and information management systems. This chapter also aims to identify the strengths and weaknesses of United Commercial Bank PLC through industrial analysis and curate recommendations on how the bank can enhance its overall performance.

2.1.2 Scope of study

This study has been conducted based on the knowledge gathered from the head office of United Commercial Bank PLC which consists of the managerial, marketing and operational practices followed by the bank along with its financial performance from 2020 to 2024. This study has also carried out an industry analysis through Porter's Five Forces Framework and SWOT Analysis which helped in making meaningful suggestions and recommendation for the bank.

2.1.3 Methodology

The study in this chapter has followed a qualitative approach by collecting data from both primary and secondary sources. Initially, primary data has been collected through observance of the work environment and interviews conducted with Afnanin Ohhi, officer at the HR division of United Commercial Bank and Kaniz Tasnima, Vice President at Corporate Support Unit of Wholesale Banking Division. Secondary sources such as annual reports of UCB PLC from 2020 to 2024, authentic newspapers and articles were used to extract further data about the company. The financial figures have been directly obtained from the company's income statement and balance sheet attached in the annual reports of the bank.

2.1.4 Significance of the Study

This study will allow individuals to gain extensive knowledge about the operations and management practices of bank companies through the example of United Commercial Bank PLC. The management, marketing, finance and accounting practices of UCB PLC have been thoroughly examined in this chapter which will play a significant role in contributing to the understanding of how commercial banks operate in Bangladesh's industry.

Additionally, this study will help to conduct further research by providing guidance about how the commercial banks in Bangladesh operate. Insights gained from industry analysis of the banking sector will also allow future researchers to have a deeper understanding about the industry background. Lastly, the financial analysis and study of management practices of United Commercial Bank PLC will lay out key insights needed to understand the bank's operational efficiency and financial stability. It will also help us learn how United Commercial Bank has been able to stay competitive in the market and stay committed to their slogan "United in Integrity, Growing Sustainably".

2.1.5 Limitations

1. The time frame to conduct the study was roughly around 3 months due to which I could only work with limited amount of data.
2. A few of the information could not be disclosed in the report as they have been said to be confidential by the company.
3. The study was done mainly based on the operational information about the head office of the bank and excludes the management or operational system of other branches of United Commercial Bank PLC.

2.2 Overview of the Company

2.2.1 Background of United Commercial Bank PLC

United Commercial Bank PLC is one of the oldest private commercial banks in Bangladesh. Established in 1983, the bank focused on providing various types of financial services to corporate and retail customers including large organizations as well as Small and Medium Enterprises. Additionally, UCB PLC has segmented their customer profile and created exclusive opportunities for elderly people, women and students — promoting financial inclusion in the economy. With multiple subsidiaries and branches across the country, the public limited company is listed in both Dhaka Stock Exchange and Chittagong Stock Exchange. In the last 42 years of its establishment, the bank has focused on businesses involving Ready-made Garments (RMG), Agriculture and SMEs. Alongside that, UCB PLC has constantly diversified their products throughout the years and has gone through tremendous changes in terms of their banking system. However, they have always adapted to the change and adhered to their commitment of growing sustainably and staying united with integrity. We will learn more about the bank as we move forward in this chapter.

2.2.2 Organization's Guiding Principles

Mission	"To be the Bank of the first choice through maximizing value for the clients, shareholders & employees and contributing to the national economy with social commitments."
Vision	"To offer financial solutions that create, manage and increase their clients' wealth while improving the quality of life in the communities they serve."
Values	"Putting their customers first Emphasizing professional ethics Maintaining quality at all levels Believing in being a responsible corporate citizen Saying what they believe in

	Fostering participative management”

Source: United Commercial Bank, Annual Report 2024

2.2.3 Branches and Subsidiaries

As of December 31, 2024, United Commercial Bank PLC has established 231 branches and 177 sub-branches all over the country (UCB PLC Annual Report, 2024). Additionally, the bank has positioned 855 agent banking outlets at different locations across Bangladesh, enabling financial inclusion and making transactions smoother.

Along with multiple branches, the company has a number of subsidiaries:

a) **UCB Asset Management Limited:** This entity helps corporate and retail clients to make efficient investment decisions by providing investment solutions such as mutual funds, stable income funds as well as funds that are compliant with Shariah Law.

b) **UCB Fintech Company Limited (Upay):** Upay provides mobile financial services to customers enabling them to pay off utility bills and make several day-to-day transactions

c) **UCB Stock Brokerage Limited:** It is known to be one of the largest stock brokerage houses in Bangladesh that helps investors buy and sell stocks in Dhaka Stock Exchange. Additionally, it provides financial advisory to the investors about their investments through thorough research and expertise about the stock market.

d) **UCB Investment Limited:** It provides investment banking services starting from syndicate loan financing to facilitation of mergers & acquisitions. They work closely with large businesses catering to their financial needs.

e) **UCB Exchange (SG) PTE. Limited:** This is the only subsidiary of UCB PLC to be established in Singapore, making it easier for the remitters from Singapore to send money to Bangladesh. The company also offers favourable exchange rates for foreign exchange trade, supporting firms operating their export and import facilitations.

2.2.4 Organizational Structure

Like every other corporate organization, United Commercial Bank PLC follows a hierarchical structure of top level, middle level and operational level managers. The top-level management includes the Board of Directors, which is further divided into Executive Committee, Audit Committee, Risk Management Committee and Shariah Supervisory Committee. Additionally, the senior management consists of the Additional Managing Directors and Deputy Managing Directors. The middle level management involves the department and unit heads leading the teams of particular divisions while the operational or branch level managers are in charge of operations in different bank branches across the country.

2.3 Management Practices

2.3.1 Leadership and governance style

For a bank to have sustainable growth, it is immensely crucial to maintain strong leadership and governance. This can be ensured once the elected Board of Members are committed to run the bank with integrity and sincerity. According to the Governance Report of United Commercial Bank PLC in 2023, UCB PLC aims to synchronize their corporate governance with the vision and mission of the bank where the Board of Directors are responsible for ensuring the operations of the bank follow all the procedures required to conduct business with different corporations. While the operational managers such as branch managers and division heads are encouraged to make their own strategies to conduct banking services, the Board of Directors sets the framework that defines the target or goal needed to be met each year. This allows all employees of the bank to move forward with collective effort towards focused vision and goals. In order to monitor compliance with the regulations, four separate committees have been established — Executive Committee, Audit Committee, Risk Management Committee and Shariah Supervisory Committee. These committees are also responsible for making vital decisions and planning long term strategic goals that will help the bank hold their position strong in the market.

The leadership style followed by the bank is bureaucratic in my opinion as it strictly adheres to the rules and regulations, especially when it comes to the processing and approval of loans. The bank also follows a strict chain of order according to the organogram provided below:

Chairman & Board of Directors
Managing Director
Additional Managing Director
Deputy Managing Director
Senior Executive Vice President
Executive Vice President
Senior Vice President
First Vice President
Vice President
First Assistant Vice President
Senior Executive Officer
Executive Officer

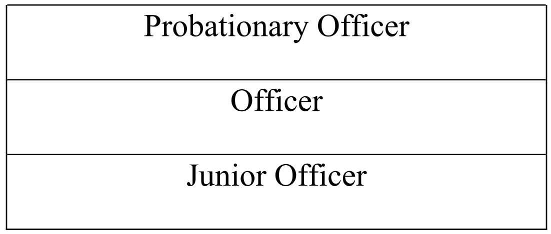

Figure 1: United Commercial Bank Organogram

2.3.2 Human Resources Management

Recruitment Process

The human resources department of United Commercial Bank PLC deeply focuses on hiring people based on their adaptability and eagerness to learn rather than only emphasizing on what skillset they possess. UCB PLC follows both internal and external processes of sourcing talent where the internal process is done through promoting the employees to a higher role or absorbing an intern as a permanent employee. Additionally, an external recruitment process takes place both online (through LinkedIn and BDjobs.com) and offline (on spot interviews at Career Fairs and sorting CVs from the CV drop box placed at their branches). After screening the resumes, candidates take a written test followed by an interview before getting officially hired.

Training and Development

Employees at UCB PLC are encouraged to participate in different training programs organized by the bank company itself. As an incentive to the completion of these programs, employees are to receive certifications which later positively impacts their key performance index. Additionally, UCB PLC pushes employees to take JAIBB and AIBB in order to climb higher steps in their career. In addition to that, the company organizes a range of training programs for specific roles such as learning how to handle cash during cash assistance, knowing the banking rules and guidelines as a Junior Officer and several other programs.

Compensation and Benefits

United Commercial Bank PLC provides wide range of benefits to its employees that promote their financial security and wellbeing. Employees of UCB PLC are entitled to provident fund and gratuity benefits where a portion of their salary is accumulated in an account to build a significant amount of fund for their retirement. This amount is contributed by both the employee as well as the employer. In addition to that, bankers at this company can avail 15 days of paid leave and 15 days of medical/sick leave per year. The bank also keeps the option for leave encashment where an employee may monetize their unused number of leaves. Along with these, employees get festival bonuses throughout the year which promotes job satisfaction and motivation.

Performance Appraisal

In order to evaluate employee performance, United Commercial Bank PLC uses the KPI-based framework where each employee is assessed by giving them predefined goals or targets that they need to meet by the end of a specified term. Key performance indicators differ based on the role and department an employee is assigned to. For example, the KPI for relationship officers include how much loan they have been able to successfully disburse within a given time period. Another important indicator may be how good the relationship officer is at retaining customers and bringing in more deposits into the accounts. Such KPIs are measured, scored and the linked to rewards such as annual increments and promotions. This performance evaluation also aids in determining what type of training a certain employee may require for further growth in their career.

2.3.3 Corporate Social Responsibility

Over the years, United Commercial Bank PLC has taken part in a range of CSR activities with the intention to promote sustainable development and contribute to community welfare in the country. The bank has continuously made efforts to develop sectors like education and agriculture. According to a report by the Financial Express (2025), United Commercial Bank PLC donated 10 new computers to Madhabpasha Chandradwip School and College in Barishal, a school educating around 400 students. This initiative opened doors for the students there to learn how to use computers for the first time and step into the world of technology. Furthermore, UCB PLC earned the title of "Best Bank for CSR 2023" for taking initiatives such as — providing financial assistance to healthcare and rehabilitation institutions, contributing to disaster management and climate protection, promoting the usage of renewable energy and many more (The Daily Star, 2023). Interestingly, another report by The Daily Star (2025) stated that Bangladesh Bank's expenditure on CSR had significantly decreased this year due to the surge in bad loans and most of the commercial banks' CSR expenditure were recorded to have decreased than last year. However, even while the CSR expenditure showed a decreasing trend, UCB PLC stood among the few banks that significantly contributed to such spending in order to promote sustainability. In 2023, UCB PLC also launched projects namely "Voroshar Notun Janala", an agro CSR project to upskill numbers of agricultural entrepreneurs across the country and encourage the growth of sustainable farming practices (The Business Standard, 2023). These actions of the bank prove that it remained committed towards building a better economy and livelihood for the people in Bangladesh.

2.4 Marketing Practices

2.4.1 Target Customers and Positioning Strategy

The target customers of United Commercial Bank PLC comprise of individuals as well as corporations. It targets individuals with full time jobs, students working part-time along with small and medium enterprises. The bank also targets farmers and agricultural workers, facilitating microloan services for them. With the vision of empowering the national economy, UCB PLC positions itself as a customer-centric bank that believes in serving all its clients according to their needs and wants. The bank stands as one of the oldest first-generation banks that has been built over trust and loyalty of its customers through strong relationship management and standard banking services.

2.4.2 The 4Ps Marketing Mix

UCB PLC has curated different marketing strategies through multiple channels in order to position their brand in the market of finance. The bank company introduced a wide range of banking products for different customer segments which includes not only individuals but also small and large business. In order to understand how United Commercial Bank PLC maintains competitiveness and reputation in the finance sector better, their marketing practices will be analyzed using the 4Ps Marketing Mix:

a) Product: The bank company offers a broad range of financial products and services that caters to different consumer segments. They have categorized their products into different segments --- one for retail customers, one for Small and Medium Enterprises (SME) and the other for the corporate clients. Under each of the categories, the bank provides a wide range of lending products and deposit accounts:

1. Current Deposit: These deposit accounts are used for businesses and corporates where transaction takes place often and no interest is paid for these accounts.

2. Savings Deposit: These accounts are primarily for individuals who want to accumulate their savings in a safe place while earning interest on the amount of money present in the account.

3. Fixed Deposit Scheme: Fixed term deposits such as FDR requires a certain sum of money to be deposited into an account and leaving it there for a certain period of time to grow according to the interest provided by the bank.

4. Continuous Loan: For this type of loan, customers are given a credit limit which they may use according to their needs and interest will be charged only for the amount they have used out of the limit.

5. Demand Loan: This is the loan that corporates or businesses take in order to buy the raw materials for their finished goods and services. Demand loan often works as a working capital loan.

6. Term Loan: This loan is taken by corporates when buying large machinery or equipment for their business and paid in instalments within a certain period of time.

Apart from the product categories, UCB PLC offers different types of prepaid cards such as dual currency prepaid card, Hazz prepaid card and many more. Additionally, they offer SMS Banking, Locker services as well as 24/7 customer service. This wide range of products and services demonstrate how UCB PLC pays attention to their target customers and work towards meeting their specific needs and wants.

b) Pricing: United Commercial Bank PLC offers different rates, charges and fees for different users of their products like cards, checks, etc. The fees charged by the bank depends on the type of card, the amount of deposits saved in a retail account or the type of loan issued to an individual or a business (United Commercial Bank, 2025). They also segment customers where premium account holders in the Imperial Banking service enjoy free debit card renewal services. Similarly, different charges are allocated for different types of accounts. For loan issuance, UCB PLC charges a range of different interest rates depending on the load requested by an individual, the type of business or the relationship a client holds with the bank. All in all, the bank aims to provide flexibility to all its clients in order to stay relevant with their payment capabilities.

The bank provides a range of rates for different products depending on the amount of money in the accounts:

Item	Range (%)
Retail Savings Deposit	0.50%-2.50%
Fixed Deposit	3.00%-6.50%
Term Loan	13%-15%
Demand Loan	13%-15%
Continuous Loan	12%-14%

c) Promotion: The bank company used various marketing strategies to position themselves in the market through strategic partnerships, digital transformation, sustainable banking practices as well as product innovation. In 2023, United Commercial Bank PLC signed a memorandum of understanding with Blackboard Strategies, an independent public relations agency, making the company UCB's strategic communication partner. This initiative aimed to strengthen the stakeholder relationships through creating strong and effective communication strategies (The Business Standard, 2023). Additionally, the bank has established an Agent Banking network across 64 districts and 273 upazilas that provide services starting from account opening to remittance disbursements, aiming to reach out to clients nationwide and satisfy their financial needs. They focused on financial inclusion and also introduced digital banking tools like Unet and Upay to make fund transfers faster and easier. On top of that, United Commercial Bank PLC conducts promotional activities through both online and offline platforms which includes sponsoring different events, promoting CSR activities and providing attractive discounts to the credit cardholders.

d) Place: United Commercial Bank PLC provides banking services through 855 Agent Banking outlets, 716 ATM and CRM booths, 231 Branches and 177 sub-branches across the country. They also aim to maximum upazilas of Bangladesh by the end of 2025. Their availability makes financial transactions easier for the users, promoting financial inclusion and encouraging more individuals to avail their banking services. Additionally, the bank has incorporated an ATM locator in their website that enables users to locate any nearby ATM booth and complete their financial transaction. This makes banking services readily available to its customers regardless of their location.

2.5 Financial Performance and Accounting Practices

Assessing a company's financial performance and looking into its accounting practices are immensely crucial in order to understand where the company is standing in terms of its assets and liabilities. For investors, it will help them make better choices based on a company's performance where they should invest in a particular company or not. Additionally, it helps both the internal and external stakeholders of the company make strategic decisions regarding the company's long-term goals and objectives. Apart from that, assessing the financial condition and accounting practices at United Commercial Bank will help build a background for the study to be conducted in Chapter 3. For this part, we will be looking into the different financial ratios from 2020 to 2024 and assessing studying the changes that occurred in the last few years. This will help us understand the position of the bank in terms of financial health and serve as the foundation of further study. Furthermore, we will also go through the accounting practices followed at United Commercial Bank PLC.

2.5.1 Liquidity and Solvency

Liquidity is the measure of how capable one is to meet the short-term monetary obligations within a specific period of time. On the other hand, solvency involves the long-term obligations such as term loans and other long-term assets. In this section, we look into the liquidity and solvency of United Commercial Bank PLC

Ratios	**2024**	**2023**	**2022**	**2021**	**2020**
Credit-Deposit Ratio (%)	91.31	86.57	86.14	83.73	81.18
CASA Deposits as % of total deposits	27	31	34	34.70	32.32
Debt-Equity Ratio (times)	15.17	13.51	12.94	12.71	11.79
Capital Adequacy Ratio (%)	10.59	12.58	13.06	13.64	14.92
Cash Reserve Requirement (%)	4.48	4.15	4.16	4.29	4.30
Statutory Liquidity Ratio (%)	13.65	15.78	16.83	20.77	16.53
Net Stable Funding Ratio (%)	108.61	118.77	117.32	119.03	118.85
Liquidity Coverage Ratio (%)	118.72	106.81	105.00	133.72	152.14

Figure 2: Ratios of UCB from 2020 to 2024

Credit-deposit ratio (CDR) measures the how much loan the bank is disbursing as opposed to the amount of deposits it is receiving. Additionally, debt to equity ratio measures the extent to which the bank is using borrowed funds to finance it operations against the shareholders' equity. This ratio is an important indicator of long-term solvency and capital adequacy, defining the financial leverage a company carries. From Figure 2, it can be seen that the credit-deposit ratio and the debt-equity ratio significantly rose between 2020 and 2024. An increase in debt-equity ratio indicates that the company is becoming more dependent on borrowed funds, which puts pressure on the bank's capital as its deposit growth is low. On top of that, rising credit-deposit ratio shows that loans were growing at a faster rate than deposits coming in. Furthermore, declining deposits in current and savings accounts along with a rise in cost of fund signals a tight liquidity situation, increasing the risk of funding or providing more loans. Additionally, the capital adequacy ratio of the bank has decreased noticeably from 14.92% to 10.59% in the last five years. This was mainly because of lower Tier 1 capital and higher risk weighted assets over the years. However, the bank has been maintaining sufficient cash in central bank as their CRR has been stable over the last five years. It has also maintained healthy SLR which contradicts with the company's financial performance in the last few years. Additionally, the net stable funding ratio and liquidity coverage ratio both have been over 100% despite their declining liquid assets and increasing credit-deposit ratio.

2.5.2 Profitability

In order to assess the profitability of United Commercial Bank PLC, we look into the changes in ROE, ROA, gross profit ratio, net interest margin, yield on advances and non-performing loan of the company from 2020 to 2024.

Ratios	2024	2023	2022	2021	2020
Return on Equity (%)	1.44	6.41	10.27	8.76	8.42
Return on Assets (%)	0.08	0.41	0.67	0.60	0.61
Gross Profit Ratio (%)	50.84	56.89	64.06	64.06	53.52
Net Interest Margin	1.48	0.66	0.61	1.07	0.49
Yield on Advances	10.00	7.72	6.99	7.08	7.92
NPL as % of Total Loans	14.90	5.50	5.99	4.41	2.55

Figure 3: Profitability measures of UCB PLC from 2020 to 2024

In the table above, yields on advances is the highest (10%) in the last five years meaning that the bank increased the interest rates on loans. This resulted in a higher net interest margin indicating that interest income was higher than interest expenses. However, there has been sharp decline in ROE and ROA which indicated that the bank is unable to utilize their assets efficiently. The reason behind this could be the rise in funding costs and bad loans. Additionally, large amount of loans had to be provisioned in 2024 due to the increase in classified loans, resulting in very low net profit. We can derive from the table above that the bank's non-performing loan was the highest in 2024, significantly increasing throughout the years. Additionally, the percentage of non-performing loans increased from 2.55% to 14.5% in the last five years. This indicated the poor credit appraisal of the bank and thus resulted in United Commercial Bank increase the provision for loan losses, consequently decreasing the net profit. As a result, the overall profitability of the bank decreased in the last four years even after the upward trend in net interest margin and yield on advances.

2.5.3 Efficiency

We look into the efficiency of the bank by studying the trend in cost-income ratio, operating cost efficiency ratio and burden coverage ratio. Cost income ratio refers to how much operating expense a company incurs to earn per unit of income. We measure it by dividing operating expenses by the operating income generated by the bank. In contrast to that, return on capital employed measures the ability of the bank to generate profit using its long-term capital. It is measured by dividing earnings before interest and tax with total capital employed. Lastly, burden coverage ratio measures the bank's ability to cover its debt payments. It is calculated through dividing net operating income by total debt with the interest.

Ratios	2024	2023	2022	2021	2020
Cost Income Ratio (%)	58.66	66.73	59.79	58.97	66.53
Return on Capital Employed (%)	0.53	2.12	3.00	2.92	3.40
Burden Coverage Ratio (%)	72.98	69.20	81.20	78.05	80.53

Figure 4: Efficiency of UCB PLC from 2020 to 2024

From Figure 4, we can see that cost-income ratio, and burden coverage ratio all fluctuated over the last 5 years. In 2024, the cost-income ratio is 58.66%, which is the lowest in the five years even though it is still high. This means that the bank has been able to reduce operating cost per unit of income by a small amount. However, United Commercial Bank PLC needs to lower their costs even more and maintain a steady and standard cost-income ratio. The bank's ROCE has significantly decreased meaning that the bank's ability to generate profit from long term capital has lowered. As a result, the bank should focus improving its net interest margin as well as reduces the non-performing loans. The burden coverage ratio of the bank has always been below 100% meaning that the company's earnings are not sufficient enough to coverage for the debt it holds. As a result, it can be derived that United Commercial Bank needs to increase their earnings as well as reduce their costs in order to operate efficiently in the industry. This can be done by increasing the interest rates on loan or increasing the earnings from non-interest income sources of the bank.

2.5.4 Market Value

Instruments	2024	2023	2022	2021	2020
Market Price per share	9.20	12.24	13.00	15.30	14.10
Earnings per share	0.40	1.86	2.86	2.49	2.35
NAV per share	27.60	28.30	29.13	29.29	28.80

Figure 5: Market Value of UCB from 2020 to 2024

Figure 5 shows that overall market value of UCB has dropped in the past few years. The decline in earnings per share indicate that indicate that the net profit has significantly decreased, especially in 2024 and the reason behind that could be the huge amount of loans turning bad. Additionally, the falling trend of ROE, ROA and decrease in profitability may have induced bearish sentiment in investors, leading them to sell off the stock. This reduced the market price of UCB stock in the past years, although there can be more underlying reasons behind the price fall. Additionally, the decreasing Net Asset Value also indicates that the loss they made along with the increasing provisioning slowed down their equity growth. The weak profitability also decreased their retained earnings over the years. Overall, this scenario signals the bank to restore their profitability and make their asset quality stronger in order to regain investors' confidence.

2.5.5 Du-Pont Analysis

Year	Net Profit Margin	X	Asset Turnover	X	Equity Multiplier	=	ROE
2024	0.848%	X	9.33%	X	18.40	=	1.46%
2023	5.226%	X	7.50%	X	15.99	=	6.27%
2022	8.838%	X	7.25%	X	15.34	=	9.83%
2021	8.199%	X	6.85%	X	15.10	=	8.49%
2020	7.463%	X	7.76%	X	14.07	=	8.15%

Figure 6: DuPont analysis of UCB from 2020 to 2024

The ROE calculated from Du-Pont Analysis is slightly different from the values collected from the annual report of United Commercial Bank PLC. However, they can still be used to analyze the factors affecting the ROE and the values only differ by a small amount. We can see in Figure 6 that the bank's return on equity had been consistently decreasing, hitting its lowest in 2024. From the previous tables, we have seen how the bank struggled with keeping a steady profitability amidst increasing costs of funding and other operating expenses. As a result, the net profit margin also decreased significantly owing to the loan provisioning and defaulted loans. Hence, it can be derived that even though the asset turnover and equity multiplier had been fluctuating over the period, the drop in net profit margin has been the dominant factor in the fall of ROE for the bank.

2.5.6 Accounting Practices

From the annual reports from previous years, it is evident that United Commercial Bank PLC creates the financial statements using the accrual basis of accounting, complying with the IFRS standards. This means that all the transactions are recorded as soon as they occur instead of recording them only when cash is transferred. Furthermore, the bank also prepares the financial statements on a going concern basis, meaning that the bank will keep on operating forever in the future. Additionally, the bank follows a straight-line method of depreciation over the useful life of its fixed assets (United Commercial Bank, 2024). Lastly, the bank company adheres to following the complete accounting cycle by preparing all the necessary financial statements and adding notes and disclosures at the end of the statements to explain the numbers in a more detailed manner. As a result, it can be said that the bank strictly follows the guidelines of International Financial Reporting Standards. However, recent audit reports have showed that the bank faced challenges in maintaining full compliance with the regulations and this issue must be addressed to strengthen the bank's asset quality and credit provisioning policies.

2.6 Operations Management and Information System Practices

2.6.1 Adoption of New Software to Manage Data

UCB PLC aims to continuously evolve its data management systems through innovation and technology. In June 2025, the bank upgraded its core banking system (CBS) into a more customer-centric model (The Business Standard, 2025). They introduced an open API platform that enabled microservices such as account opening and loan processing to operate independently. This made the process much smoother and reliable, serving large groups of customers simultaneously.

2.6.2 Operational Sustainability Through Green Banking

United Commercial Bank PLC is moving towards processes that reduce overconsumption of power to promote sustainability. The head office of the bank has been equipped with a central UPS (Uninterrupted Power Supply) on each floor that lowers the total amount of power backup required for the office to run. Additionally, each floor has its own network switch room that saves storage by eliminating the need for lengthy electric cables, making the office look neat as well as saving space. The bank has also replaced CRT monitor with LCD ones that significantly reduce the energy consumption of the computer systems. As a result, the bank is making efforts in turning the operational activities more sustainable through energy conservation.

2.6.3 Management Information System of United Commercial Bank PLC

As already mentioned before, the bank has developed a core banking system that will make banking operations seamless and hassle-free. The bank updated it Oracle Flexcube Universal Banking Solution (FCUBS) from version 12.2 to version 14.7, enabling the bank to conduct large volumes of transactions in a shorter amount of time. Additionally, the bank uses in-house MIS software to track key performance indicators which reduces the amount of work needed to be done on paper.

Within the organization, the internal stakeholders or employees share information through the MIS infrastructure built by the company, that is, through Outlook or internal portals. Even though the company still relies on physical files containing information regarding different policies and circulars, UCB is trying to reduce the usage of paper through installing double-sided printing facility in the printing machines.

On the other hand, information with external stakeholders or clients are shared through emails, text messages or even through physical letters. For example, once a customer applies for a new savings account, the bank sends the debit card along with card activation instructions to the customer's mailing address. The bank is also open to receive any feedback about their service through their apps.

2.7 Industry and Competitive Analysis

2.7.1 Swot Analysis

Strengths

1. Market presence
2. Vast network of branches
3. Product diversification

Weaknesses

1. Low maintenance of ATM booths
2. High loan defaults
3. Weak UI/UX of the banking application.

Threats

1. Multiple rival banks
2. Natural calamities
3. Regulatory challenges

Opportunities

1. Digitalize the banking products
2. Invest in large project financing

Figure 7: SWOT Analysis of United Commercial Bank PLC

A SWOT analysis of United Commercial Bank PLC has been conducted in order to understand the company's strengths, weaknesses, opportunities and threats:

1. **Strengths:** As one of the oldest first-generation banks, UCB PLC has built a strong brand presence in the market where almost everyone is familiar with the bank. With its growing popularity and profitability in the early stages, the bank has established hundreds of branches across the country, making transaction easily accessible to its customers. Lastly, the bank offers a wide range of products catered to different customers indicating that there is something for everyone.

2. **Weaknesses:** The ATM booths of the bank are highly in need of regular maintenance or an upgrade in their machinery as the hubs look extremely old and worn off. This may lead consumers

to having a bad impression about the bank and discourage them to receive the bank’s services. Furthermore, there has been a surge in loan defaults after July 2024 which caused the bank to fall under financial strain. It is important for them to assess borrowers thoroughly to decrease the probability of defaults and recover the financial loss in the recent years. Lastly, the bank needs to work on its mobile banking app, Unet as it is yet to have a user friendly or user interactive interface.

3. **Threats:** The bank has to operate alongside approximately 61 other banks in the country which suggests that the market is extremely competitive. Additionally, natural disasters like COVID 19 pandemic, heat wave or cold wave may be demeritorious for the bank as it has not yet adapted to the work-from-home culture. Shifting work online may in that case lead to inefficient performance of the employees. Another threat could be the regulatory changes introduced by Bangladesh Bank which may force UCB to bring major changes to their systems, causing disruption in regular operations.

4**. Opportunities:** The bank should digitalize their products by enabling customers to create Fixed Deposit, DPS or other account online from the comfort of their homes. This would save a lot of time and reduce the amount of paperwork needed to be done when physically creating such account, increasing efficiency of their work. Additionally, the bank should invest in project financing where they can make higher interest income as well as fee-based income.

2.7.2 Porter's Five Forces Analysis of UCB PLC

In order to understand the industry landscape, an analysis has been done regarding the five key elements:

1. **Competitive Rivalry:** United Commercial Bank PLC competes in a highly concentrated industry of rivals where banks like BRAC Bank, Eastern Bank and Standard Chartered Bank are the biggest competitor of UCB. It is extremely important for UCB PLC to stand out in the market to outperform its rivals. High competitive rivalry pushes companies to enhance their services and increase value proposition in order to gain the competitive edge against the rivals.

2. **Threat of New Entrants:** Establishing a bank requires a large amount of capital and needs to meet all the strict conditions set by Bangladesh Bank. As a result, starting a banking business needs to go through a strenuous process, making it difficult for new businesses to enter the market with ease. Hence, the threat of new entrants for banks is low.

3. **Bargaining power of buyers:** Customers have a high bargain power as there are a lot of other options in the market, so they may switch any time they find a better alternative. Due to this, banks must ensure that they put their customers' needs before anything else.

4. Bargaining power of sellers: On the contrary, banks have a low bargaining power with its customers due to the same reason. They must ensure that the rates they are setting for customers are satisfactory in order to preserve consumer loyalty.

5. **Threat of Substitutes:** Even though not as much as direct competitors, there are a number of substitutes in the market such as bKash, Nagad and Pathao Pay which may be more convenient for customers who prefer to choose cashless transactions. While mobile financial services are perfect for day-to-day transactions, banking institutions proper a greater return for the deposits made by customers. As a result, the threat of substitutes is neither high nor low. However, banks should come up with faster payment solutions in order to stay ahead of the game

In summary, United Commercial Bank should focus on gaining competitive advantage by providing their customers with greater value proposition through enhancing customer satisfaction. Delivering greater value for similar charges will allow the bank to hold customer loyalty and reduce the chances of customers switching to better alternatives. At the same time, enhancing their mobile app services by polishing its UI/UX platform will build trust among the customers in finding the transactions through mobile banking app reliable.

2.8 Summary and Conclusion

In conclusion, United Commercial Bank PLC has been serving customers for 42 years and is one of oldest first-generation banks in Bangladesh. Throughout the years, the company has gone through managerial changes multiple times and despite that, the bank stayed committed towards making a social impact through several CSR campaigns. Through product diversification, UCB positioned their brand as a one-stop financial solution for everyone regardless of their demography. They offered multiple different banking products according to the needs and wants of their customers. However, in the recent years, the profitability and efficiency of the institution has been decreasing due to increase in loan provisioning and rise in loan defaults, especially in 2024. This mainly occurred due to poor governance and compliance with the regulations resulting in huge loan defaults. Nonetheless, the company now aims to recover the financial losses by strengthening their governance and maintaining strict compliance with the International Financial Reporting Standard. Lastly, through industrial analysis we have found out that UCB PLC has strong brand positioning as one of the most experienced banks in Bangladesh and has expanded it operations over a wide geographical area but low maintenance of its banking services has held it back from gaining the competitive advantage against all its rivals.

2.9 Recommendations

Based on the study done regarding the different organization practices of the company, United Commercial Bank PLC should develop strategies to improve their asset quality and increase cost efficiency in the short term. On the other hand, they should make long term strategies to optimize their digital platforms and increase their paid-up capital along with the generation of diversified revenue streams. The bank should minimize their dependency on interest income and develop a balance between both interest and non-interest income to stabilize their earnings. The bank should also maintain transparency in the annual reports so that investors and stakeholders get clarity and grow confidence in the bank. Lastly, the bank should expand their operations to rural areas, allowing SME businesses to take loans from them. Doing this would spread their credit risk across multiple borrowers rather than concentrating large sums of money across a few corporate giants. This would lower the possibilities of defaults and result into a more stable growth in the long run.

Chapter 3: The Impact of Managerial Changes on Key Liquidity Metrics of United Commercial Bank PLC post-July 2024

3.1 Introduction

3.1.1 Background and Problem Statement

After the end of Sheikh Hasina's regime in August 2024, several cases of crimes committed by government officials resurfaced over the media. The most common crimes included money laundering and embezzlement which gradually deteriorated the financial condition of the banking institutions. Under the influence of corrupt officials with political influence, Bangladesh Bank continued to ease out the terms and conditions for the issuance and repayment of loans, leading to a record high rise in NPLs over the past 10 years. Corrupted individuals holding the position of Directors bend the regulations to turn everything towards their favour with little to no regard to the consequences. According to an article by Mohammad Zahid Hossain FCA (2025), the amount of non-performing loans rose from BDT 224.81 billion in 2009 to BDT 1822.95 billion in March 2024. The total amount of defaulted loans went up to BDT 2.84 lakh crore, giving birth to a liquidity crisis for some of the banks (Financial Express, 2024). United Commercial Bank PLC was one of the banks that had been under the heavy influence of such political people, namely Saifuzzaman Chowdhury, the former Land Minister of Bangladesh and Rukhmila Zaman, wife of Saifuzzaman as well as the former Chairman of United Commercial Bank. After the July-revolution in 2024, many bank officials claimed that the bank had become fragile due to poor governance, unfair regulations, money laundering and power abuse by the members of the board (Dhaka Tribune, 2024). The report also stated that at that time, the amount of defaults for UCB stood at BDT 2721 crore while BDT 2471 was being held in money loan court. The institution's capital was deteriorating and the bank officials demanded for a new group of managers and directors. As a result, the central bank intervened and United Commercial Bank welcomed the new Board of Directors and Senior Management. Since then, the institution has been putting continuous effort in reinforcing its stability by focusing on enhancing liquidity and balancing the asset to liability ratio. According to a report by Financial Express (2025), the Managing Director and CEO of United Commercial Bank, Md Mamdudur Rashid, has envisioned the bank to become one of the most profitable commercial banks in Bangladesh within the next 3 to 4 years. Additionally, they aim to reach a net deposit growth of BDT 120 million by 2025, of which BDT 64 million has already been achieved as of June 2025 (Financial Express, 2025). Their target for this year is about 80 million more than what it had been last year.

3.1.2 Objectives of the study

The primary objective of this study is to identify the impact that the changes in management after July 2024 has brought to the financial situation of United Commercial Bank PLC in terms of liquidity. To elaborate it further, this study aims to find out the changes that took place in the strategies of management and how it has affected the bank's liquidity after July 2024 revolution.

3.1.3 Significance of the study

This research is crucial for the stakeholders of United Commercial Bank PLC as it will evaluate the extent to which the changes in governance has improved the financial condition of the bank. Additionally, the findings in this study will be significantly handy to the future investors of the bank as it will help them get an idea about where the institution will stand in the future. Furthermore, this study will make it easier for the individuals looking for a secure bank to grow their savings in. Lastly, this report will also contribute to an overall understanding of how corporate governance affects the stability of the banking industry in an economy.

3.1.4 Scope of the Study

The scope of this study is limited to a timeframe from January 2023 to September 2025 in which the liquidity position of the bank has been assessed using metrics like Loan-to-deposit ratio, total liquid assets-to-total assets ratio, CASA deposit ratio and operating cashflow to total assets ratio. This analysis has been done to check the liquidity situation of UCB PLC before and after the managerial changes took place. Lastly, the source of data for this study has been limited to the quarterly and annual reports of United Commercial Bank PLC along with authentic newspaper articles and reports.

3.2 Literature Review

Liquidity may mean a lot of different things depending on the context of a scenario. But for a bank, liquidity is a very crucial element for its survival, long-term growth and development (Muttalib, 2025). In simple terms, a bank's liquidity refers to its ability of meeting the cash needs and demands stated by the policy without making any loss (Bank, 2004; as cited in Muttalib, 2015). There are multiple ways of measuring the liquidity of banks such as liquidity coverage ratio (LCR), loan-to-deposit ratio (LDR), net stable funding ratio (NSFR) and so on. These different ratios help us find the percentage of deposits which are given out as loans and also check if a bank hold enough amount of high-quality liquid assets which can be used to meet the short-term liquidity needs (Roy, 2024).

In order to effectively manage the liquidity in banks, it is important that the institution has good governance who can build a team with proper risk identification skills and internal monitoring systems. A bank's top management play a significant role in structing the liquidity position as Bangladesh Bank has mentioned in "Foreign Exchange Risk Management Guidelines" that the board members must identify and measure any liquidity risk arising and find ways to mitigate them (Bangladesh Bank, 2025). However, in the recent years, Bangladeshi banks have been going through severe liquidity crises and are unable to meet the CRR and SLR requirements set by Bangladesh Bank. A lot of the Islami Banks have gone bankrupt due to poor governance and corruption, leading the central bank to merge some of the banks together into one, named Sommilito Islami Bank (Star Business Report, 2025). Additionally, the need for liquidity support from Bangladesh Bank became as high as Tk 30.29 trillion in Fiscal Year 2024 (The Business Standard, 2025). Studies have been done on how to measure liquidity and how it impacts banks. Despite there being multiple reports on how corruption has wiped out wealth from the banks, there is a lack of study where a comparison has been made between the effect of good and bad governance on liquidity of banks.

3.3 Methodology

In order to find out the changes in management strategies implemented by the newly elected directors of United Commercial Bank PLC, interview was conducted with Adnan Masud, one of the Additional Managing Directors of the bank, in order to gather information. After the interview, it was found out that the management wanted to focus on bringing more deposits, incorporating strict regulation on loan approvals to ensure less loan defaults and ensuring more liquid assets in their portfolio. As a result, a trend analysis has been done using the following ratios in order to check the impact of the management's new strategies – cash to asset ratio, liquid assets to total deposits ratio, loan to deposit ratio, CASA deposit to total deposits ratio and operating cashflow to assets ratio. The mentioned ratios were calculated using the following formulae:

1. Cash asset ratio = (Cash + Cash Equivalents) / Total Assets
2. Loan to deposit ratio = (Loans and advances) / Total Deposits
3. CASA deposit to total deposits ratio = (Current and savings account deposits) / Total Deposits
4. Operating cashflow to assets ratio = (Net Operating Cashflow) / Total Assets
5. Liquid assets to total assets ratio = (Liquid Assets) /Total Assets

The values for the assets and liabilities were obtained from the bank's quarterly reports of 2023, 2024 and 2025. These values were then used to calculate the above-mentioned ratios and through trend analysis, we find out how the whether the liquidity of the bank has improved or deteriorated post-July 2024 revolution. The report has been created in a mixed methodology combining qualitative insights from quantitative analysis of the company's financial condition.

3.4 Findings and Analysis

After the end of July 2024 revolution, massive changes took place in the government of Bangladesh. At the same time, the top management team of United Commercial Bank PLC went through a major reconstruction. This led to changes in strategic decision-making and we will be seeing in this part of the chapter what changes were brought to UCB PLC and how it affected their liquidity position in 2025 compared to that of 2023 and 2024.

3.4.1 Changes in the Management of United Commercial Bank PLC

On August 27, 2024, United Commercial Bank PLC was appointed with a new board of directors by Bangladesh Bank (Hasan, 2024). After the reconstruction, the new chairman of UCB, Sharif Zarif stated in an interview with The Daily Star that the bank was to go through a forensic audit in order to help in making future decisions about the institution. After a thorough evaluation of the firm's financial situation, the management decided to focus on regaining client confidence and hold the stability of the bank's liquidity. They planned on achieving this by taking a stricter approach towards loan approval and increasing the number of deposits entering the bank. In 2024, UCB PLC made substantial losses due to loan defaults and it was important that they brought in more deposits by gaining customers' trust (Adnan Masud, 2025).

In order to increase deposits, the bank worked on strengthening their brand image through multiple CSR activities which would not only promote their brand but also enhance welfare of the people. Along with that, the relationship managers at UCB PLC put great effort in attracting clients to deposit money in exchange of higher returns. These constant efforts of gaining depositors ultimately led United Commercial Bank to reach a record-high deposit of BDT 13,000 crore in 2025 (The Daily Star, 2025). Additionally, the bank implicated strict regulation over disbursing loans in order to avoid frequent loan losses. This further helped the bank to maintain cash in hand and increased the amount of liquid assets in their portfolio. These initiatives by the management have directly impacted the liquidity condition of the bank and using multiple ratios we will be finding out whether it has actually affected the liquidity of the bank.

3.4.2 Assessing the Liquidity Position of UCB Before and After July 2024

There are multiple ways of measuring the liquidity condition of a bank apart from LCR and NSFR. The amount of cash a bank holds, the amount of securities it possesses and the number of deposits and loans a bank facilitates – all these pose an impact on the bank's liquidity. As a result, cash to asset ratio and loan to deposit ratio affect the performance of the bank (Uddin et al., 2018; as stated in Shen et al., 2009). Additionally, liquid assets to total assets ratio is one of the common measures of liquidity of banks (International Monetary Fund, 2002).

To assess the liquidity condition of United Commercial Bank PLC after the appointment of new management, a series of trend analyses has been done of different ratios relating to the bank's liquidity. Alongside the trend analysis of ratios, bar chart regarding the Cash & Cash Equivalent Assets and Deposits has also been presented to demonstrate the trends of their liquid assets throughout 2023, 2024 and 2025.

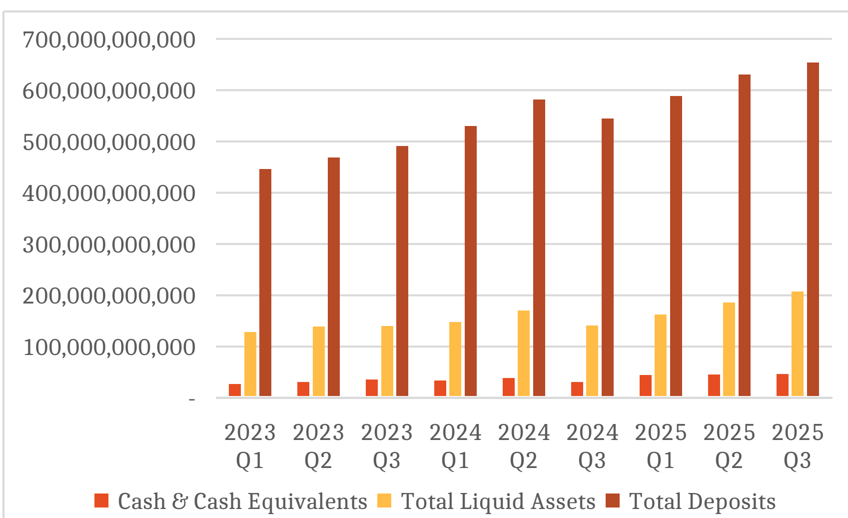

Figure 8a: Changes in assets and deposits over the last 9 quarters

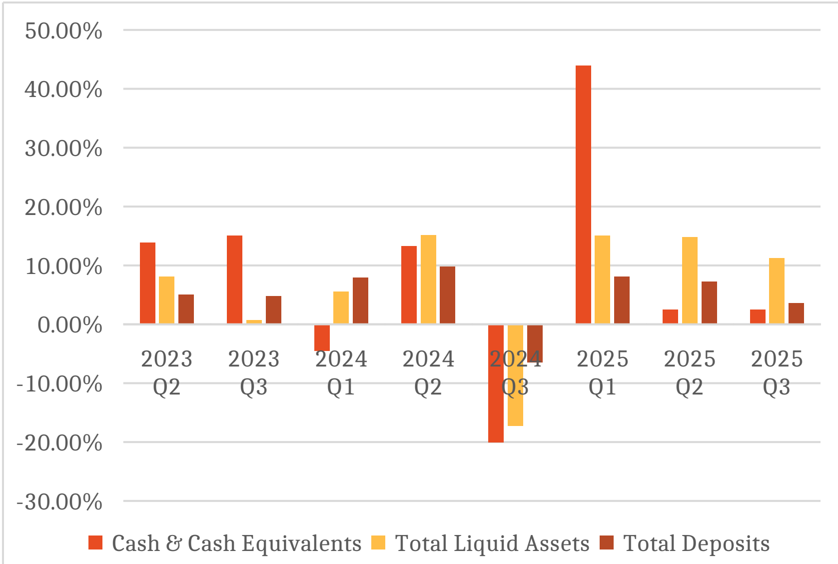

Figure 8b: % Changes in assets and deposits over the last 9 quarters

From the above figures, we can see that all three of the components have showed an overall positive trend over the past nine quarters. United Commercial Bank PLC holds the highest cash in the latest quarter of 2025 alongside having the highest liquid assets in 2025. All three of the charts show a negative line of gradient between quarter 2 and quarter 3 of 2024. During this period, uncertain political conditions greatly influenced the fall in deposits as UCB was suffering from large amount of loan losses, causing customers to withdraw money from the bank accounts and discouraging them to deposit further money into the bank. Nonetheless, we can see from the chart that the amount of liquid assets UCB holds in 2025 is clearly higher than it did before July 2024. However, this alone is not enough to fully portray how UCB is performing in terms of efficiency.

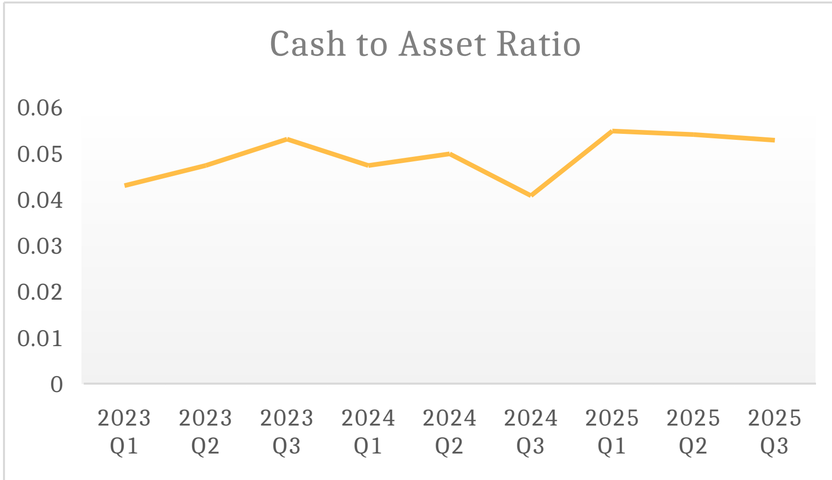

Figure 9: Trend in the Cash to Asset Ratio

We can see in figure 9 that the cash to asset ratio steadily rose from 2023 Q1 to Q3 and then fluctuated in 2024 before sharply dropping in the third quarter of 2024. After September 2024, the ratio began to rise indicating that the bank has been managing their cashflow better in 2025 than the earlier year. Not only that, the ratios in the quarters of 2025 are noticeably higher than the quarters in 2023 and 2024, although the trend shows a negative gradient in 2025. This acts as the first sign that the asset-liability management (ALM) is on the right track with the bank's long term strategic goals.

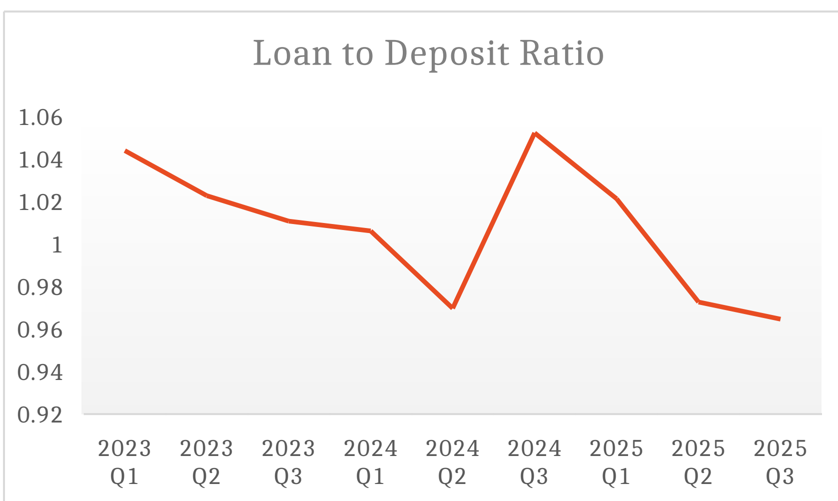

Figure 10: Trend in Loan to Deposit Ratio

The loan-to-deposit ratio of UCB was significantly high (around 104%) in the first quarter of 2023, as presented in figure 13. This means that the bank was giving out more loans than the amount of deposits it was gaining, signaling a tightening liquidity situation. This ratio started to decrease until the second quarter of 2024 until it rose to a record high ratio of about 105%. Nonetheless, the LDR decreased sharply in 2025 indicating that the bank was working towards adopting a better credit management system and had more control over the loan-deposit ratio. This further indicated that the bank was able to bring in more deposits while becoming more cautious towards the disbursement of loans. As a result, their liquidity position is on the way of improvement after July 2024 Revolution.

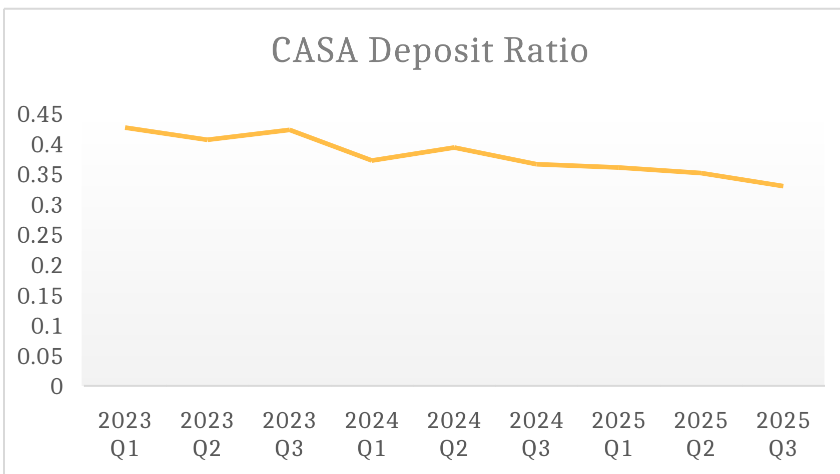

Figure 11: Trend in CASA Deposit Ratio

Figure 11 above shows a smooth decrease in CASA deposit ratio after July 2024 revolution and a fluctuating ratio before the revolution. Overall, the ratio had been decreasing for the last 3 years. This means that even though the total deposits of the bank had been increasing after 2024, the bank was facing an increase in term deposits more significantly that retail deposits. This indicated that although the LDR had improved, the bank was subject to higher cost of funding and term deposits are costlier than retail deposits. As a result, this can be termed as a trade-off for the bank where they incurred higher cost while achieving lower LDR.

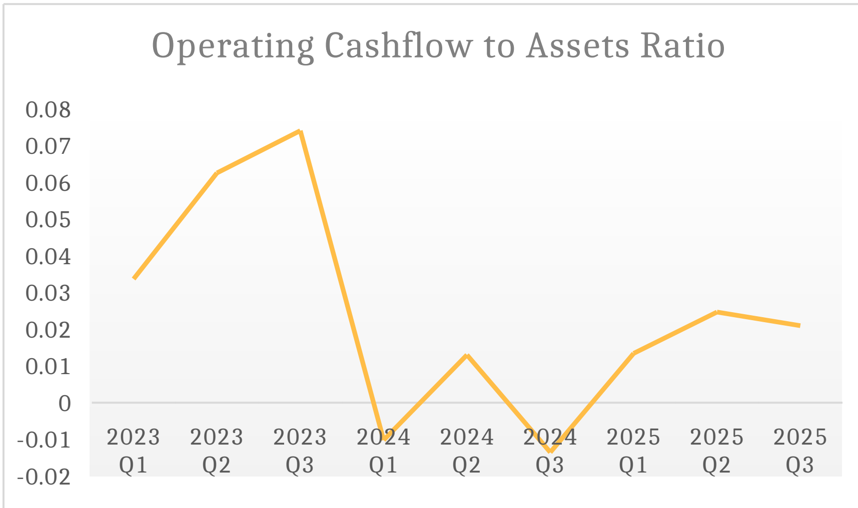

Figure 12: Trend in Operating Cashflow-to-assets ratio

The operating cashflow of UCB PLC fluctuated significantly in 2024 where the net operating cashflow became negative twice in the year. According to the cash flow statement in the first quarter of 2024, the bank gave out large amount of loans to customers while cash inflows from operating activities were much less compared to that of cash outflows. This resulted in a deteriorating operating cashflow to assets ratio in 2024. However, the ratio started to rise again from 2025 as we have already seen that the bank adopted a cautious credit management system while achieving better cash collection mechanisms. This indicated that the operational efficiency of the bank improved post-July 2024 revolution.

All in all, we can understand from the analyses above that the liquidity position of United Commercial Bank PLC was slightly weak when the governed by the previous board of directors.

However, after the new board of directors were assigned, the bank witnessed improvements in their liquidity position through rising loan-deposit ratios, better and efficient cash management along with the restructuring of their asset liability portfolio. Even though the bank had improvements, the constant fall in CASA deposits showed that the institute was incurring high cost of fund in the long run while trying to maintain their loan to deposit ratio. This is a challenge that the bank must address to in order to achieve more efficient way of funding. In summary, the bank has seen positive impacts through the restructuring of Board of Directors post July 2024 movement.

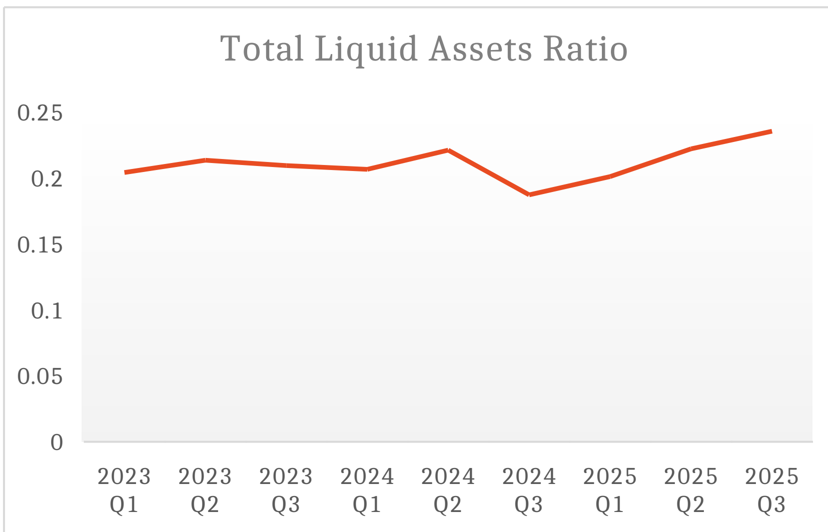

Figure 13: Trend in Liquid Assets Ratio

Figure 13 above shows an upward trend in the liquid assets-to-total assets ratio after Q3 of 2024. Before September 2024, the liquid assets-to-total assets ratio hovered around the same range for five consecutive quarters until it dropped sharply in the third quarter of 2024. This drop again indicates that bank had given out significant amount of loans, giving rise to the amount of non-liquid assets in their portfolio. However, the liquid assets-to-total assets ratio started rising again from 2025 meaning the bank has been able to hold more liquid assets in its portfolio. According to the quarterly reports of 2024 and 2025, UCB PLC increased the amount of “marketable securities” as well as “money at call on short notice” along with the other liquid assets.

3.5 Summary and Conclusion

After Bangladesh Bank appointed a new Board of Directors to United Commercial Bank PLC, major changes took place in the organization in terms of the management system which further impacted the liquidity position of the bank. Throughout this study, it was seen how the top management decided to prioritize gaining back depositors’ confidence in order to improve their liquidity. The bank ran multiple CSR programs, funded schools and organized training programs to promote their brand as a socially responsible institution. At the same time, they strengthened their credit committee and risk management team to better regulate the processing of loans. With collective effort, the bank achieved higher deposits while highly regulating the credit policies and this gave rise to their deposits and other liquid assets. While they have noticeable achievements after the new management took the leadership, the bank still needs to work on its fund management in order to stabilize the cost of funding incurred in the long run.

3.6 Recommendations

Even though the bank has been experiencing positive liquidity trends right now, there are a few risks that must be addressed. While the LDR declined and the overall liquidity of the bank improved, the CASA deposits have been gradually decreasing after the third quarter of 2024. This may lead to increase in cost of funds in the long run as funding term deposits are costlier than managing current and savings deposits. As a result, the bank should push their relationship managers to encourage their customers to grow the CASA deposits rather than the total deposits. Additionally, the bank can maintain their loan to deposit ratio to mitigate liquidity pressure by increasing the coordination between credit risk management team and the ALM committee. Lastly, the bank must maintain steady cashflow for operational activities and avoid net operating cashflow becoming negative like in 2024. This can be done by efficiently controlling the time gap between the cash collections and payments. Thus, through increasing the CASA deposit growth, synchronizing the timeline between payments and collections and coordinating the risk management team with the ALM committee, UCB PLC can proceed forward with sustainable growth.

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5.0 Appendix

Financial Ratios (%)	2024	2023	2022	2021	2020
Cost-income ratio*	58.66	66.73	59.79	58.97	66.53
Credit-deposit ratio	91.31	86.57	86.14	83.73	81.18
Debt equity ratio (times)*	15.17	13.51	12.94	12.71	11.79
Gross profit ratio*	50.84	56.89	64.06	64.06	53.52
Current Ratio (times)	1.05	1.08	1.02	1.05	1.15
Return on Capital Employed	0.53	2.12	3.00	2.92	3.40
"Net interest income as a % of working funds; i.e, Operating Cost-Efficiency Ratio"	113.26	58.47	219.47	100.59	32.80
Operating profit as % of working funds*	81.88	36.15	171.52	76.47	23.65
Return on assets*	0.08	0.41	0.67	0.60	0.61
Return on equity*	1.44	6.41	10.27	8.76	8.42
Burden coverage ratio*	72.98	69.20	81.20	78.05	80.53
CASA Deposit as % of Total Deposit	27	31	34	34.70	32.32
Cost of fund	8.52	7.06	6.38	6.01	7.42
Yield on advance	10.00	7.72	6.99	7.08	7.92
Spread/Net interest margin (NIM)	1.48	0.66	0.61	1.07	0.49

Capital Measures					
Total Risk Weighted Assets	508,702	438,856	403,261	386,742	336,720
Tire I Capital*	36,172	39,149	36,328	34,365	28,848
Tire II Capital*	17,687	16,066	16,346	18,392	21,383
Total Capital*	53,859	55,214	52,674	52,757	50,232
Tire I Ratio (percent)*	7.11	8.92	9.01	8.89	8.57
Tire II Ratio (percent)*	3.48	3.66	4.05	4.76	6.35
Capital to RWA Ratio (percent)*	10.59	12.58	13.06	13.64	14.92
Required Capital	63,587.78	54,857.05	50,407.65	48,342.69	42,089.94
Capital Surplus/(Shortage)*	(9,728.77)	357.39	2,266.17	4,414.23	8,141.67

Liquidity Measures					
Cash Reserve Requirement (percent)	4.48	4.15	4.16	4.29	4.30
Statutory Liquidity Ratio (percent)	13.65	15.78	16.83	20.77	16.53
Current Assets	407,498	343,927	299,997	270,583	226,649
Current liabilities	389,082	317,020	293,311	257,266	197,650
Net Current Assets	18,416	26,907	6,686	13,317	28,999
Long term liabilities	336,954	325,148	293,809	270,606	260,590
Long term liabilities/ Current liabilities (%)	86.60	102.56	100.17	105.19	131.84

Asset Quality					
Non Performing Loans	85,344	27,819	28,078	17,737	8,984
% of NPL to Total Loans ad advances	14.90	5.50	5.99	4.41	2.55
Total provision for Specefic loans and advances	22,341	13,907	13,207	10,122	7,240
Total provision for Unclassified loans and advances	4,715	6,244	6,002	6,462	5,406
Total provision for Investment	1,536	673	612	-	235
Total provision for Other assets	428	425	105	105	105
Total provision for Off BS Items	2,569	2,342	1,944	2,407	1,857