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ANNUAL REPORT

2010



UTTARA FINANCE
AND INVESTMENTS LIMITED

A N N U A L R E P O R T

2010

16th Annual Report 2010

To the shareholders in the 16th Annual General Meeting
on Monday, May 30, 2011



UTTARA FINANCE
AND INVESTMENTS LIMITED



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Letter of Transmittal

To **Shareholders**
Bangladesh Bank
Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies and Firms

Respected Sir(s)

Annual Report for the year ended December 31, 2010

The undersigned on behalf of the Board of Directors and Management of Uttara Finance and Investments Limited is pleased to present herewith the Annual Report for the year ended December 31, 2010 alongwith the audited Financial Statements (Balance Sheet, Income Statements, Income Statement of Merchant Banking Operation, Statement of Cash Flows, Statement of Changes in Equity and Notes) for the above mentioned period of the company.

Thanking You

Sincerely Yours,



Md. Jakir Hossain, FCA
Company Secretary

Date: May 08, 2011

notice of the 16th annual general meeting

Notice is hereby given that the 16th (sixteenth) Annual General Meeting of Uttara Finance and Investments Limited will be held on Monday, May 30, 2011 at 10:00 a.m. in Spectra Convention Centre, House-19, Road-7, Gulshan-1, Dhaka-1212 to transact the following business :

- | | |
|--------------|--|
| AGM201016-01 | Adoption of Directors' Report, Auditors' Report and Audited Financial Statements for the year ended 31 December 2010 |
| AGM201016-02 | Declaration of dividend for the year 2010 |
| AGM201016-03 | Election of Directors |
| AGM201016-04 | Appointment of Auditors' and fixation of their remuneration |
| AGM201016-05 | Fresh contract of Managing Director |

By Order of the Board


Md. Jakir Hossain, FCA
Company Secretary
Date : Sunday, May 08, 2011

Notes :

01. The Record Date is Tuesday, 03 May 2011.
02. Shareholders whose name will appear in the Share Register of the Company on the Record Date will be eligible to attend the 16th Annual General Meeting.
03. A member may appoint proxy to attend and vote on his behalf by filling the attached proxy form as per Article 46 of Articles of Association of the Company. The proxy form duly stamped must be deposited at the Registered Office of the Company 48 hours before the time of holding the meeting.
04. Pursuant to the Article 47 of the Articles of Association of the Company, a corporate member of the Company may, by resolution of the Board of Directors, authorize such person as it thinks fit, to act as representative at the meeting.
05. Admission to the meeting will be strictly on production of the attendance slip sent with the notice as well as verification of signature of member(s) and/or proxy holder(s).

06. Shareholders' attendance counter will open at 8:30am and to be continued till 10:30 am.



mission



- To be an outstanding company of motivated people with excellent team work spirit
- To provide quality services and ensure steady growth of the company
- To bring about a qualitative improvement in the life style of our people
- To provide lease finance to professionals and technicians on attractive terms.
- To encourage continuous technological development and creation of employment opportunities.
- To ensure human resource development to meet the challenges of the time



vision



To serve the nation through
participation in the development
of the economy as a
leading company of Bangladesh.

background



Uttara Finance and Investments Limited, a joint venture leasing and financing company, registered as a non-banking financial institution under the Financial Institutions Act 1993 and the Companies Act 1994 with licence from Bangladesh Bank to operate and transact all kinds of business as provided under the relevant laws.

Uttara Finance and Investments Limited upholds its commitment towards the development of financial service sector by offering high quality services to the local entrepreneurs. The Company always focuses to the ever changing and challenging business environment and thus it endeavours to diversify into other financial services which have long-term prospects. With its continuous drive to improve, Uttara Finance and Investments Limited is well on track to be considered as one of the leading leasing companies of the country.



nature

Uttara Finance and Investments Limited extends lease finance for all types of machinery, equipment, vehicle and household durable for the purpose of industrial, commercial and personal use in Bangladesh and allows temporary finance to its clients within purview of the law as well as Merchant Banking services.

The Company also maintains Term Deposit of general public on attractive terms.

company information

Registered Name

Uttara Finance and Investments Limited

Legal Form

A public limited company incorporated in Bangladesh on May 07, 1995 under the Companies Act 1994, listed in Dhaka Stock Exchange on September 07, 1997 and Chittagong Stock Exchange on August 31, 1997 and licensed as Financial Institution on September 07, 1995 under Financial Institutions Act 1993

Registration No. C - 28368(2214)/95

Bangladesh Bank Licence no. আঃ প্রঃ (অ-ব্যংকিং) বিভাগ/ঢাকা/৭/৯৫

Registered Office

JBC Tower (6th Floor), 10 Dilkusha C/A, Dhaka-1000, Bangladesh.

Phone : +880-2-9568207 (Hunting), Fax : +880-2-9552461

www.uttarafinance.biz

Head Office (Extension)

Uttara Centre (11th Floor)

102 Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208, Bangladesh.

Phone : +880-2-8142680-3, Fax : +880-2-8142679

Branch Office

Chittagong Branch

Uttara Center, F/2 Sk. Mujib Road, Pathantuli, Chittagong, Bangladesh.

Phone : +880-31-724786, Fax : +880-31-2521970

Gulshan Branch

Nafi Tower (Level-3), 53 Gulshan Avenue (South)

Gulshan-1, Dhaka-1212, Bangladesh.

Phone : +880-2-9898441, 9898089, 9897675, Fax : +880-2-9898221

Bogra Branch

Jamil Shopping Centre (3rd Floor)

Rangpur Road, Baragola, Bogra, Bangladesh.

Phone : +880-51-69047, Fax : +880-51-69048

CHAIRMAN

Rashidul Hasan

MANAGING DIRECTOR

S. M. Shamsul Arefin, MBA

COMPANY SECRETARY

Md. Jakir Hossain, FCA

LEGAL ADVISER

Md. Waliur Reza Chowdhury

LL.B., Advocate

AUDITOR

Hoda Vasi Chowdhury & Co.

Chartered Accountants

membership

Bangladesh Leasing & Finance Companies Association (BLFCA)
Asian Leasing & Finance Companies Association (ALFCA)
Bangladesh Merchant Bankers Association (BMBA)
Bangladesh Association of Public Listed Companies (BAPLC)

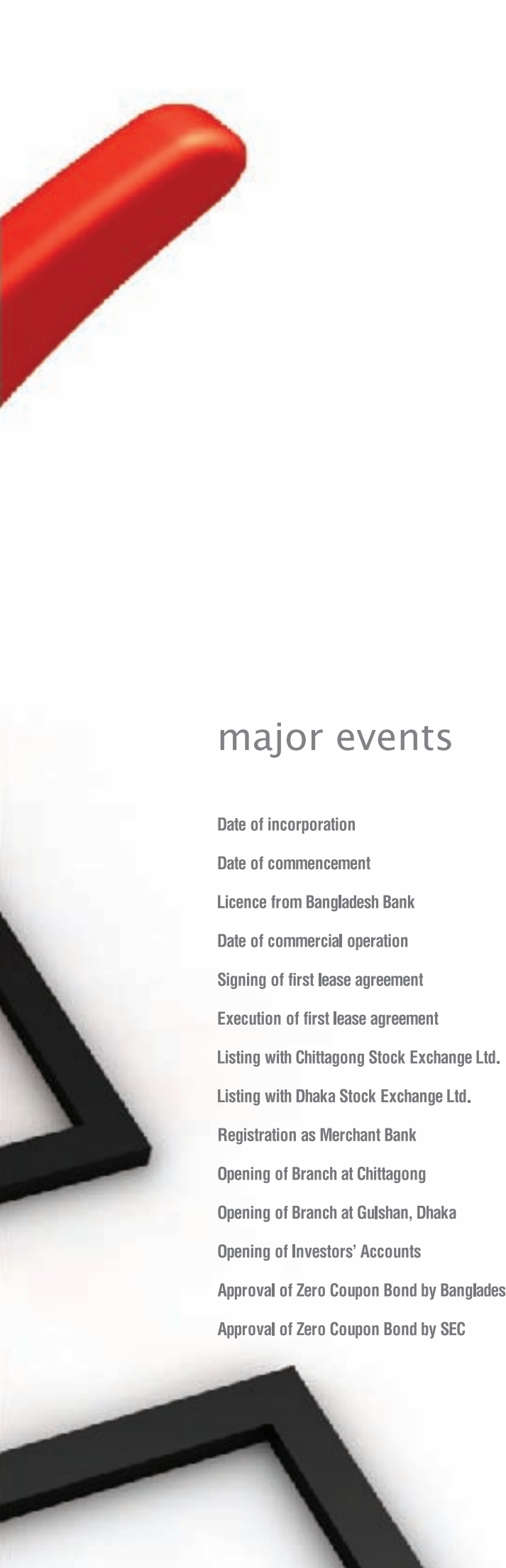
Chamber of Commerce and Industry
International Chamber and Commerce - Bangladesh (ICC)
Foreign Investors Chamber of Commerce and Industry (FICCI)
Metropolitan Chamber of Commerce & Industry (MCCI)
Dhaka Chamber of Commerce & Industry (DCCI)

Bankers

Sonali Bank Ltd.
Citibank, N.A.
One Bank Ltd.
Southeast Bank Ltd.
Standard Bank Ltd.
Bank Asia Ltd.
Dutch-Bangla Bank Ltd.
Mutual Trust Bank Ltd.
Uttara Bank Ltd.
Pubali Bank Ltd.
Rupali Bank Ltd.
Agrani Bank Ltd.
The Trust Bank Ltd.
Janata Bank Ltd.
Standard Chartered Bank
Eastern Bank Ltd.
Prime Bank Ltd.
NCC Bank Ltd.
Bangladesh Commerce Bank Ltd.
Exim Bank Ltd.
Social Islami Bank Ltd.
National Bank Ltd.
Commercial Bank of Ceylon PLC
Mercantile Bank Ltd.
Jamuna Bank Ltd.
Basic Bank Ltd.
Bangladesh Shilpa Rin Shangstha
The City Bank Ltd.
First Security Islami Bank Bangladesh Ltd.
Islami Bank Bangladesh Ltd.
Dhaka Bank Ltd.
Shahjalal Islami Bank Ltd.
Premier Bank Ltd.
State Bank of India
United Commercial Bank Ltd.



company chronicles



major events

Date of incorporation	May 07, 1995
Date of commencement	August 08, 1995
Licence from Bangladesh Bank	September 07, 1995
Date of commercial operation	November 01, 1995
Signing of first lease agreement	November 21, 1995
Execution of first lease agreement	December 04, 1995
Listing with Chittagong Stock Exchange Ltd.	August 31, 1997
Listing with Dhaka Stock Exchange Ltd.	September 07, 1997
Registration as Merchant Bank	March 25, 1998
Opening of Branch at Chittagong	May 02, 2002
Opening of Branch at Gulshan, Dhaka	April 29, 2010
Opening of Investors' Accounts	August 08, 2004
Approval of Zero Coupon Bond by Bangladesh Bank	September 08, 2008
Approval of Zero Coupon Bond by SEC	February 11, 2009

Ultimate Goal

To maximize the
stakeholders'
value in the long run

Corporate Attitude

To provide dedicated service
to our **clients**
with the highest integrity

board of directors



board of directors

Chairman

Rashidul Hasan

(Alternate Director to Mrs. Chin Keong)

Vice Chairman

Matiur Rahman

(Nominee of Uttara Automobiles Limited)

Directors

Mujibur Rahman

(Nominee of Uttara Apparels Limited)

Mehdadur Rahman

Zakia Rahman

NG Chin Keong

Tahmina Rahman (Tina)

Kazi Imdad Hossain

(Nominee of Uttara Motors Limited)

Prithwish Kumer Roy, FCA

Independent Director

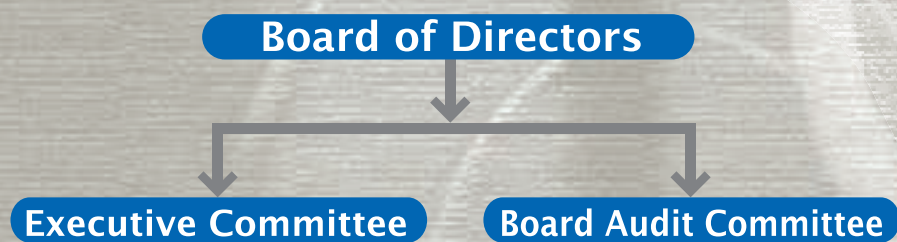
A J Masudul Haque Ahmed

Executive Director

Managing Director

S.M. Shamsul Arefin, MBA

corporate profile



Board of Directors

Chairman
Rashidul Hasan

Directors
Matiur Rahman
Mujibur Rahman
Zakia Rahman
NG Chin Keong
Mehdadur Rahman
Kazi Imdad Hossain
Tahmina Rahman (Tina)
Prithwish Kumer Roy, FCA
(Independent Director)

Managing Director
S. M. Shamsul Arefin, MBA

Executive Director
A J Masudul Haque Ahmed

Executive Committee

Chairman

Mujibur Rahman, Director

Members

Mehdadur Rahman, Director

Kazi Imdad Hossain, Director

Tahmina Rahman (Tina), Director

Prithwish Kumer Roy, FCA, Independent Director

S. M. Shamsul Arefin, Managing Director

A J Masudul Haque Ahmed, Executive Director

Audit Committee

Chairman

Prithwish Kumer Roy, FCA (Independent Director)

Members

Mujibur Rahman, Director

Mehdadur Rahman, Director

Management Committee

Chairman

S. M. Shamsul Arefin, MBA, Managing Director

Members

A J Masudul Haque Ahmed, Executive Director

Anil Chandra Das, Executive Vice President

Md. Jakir Hossain, FCA, Sr. Vice President



management

The success of Uttara Finance and Investments Limited within such a short time is an impact of the hard work and efficiency of the work force of the Company.

Uttara Finance has a team of well-educated and experienced executives who have been contributing substantially in the continued progress of the organization.

The assistance of the work force enables the management of the Company to run their business smoothly and with the highest zeal.

Managing Director

S. M. Shamsul Arefin, MBA

Fellow, British Institute of Management (UK)

Executive Director

A J Masudul Haque Ahmed

Ex-Managing Director: House Building Finance Corporation

Bangladesh Krishi Bank, Karmasangsthan Bank

Executive Vice President

Muhammad Abdul Hamid, FCMA

Head of Chittagong Branch

Executive Vice President

Anil Chandra Das

Head of Operation, Monitoring and HR

Company Secretary

Md. Jakir Hossain, FCA

Vice President

Uttam Kumar Saha

Head of Accounts

Sr. Asst. Vice President

Md. Sirajul Islam

Head of Recovery and Legal Affairs

office address and branches

[www.uttara**finance**.biz](http://www.uttarafinance.biz)

Registered Office

JBC Tower (6th Floor), 10 Dilkusha C/A
Dhaka-1000, Bangladesh. Phone : +880-2-9568207 (Hunting)
Fax : +880-2-9552461, E-mail : info@uttarafinance.com

Head Office (Extension)

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Bogra Branch

Jamil Shopping Centre (3rd Floor)
Rangpur Road, Baragola, Bogra, Bangladesh.
Phone : +880-51-69047, Fax : +880-51-69048



products and services

Leasing

Major areas of operation are related to leasing with the objective to provide the benefits of asset based lease facilities.

Documentary Credit

To import the lease asset(s) from foreign suppliers through establishment of letters of credit.

Term Financing

Asset-related finances are provided for a fixed term.

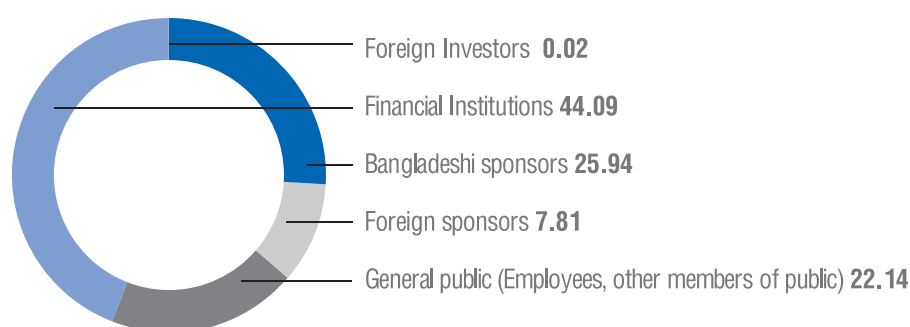
Merchant Banking

- Underwriting
- Portfolio Management
- Bridge financing
- Facilities through syndication/consortium
- Mutual Fund
- Investments in Capital market through investors' accounts

Term Deposits

Uttara Finance encourages saving behaviour of the general public by offering attractive interest rate on term deposit.

capital and shareholding structure



capital and shareholding structure

Capital	%	Taka
Authorized		
100,000,000 ordinary shares of Tk.10 each		1,000,000,000
Issued, subscribed and paid up		
52,800,000 ordinary shares of Tk. 10 each		528,000,000
Shareholding Structure		
Bangladeshi sponsors	25.94	136,963,200
Foreign sponsors	7.81	41,250,000
General public (Employees, other members of public)	22.14	116,886,000
Financial Institutions	44.09	232,795,200
Foreign Investors	0.02	105,600

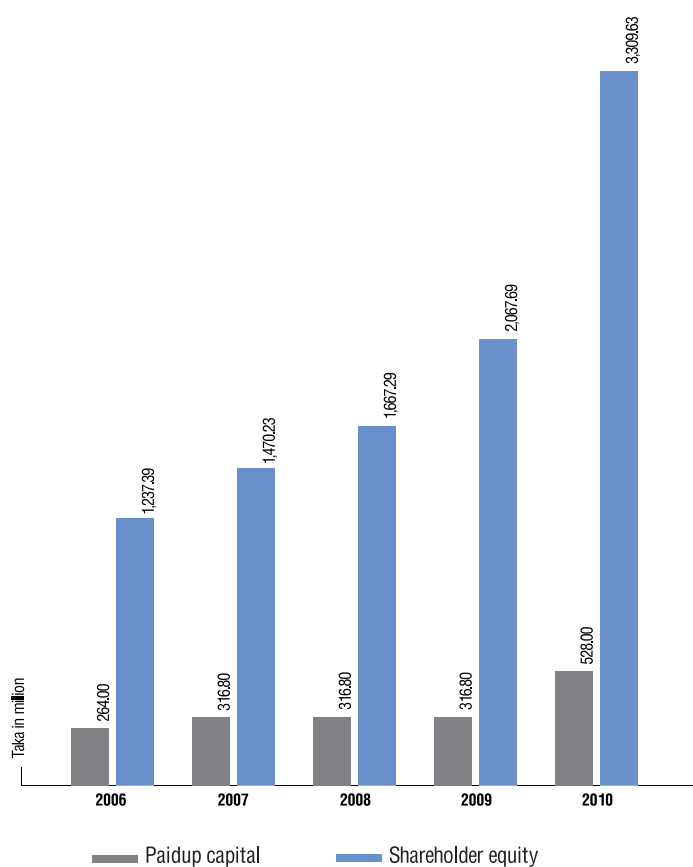
Pattern of shareholding and number of shareholders

Uttara Finance and Investments Limited has been running with strong capital base. As on December 31, 2010 paid up capital of the company is Tk. 528.00 million against its authorized capital Tk. 1,000.00 million and as on that date total number of shareholders is 10,453 which was 2,486 as on December 31, 2009. The shareholding pattern of the company considering the number of shareholders and their shareholding are given below:

Pattern of shareholding and no. of shareholders statement

Holding	Number of holder		% of total holding		No. of Shares		Value of share (@Tk.10 each)	
	2010	2009	2010	2009	2010	2009	2010	2009
Upto 500 shares	7,936	2,212	3.43	6.24	1,808,876	197,536	18,088,760	19,753,600
501-5000 shares	2,229	219	8.09	9.91	4,273,027	313,914	42,730,270	31,391,400
5001-10000 shares	111	19	1.96	4.46	1,036,120	141,156	10,361,200	14,115,600
10001-20000 shares	72	11	2.76	5.46	1,457,240	173,086	14,572,400	17,308,600
20001-30000 shares	24	11	1.49	8.21	784,960	260,114	7,849,600	26,011,400
30001-40000 shares	17	2	1.52	2.32	801,147	73,566	8,011,470	7,356,600
40001-50000 shares	4	1	0.45	1.36	237,107	43,100	2,371,070	4,310,000
50001-100000 shares	21	3	3.48	5.23	1,839,097	165,546	18,390,970	16,554,600
100001-1000000 shares	39	8	76.82	56.81	40,562,426	1,799,982	405,624,260	179,998,200
Over 1000000 shares	-	-	0.00	-	-	-	-	-
Total	10,453	2,486	100.00	100.00	52,800,000	3,168,000	528,000,000	316,800,000

Equity Statistics



Equity Statistics of Uttara Finance and Investments Limited as on December 31

Sl. No.	Particulars	2010	2009	2008	2007	2006
01	Authorized Capital (Taka)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
02	Paid up Capital (Taka)	528,000,000	316,800,000	316,800,000	316,800,000	264,000,000
03	No. of outstanding shares of Tk. 10	52,800,000	31,680,000	31,680,000	31,680,000	26,400,000
04	Shareholders Equity (Taka)	3,309,632,814	2,067,686,453	1,667,296,084	1,470,235,459	1,237,393,598
05	Net Asset Value per share of Tk. 10 (Taka)	62.68	65.27	52.63	46.01	46.87
06	Market Capitalization (million Taka)	20,412.48	6,726.46	2,378.38	2,197.01	1,349.04

Name of the Directors, Sponsors & top 10 shareholders and their shareholdings

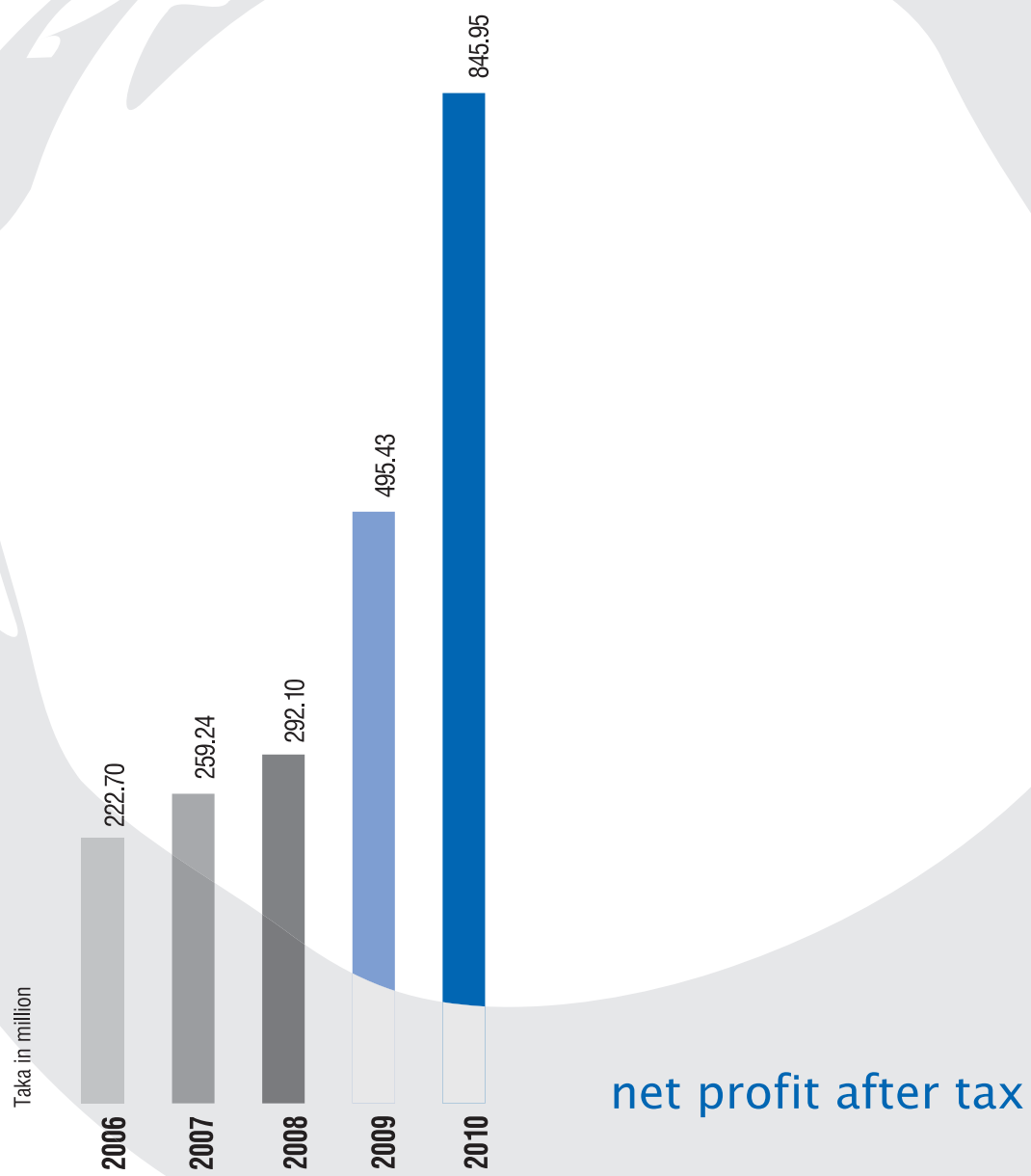
The paid up capital of Uttara Finance and Investments Limited as on December 31, 2010 is Tk. 528.00 million which was Tk. 316.80 million in the year 2009. Out of the total paid up capital the Directors and/or Sponsors shareholding at the end of 2010 was 34.10% as againsts 35.94% of 2009. As per record of the company's share register the top 10 shareholders holding as on December 31, 2010 is 61.12%. Details of Directors and/or Sponsors shareholding and top 10 shareholders shareholding are as given below:

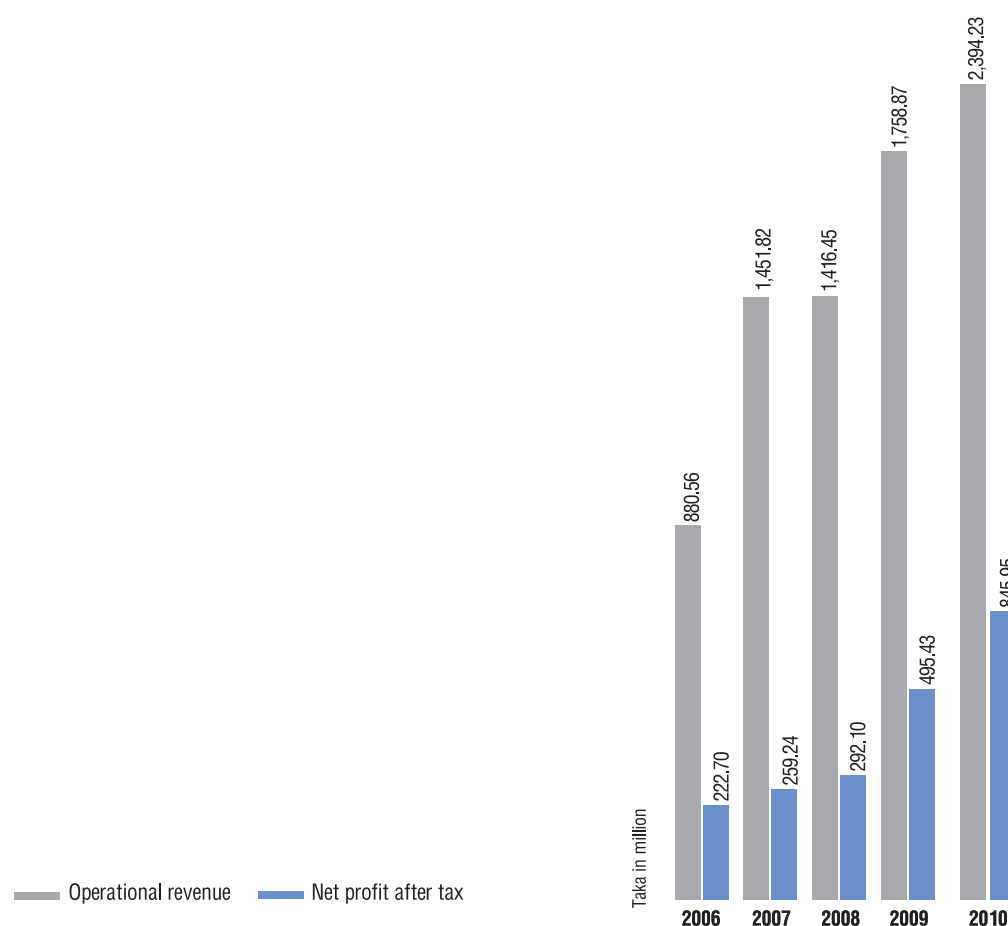
Name of the Directors, Sponsors shareholders & their shareholding as on December 31, 2010

Sl. No.	Name	Position	2010		2009	
			Total No. of Shares	Total Value	Total No. of Shares	Total Value
1	Mr. Rashidul Hasan	Chairman	182,946	1,829,460	14,977	1,497,700
2	Mr. Mujibur Rahman	Nominee Director	827	8,270	50	5,000
3	Mr. A J Masudul Haque Ahmed	Executive Director	27,360	273,600	1,642	164,200
4	Mr. N. G. Chin Keong	Sponsor	2,062,500	20,625,000	165,000	16,500,000
5	Mrs. Chin Keong	Sponsor	2,062,500	20,625,000	165,000	16,500,000
6	Uttara Automobiles Ltd.	Sponsor	4,126,666	41,266,667	237,600	23,760,000
7	Uttara Apparels Ltd.	Sponsor	4,620,000	46,200,000	277,200	27,720,000
8	Uttara Motors Ltd.	Sponsor	2,669,999	26,699,990	145,200	14,520,000
9	Mr. Mehdadur Rahman	Sponsor	439,999	4,399,990	26,400	2,640,000
10	Ms. Zakia Rahman	Sponsor	963,333	9,633,330	52,800	5,280,000
11	Ms. Tahmina Rahman (Tina)	Sponsor	879,999	8,799,990	52,800	5,280,000

Top 10 (ten) shareholders on the basis of share holdings as on December 31, 2010

Sl. No.	Name of the shareholders	2010		2009	
		No of Shares held	% of holdings	No of Shares held	% of holdings
1	Uttara Automobiles Manufac. Limited	6,202,200	11.75	3,721,320	11.75
2	ICB Unit Fund	4,640,616	8.79	3,137,060	9.90
3	Uttara Apparels Limited	4,620,000	8.75	2,772,000	8.75
4	Uttara Automobiles Limited	4,126,667	7.82	2,376,000	7.50
5	Uttara Motors Limited	2,669,999	5.06	1,452,000	4.58
6	ICB	2,160,173	4.09	1,791,440	5.65
7	Mr. N.G Chin Keong	2,062,500	3.91	1,650,000	5.21
8	Mrs. Chin Keong	2,062,500	3.91	1,650,000	5.21
9	Prime Bank Invest Ltd. MSD A/c	1,934,879	3.66	431,000	1.36
10	Uttara Motor Corporation Limited	1,791,666	3.39	nil	nil



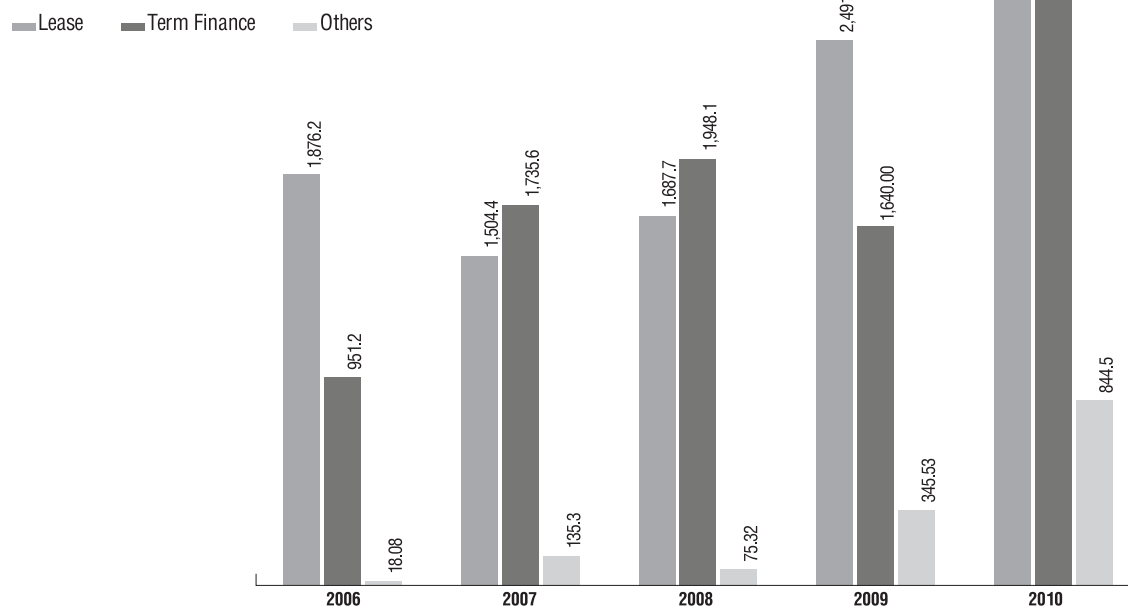


operational revenue and net profit after tax

financial performances

	Unit	2010	2009
Operational revenues	Tk.	2,394,225,926	1,758,874,844
Operational expenses	Tk.	1,348,691,220	1,150,744,137
Profit before provision and tax	Tk.	1,233,584,641	713,261,708
Net Profit after tax	Tk.	845,946,361	495,430,369
Fixed assets	Tk.	177,665,286	162,628,407
Investments in Lease	Tk.	3,827,453,281	3,880,693,452
Investment in term finance	Tk.	5,631,508,897	3,244,704,177
Shareholders' equity	Tk.	3,309,632,814	2,067,686,453
Debt equity ratio	times	2.78	3.73
Financial expenses coverage ratio	times	1.98	1.67
Net asset value per share of Tk. 10	Tk.	62.68	65.27
Earning per share of Tk. 10 each	Tk.	16.02	9.38
Dividend per share	%	40.00	25.00
Return on average equity	%	31.46	26.53

sectorwise business



historical database

	Taka in million					
Unit	2006	2007	2008	2009	2010	
Business performance	2,781.50	3,375.30	3,616.27	3,679.10	5,734.70	
Contract processed	2,827.80	3,414.92	3,711.07	4,487.33	6,845.55	
Cumulative investment	5,986.76	7,546.57	7,376.98	7,878.40	10,247.69	

Financial performances

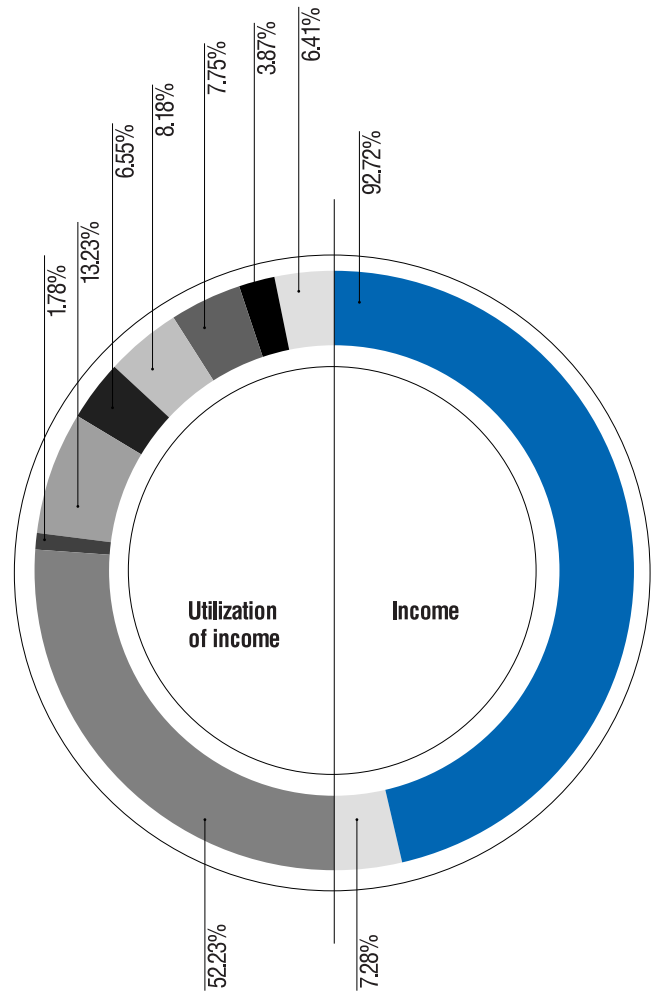
Operational revenues	880.56	1,451.82	1,416.45	1,758.87	2,394.23
Operational expenses	593.61	1,068.41	995.54	1,150.74	1,348.69
Profit before provision and tax	325.52	420.53	501.90	713.26	1,233.58
Net profit after tax	222.70	259.24	292.10	495.43	845.95
Fixed assets	45.08	47.14	47.36	162.63	177.67
Leased assets/Investments in lease	4,597.67	5,105.65	4,554.19	3,880.69	3,827.45
Shareholders' equity	1,237.39	1,470.24	1,667.30	2,067.69	3,309.63

Financial ratios

Debt equity ratio	times	1.87	2.04	3.93	3.73	2.78
Financial expenses coverage ratio	times	1.51	1.40	1.51	1.67	1.98
Net asset value per share of Tk. 10	Taka	46.87	46.01	52.63	65.27	62.68

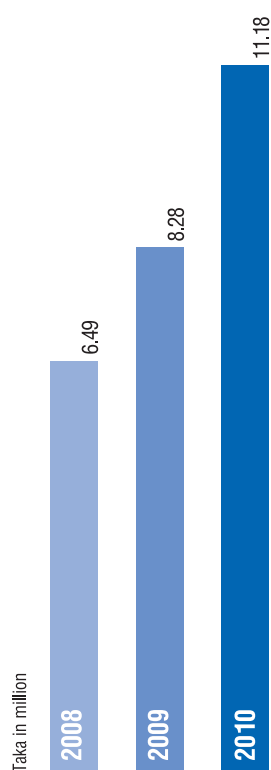
Profitability ratios

Earning per share of Tk. 10	Taka	7.96	8.18	9.22	9.38	16.02
Cash dividend	%	10.00	30.00	30.00	-	-
Stock dividend	%	20.00	-	-	25.00	40.00
Return on average equity	%	23.58	19.15	18.62	26.53	31.46

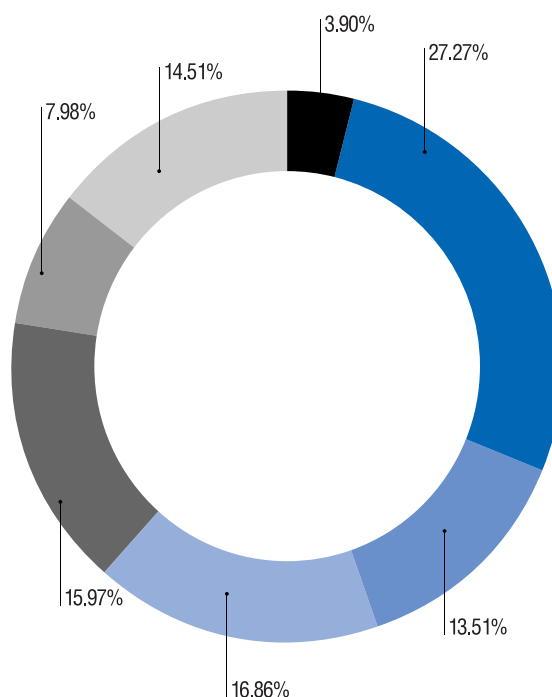


income and utilization thereof-2010

Income	Taka	%
Operational income	2,394,225,926	92.72
Non operational income	188,049,935	7.28
Utilization of income		
Operational expenses	1,348,691,220	52.23
Provision	46,042,519	1.78
Income tax	341,595,761	13.23
Statutory reserve	169,189,272	6.55
Dividend	211,200,000	8.18
General reserve	200,000,000	7.75
Dividend equalization fund	100,000,000	3.87
Retained earnings	165,557,089	6.41



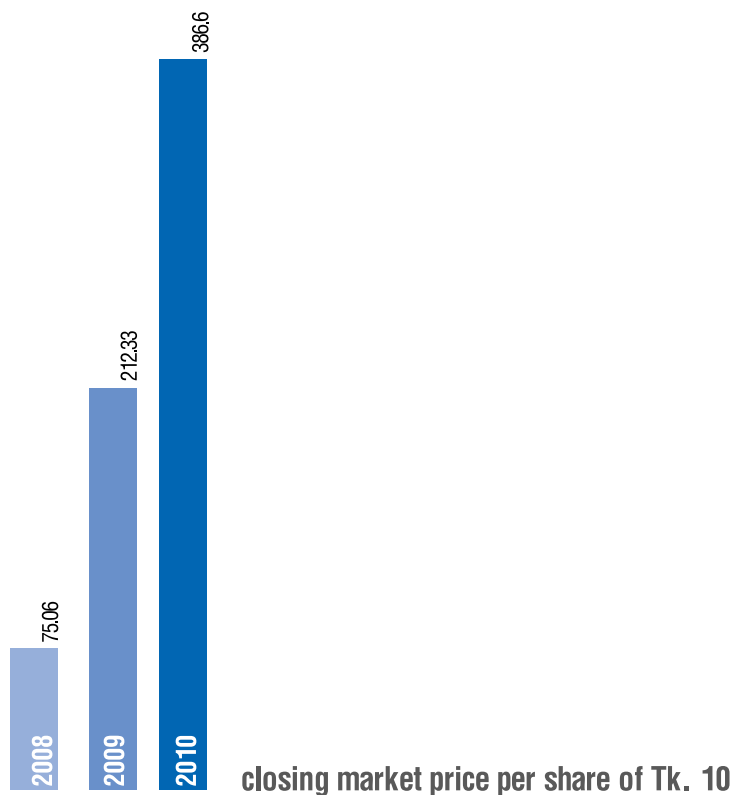
Year wise value added



Distribution of added value

value added statement

	2010		2009	
	Taka	%	Taka	%
Revenues	2,582,275,861		1,864,005,845	
Financial Expenses	1,214,356,058		1,053,825,385	
	1,367,919,803		810,180,460	
Provision	(46,042,519)		(7,831,339)	
Operating expenditure excluding salary, allowances and depreciation	(69,226,875)		(48,218,825)	
	1,252,650,409	100.00	754,130,296	100.00
Distribution of added value				
Salary and Allowances	48,863,018	3.90	43,703,549	5.75
Provision for Tax	341,595,761	27.27	210,000,000	27.66
Statutory Reserve	169,189,272	13.51	99,086,074	13.05
Dividend	211,200,000	16.86	79,200,000	10.43
General Reserve	200,000,000	15.97	200,000,000	26.34
Dividend Equalization Fund	100,000,000	7.98	100,000,000	13.17
Retained Earnings and Depreciation	181,802,358	14.51	27,300,673	3.60
	1,252,650,409	100.00	754,130,296	100.00
No. of Employees	112		91	
Value added per Employee	11,184,379		8,287,146	

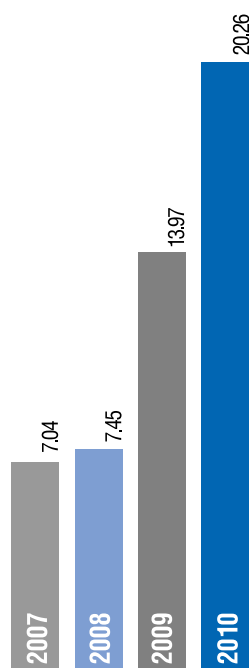


Market value added statement

Market value added is simply the difference between the Market value of fully paid up shares and book value/nominal value of shares. Market Value Added statement reflects company's performances evaluated by the market through market price of shares and therefore it is external evaluation. The acceptance of the company to the investor than other companies of the sector can easily be understood by market value added statement. Different financial factors like earning per share, net asset value, dividend pay out, revenue growth, profit growth etc. and non financial factors like future prospects of products, Board of Directors, number of shares available in the market, government policy for the sector etc. works behind the market value of shares. Investors always expect positive Market Value Added.

The statement of Market Value Added of Uttara Finance and Investments Limited for the year ended December 31, 2010 and 2009 is appended below:

Figures in Taka		
Particulars	2010	2009
Market value of outstanding shares	20,412,480,000	6,726,460,000
Book value of outstanding shares	528,000,000	316,800,000
Market Value Added	19,884,480,000	6,409,660,000
Total no. of outstanding shares of Tk.10	52,800,000	31,680,000
Market value added per share of Tk. 10	376.60	202.33
Market price per share of Tk. 10	386.60	212.33



Percentage of economic value added on capital employed

Economic value added statement

Economic Value Added (EVA) statement is a financial performance indicator that reflects economic achievement of a company for a particular period. It helps the user of the financial statements who required data regarding economic achievement of the company. An investor of the company knowing the EVA can determine how well the company is running and also can compare with its peers. Companies which show higher percentage of positive added value are attractive for the investors of the sector.

Economic Value Added (EVA) is nothing but the surplus amount of profit after tax but before provision less cost of average equity. The mathematical equation of Economic Value Added (EVA) is as given below:

$$\text{EVA} = (\text{Profit after tax} + \text{provision made during the year}) - \text{Cost of average equity}$$

The rate of cost of average equity is the expected risk free return on investment plus risk premium on investment. Bangladesh Government Sanchaya Patra rate is taken as risk free rate and investment risk premium is assumed on the basis of calculated risk.

In the table given hereunder shows the Economic Added Value of Uttara Finance and Investments Limited for the following years ended December 31

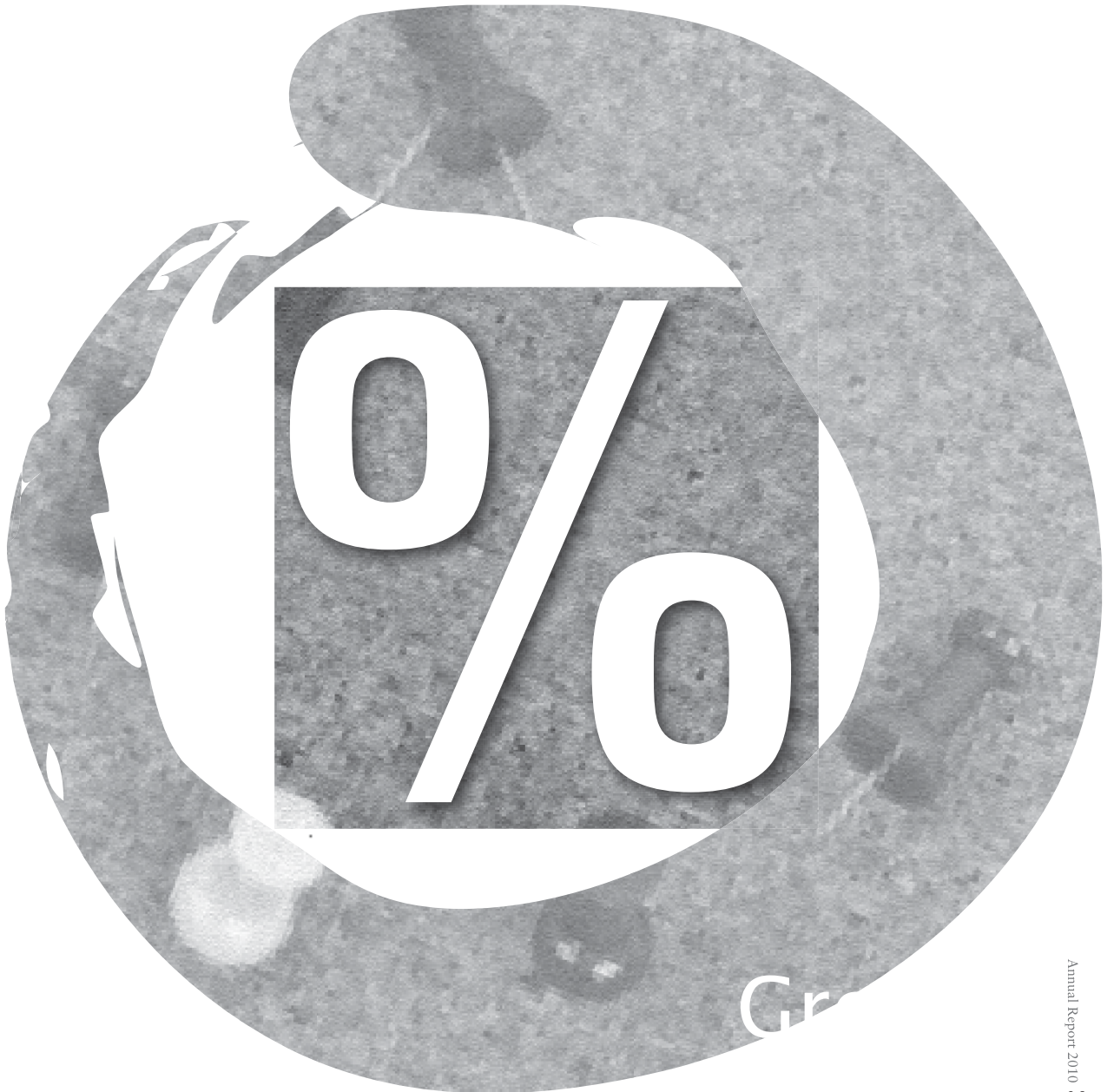
		Amount in Taka			
Sl. No.	Particulars	2010	2009	2008	2007
1	Profit before provision but after tax:				
2	Profit before provision and Tax	1,233,584,641	713,261,708	501,897,614	420,525,672
3	Tax expenses	341,595,761	210,000,000	180,000,000	140,000,000
4	Profit before provision but after tax (4 = 2 - 3)	891,988,880	503,261,708	321,897,614	280,525,672
5	Charges for average capital employed:				
6	Average capital employed (Calculation note no. 1)	2,890,346,702	2,057,066,752	1,744,396,672	1,512,898,661
7	Percentage of cost of average capital employed	10.60%	10.50%	11.00%	11.50%
8	Cost of average capital employed (8 = 6 * 7)	306,376,750	215,992,009	191,883,634	173,983,346
9	Economic value added (9 = 4 - 8)	585,612,130	287,269,699	130,013,980	106,542,326
10	Percentage of EVA on average capital employed	20.26%	13.97%	7.45%	7.04%

Calculation note no. 1

a	Shareholders equity	3,309,632,814	2,067,686,453	1,667,296,084	1,470,235,459
b	Accumulated provision for doubtful accounts and future loss	206,268,799	197,105,337	182,045,629	169,216,171
c	Total capital employed (c = a + b)	3,515,901,613	2,264,791,790	1,849,341,713	1,639,451,630
d	Last year capital employed	2,264,791,790	1,849,341,713	1,639,451,630	1,386,345,692
e	Average capital employed (c + d) / 2	2,890,346,702	2,057,066,752	1,744,396,672	1,512,898,661

Financial highlights as per Bangladesh Bank format

Sl no.	Particulars	2010	2009
1	Paid up capital	528,000,000	316,800,000
2	Total assets	16,066,356,261	12,607,842,802
3	Total deposits	3,886,917,991	3,470,755,501
4	Total loans and advances	9,458,962,178	7,125,397,629
5	Total contingent liabilities and commitments	251,074,000	745,600,000
6	Credit deposit ratio	243.35	205.30
7	Percentage of classified loan against total loans and advances	2.34	3.28
8	Profit after tax and provision	845,946,36	495,430,369
9	Amount of classified loans during the year	182,125,956	214,508,765
10	Provision against classified loan	101,414,756	99,599,983
11	Provision excess/(shortage)	-	-
12	Cost of Fund	10.14%	12.53%
13	Interest earning assets	11,197,516,218	8,442,987,505
14	Non interest earning assets	4,868,840,043	4,164,855,297
15	Return on Investments (ROI)	9.01	5.74
16	Return on Assets (ROA)	5.27	3.13
17	Income from investment	132,762,051	35,953,703
18	Earnings per share	16.02	9.38
19	Net income per share	16.02	9.38
20	Price earning ratio	23.36	22.64



Indicators of Company's different Growth than the previous year i.e. 2009

Profit after tax growth

70.75%

profit after tax for the year 2010- Tk. 845,946,361 & 2009- Tk. 495,430,369

Profit before tax increased

68.34%

profit before tax for the year 2010- Tk. 1,187,542,122 & 2009- Tk. 705,430,369

Profit from MB operation growth

236.13%

profit from MB for the year 2010- Tk. 686,300,063 & 2009- Tk. 204,182,243

Operating revenue growth

36.12%

operating revenue for the year 2010- Tk. 2,394,225,926 & 2009- Tk. 1,758,874,844

Total investment in Lease and TF growth

32.75%

total investment in lease and TF for the year 2010- Tk. 9,458,962,178 & 2009- Tk. 7,125,397,629

Investment in shares growth

9.13%

investment in shares for the year 2010- Tk. 788,729,286 & 2009- Tk. 722,758,871

Shareholders' equity growth

60.06%

shareholders' equity for the year 2010- Tk. 3,309,632,814 & 2009- Tk. 2,067,686,453

Return on asset growth

7.94%

return on asset for the year 2010- 16.75% & 2009- 15.52%

Dividend growth

60.00%

dividend for the year 2010- 40% & 2009- 25%

Share capital growth

66.67%

share capital for the year 2010- Tk. 528,000,000 & 2009- Tk. 316,800,000

Economic value added percentage increase

6.29%

economic value added percentage on capital employed 2010- 20.26% & 2009- 13.97%

Non performing loan ratio improvement

15.09%

non performing loan ratio as on December 31, 2010- 1.92% & 2009- 2.63%

Term deposit received growth

24.57%

term deposit received during the year 2010- Tk. 3,128,946,584 & 2009- Tk. 2,511,648,198

Term deposit growth

12.00%

term deposit balance as on December 31, 2010- Tk. 3,886,917,99, & 2009- Tk. 3,470,755,501

Value added per employee growth

34.96%

value added per employee for the year 2010- Tk. 11,184,379 & 2009- Tk. 8,287,146

Per share earning increased

Tk. 6.64

per share earning for the year 2010- Tk. 16.02 & 2009- Tk. 9.38

Market value added growth

310.23%

market value added during the year 2010- Tk. 19,884,480,000 & 2009- Tk. 6,409,660,000

Debt equity ratio improvement

25.52%

debt equity ratio as on December 31, 2010- 2.78 & 2009- 3.73

Rate of return on average equity increased

4.93%

rate of return of average equity for the year 2010- 31.46% & 2009- 26.53%

Financial expenses coverage ratio increased

18.48%

financial expenses coverage ratio as on December 31, 2010- 1.98 & 2009- 1.67

Lease and TF business targets achievement

120.02%

business targets for the year Tk. 500.00 crore achievement Tk. 600.11 crore

Market value per share increased

82.08%

market value per share as on December 31, 2010- Tk. 386.60 & 2009- Tk. 212.33

Percentage of operational expenses to total revenue improved

9.51%

percentage of operation expenses for the year 2010- 52.23% & 2009- 61.74%

risk management



Risk, the uncertainty and possibility of loss is an integral part of business specially inherent with leasing and financing business due to dealing with financial matters some of which are beyond control called uncontrollable risk. Other type of risk called controllable risk, can never be avoided or mitigated simply because of financial and practical limitations but to minimize by taking steps. Therefore all organizations have to accept some level of residual risks.

Risk management is a practice of systematically selecting cost effective approaches for minimising the effect of threat realization to the organization. Risk management is nothing but taking precautionary measures to minimize both the financial and non-financial risks in a business environment. Risk management proposes applicable control for the observed risks. For leasing and financial business there are five types of risks namely:

- a) Credit Risk
 - Concentration Risk
- b) Market Risk
 - Interest Rate Risk
 - Currency Risk
 - Equity Risk
 - Commodity Risk
- c) Operational Risk
 - Legal Risk
 - Political Risk
- d) Liquidity Risk
 - Refinancing Risk
- e) Business Volume Risk
- f) Reputational Risk
- g) Profit Risk
- h) Information Technology Risk

Leasing business has emerged to fill up the gap between Commercial Banks and Small Enterprises requiring finance mainly for vehicles and machineries and bill discounting. Firms who face difficulties in borrowing from banks because they are considered as risky by the Commercial Banks and the same idea has given the opportunity to invest by NBFIs. The NBFIs found it profitable to borrow from banks and re-invest the same through lease or direct finance.

Commercial Bankers felt the NBFIs undoubtedly used to occupy some of their business. It is also clear that NBFIs still carry out a large volume of useful investments that commercial banks can not operate efficiently. It would therefore make a sense for a bank to lend money to NBFIs at relatively lower rates, enabling them to invest in risky sectors. The NBFIs are facing intense competition from banks since banks compel NBFIs to borrow from them at higher rate of interest.

Banks do not allow long term finance to NBFIs. In absence of market in securitized private asset-based debts and lack of market debt instrument, scope of raising fund for long term financing is very narrow.



The following factors are behind different kind of risk:

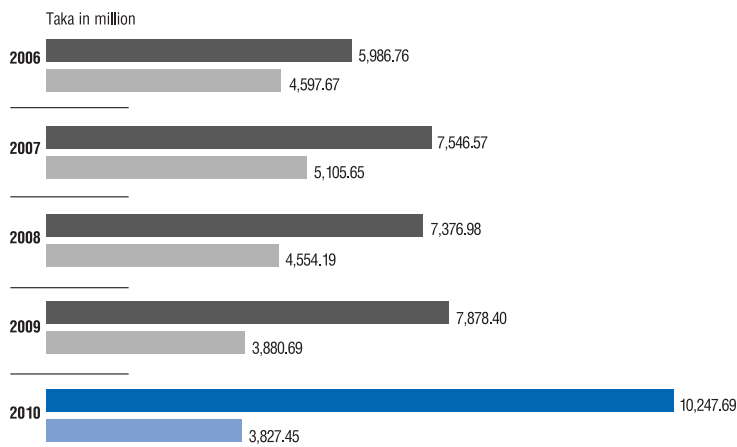
- Difficulty in choosing core business
- Encompasses a blend of banking and non banking services
- Loans and advances either liquid or of questionable quality
- Short term and unstable funding and mismatches in asset liability terms
- High risk of business like transport
- Competition from Commercial Banks
- Lack of ideal capital market
- Poor legal and regulatory frame work
- Market size & participants
- Money market volatility

Uttara Finance and Investment Limited, one of the leading non-banking financial institutions is always concerned about every risk factor mentioned above and even about the political unrest and world economic downtrend. To minimize risks several steps have already been taken and efforts exist on the following subjects.

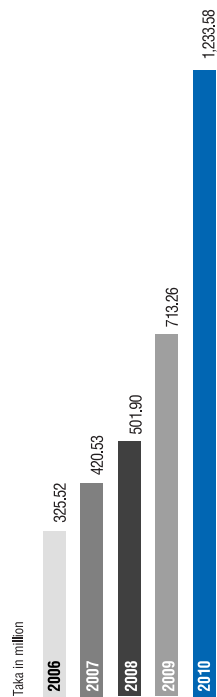
- Portfolio investment management
- Arranging long term loan to avoid the mismatch of short term borrowing and long term loan
- Expert opinion for choosing core business area, financial statement analysis
- Maximum effort for collection within the legal frame work
- Modernization of HR and infrastructure to compete with the leading developed company
- Find-out more business sectors for introduction of new products for future
- Searching low cost but long term financing from local and foreign sources
- Long term business plan
- Taking of steps to avoid undue and unfair competition with other commercial banks
- Risk base pricing
- Securitization
- Business diversification

Uttara Finance in all respect believes that it's risk management strategy proved very fruitful and effective development will be ensured through collective political, financial and economic policies to enable the following conditions to exist;

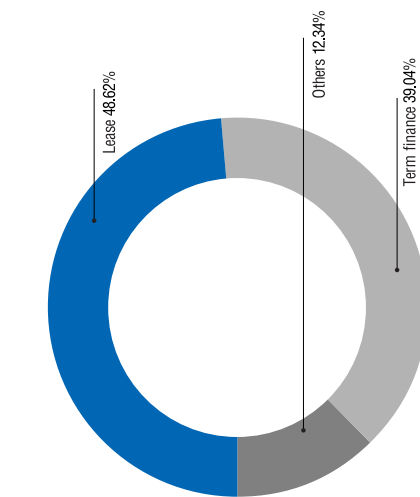
- a) Stable macro-economic environment
- b) Strong political will
- c) Legal frame work in financial discipline
- d) Effective direct and indirect incentives for leasing business and
- e) Ideal capital market & money market



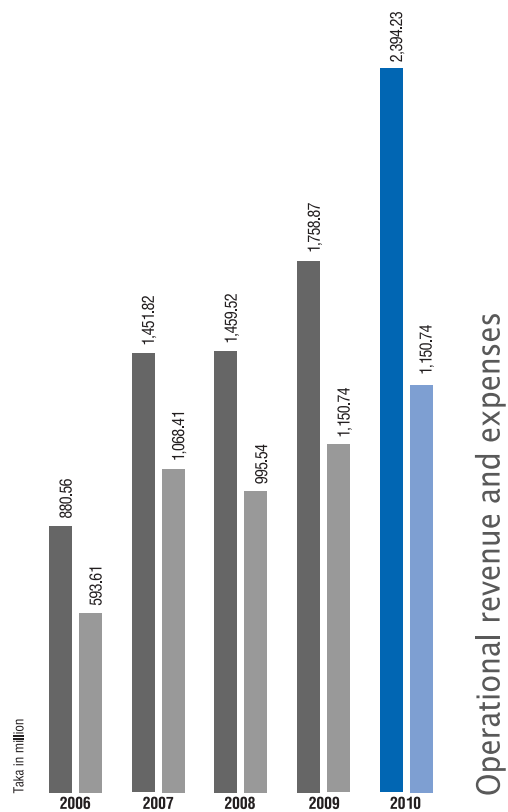
Cumulative investments and lease assets



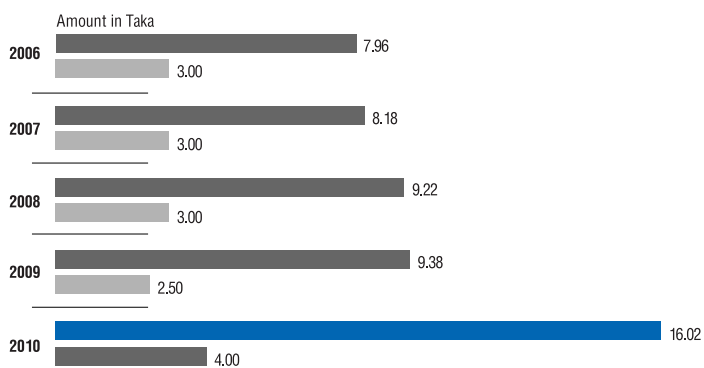
Profit before provision and tax



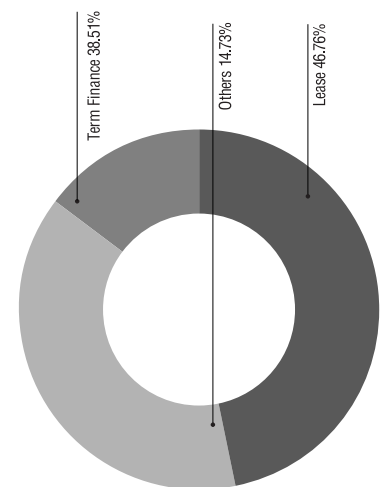
Business contract



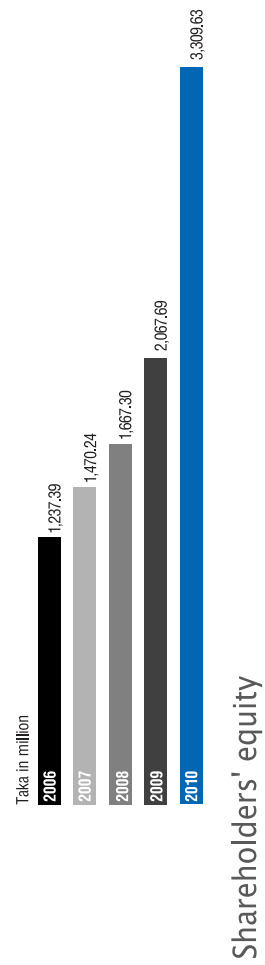
Operational revenue and expenses



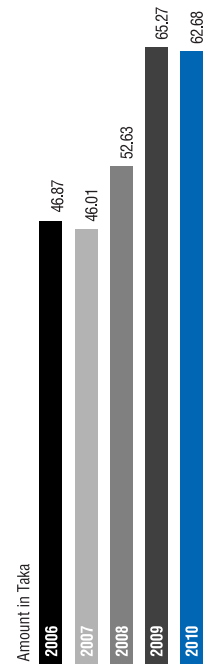
Earning per share and dividend per share of Tk.10



Business disbursement



Shareholders' equity



Net asset value per share of Tk.10



Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum

It is my pleasure to welcome you all to this 16th Annual General Meeting of Uttara Finance and Investments Limited. I would like to take this opportunity to brief you on the events and developments following the close of the financial year in December 2010.

The developments in the first quarter of the year have been rather very rapid with the debacle in the Stock Exchanges leading to a law and order situation, closing down the operation of the Exchanges for a few days and then formation of an enquiry committee headed by Khondoker Ibrahim Khaled, a renowned banker, submission of the report to the Finance Minister followed by accusations and counter accusations. The situation is so fluid that any wise guess is difficult to make. We sincerely hope and pray that the concerned authorities will adopt a cool, calculated and rational approach to help restore and bolster the confidence of the shareholders in the Stock Market.

The Leasing industry as a whole is facing a number of challenges which I had mentioned in my earlier report. A number of representations have been made to regulatory authorities but decisions are still awaited. The association will continue to raise the subjects for due consideration by the authorities till such time those are resolved satisfactorily. The leasing companies are continuously looking for innovative ideas to offer to the clients and also to diversify their activities to overcome stiff competition which has been generated and to increase their profitability.

Your Company took a number of steps to diversify the activities and also open branches of Merchant Banking. One major activity had been portfolio management on behalf of the clients which has been a major success. We do not contemplate such voluminous transactions in the current year in view of the depressed and uneasy situation persisting in the stock markets. We shall however continue to look for opportunities to diversify further and offer more lucrative products to our customers. It is possible to increase our activities by finding out the niche areas which have not yet been tapped.

The asset size of the Company at the end of the year has been Tk. 9,458.96 million which is 32.75 percent higher than that of the last year. The Company has also earned Tk 1,187.54 million as profit before taxes, which is 168.34 percent higher than that of the last year. We will continue to follow a prudent policy of management to ensure not only a fair but a higher return to all the shareholders so that the profits generated can be shared by us all.

The management of the Company has shown a great spirit of competitiveness in generating new ideas and facing the strong competition from other members of the leasing industry. It has been a pleasure to observe all the officers and staff of the Company working in unison to improve the performance of the Company and I would like to congratulate them for their continued good performance under the leadership of the Chief Executive of the Company.

I feel duty bound to convey my sincere thanks to my fellow members of the Board who have been forthcoming with their comments and suggestions in all the meetings and for their generous cooperation and support for the improvement of the Company.

We are grateful to our valued shareholders who have continued to repose confidence in the Company. We on our part would like to convey our sincere appreciation for such confidence and would like to assure them of even better performance in the years to come.

Thank you all for your kind presence and encouragement.

May Almighty Allah's blessings be on you all.



Rashidul Hasan

Chairman



Bismillahir Rahmanir Rahim

Dear Shareholders, our Clients & the great team of Uttara Finance and Investments Limited

Assalamo Alaikum

It has been a significant year for the financial sector on a number of fronts, both externally and internally; externally in terms of changes in the political situation of the country, the rise in inflation responding to the ever-changing economic environment; internally in terms of our ongoing journey to improve the management and efficiency of the company in delivering our core purposes and strategic priorities. The management continues to contribute to that effort in an effective way, utilizing different perspectives and considerable range of expertise to shape the company's priorities and the way it is managed and goes about work.

History will look back on 2010 as a disruptive and challenging year for the world financial system. In spite of all ordeals and challenges from financial sector in Bangladesh showed resilience, benefiting from not having relevant exposure to the so call 'toxic' products, from maintaining prudent risk management policies and also from not having accumulated real estate imbalance which helped country avoid the outcome seen of other part of the world.

During the year 2010, non-banking financial institutions faced challenges like increasing cost of funds, severe market competition and the reforms undertaken by the Government and Regulatory Bodies. Despite all the challenges, the company has attained a significant growth in respect to investments, fund mobilization, revenue, and profitability. I am delighted with the accomplishments and achievements we have had in this year.

Our highly capable and skilled human resources are the greatest assets of the company. We always aim to attract talents and retain them in a congenial working environment which help them to become visionary and to explore all the avenues of opportunities to match the organization's mission and vision with their advancements. We also emphasize on nurturing the expertise of our human resources at the individual and professional level.

We have also delivered a number of growth initiatives that are core parts of our master strategy and these will surely well place us for the future. In 2010, we opened 2(two) new Branches and launched subsidiary Company of our own Merchant Banking Unit in the name of "Uttara Finance Capital Management Limited" and issued Right Share for raising capital. Besides we also worked as Issue Manager for Right Share Programme of Eastern Insurance Co. Ltd. and successfully completed the same.

Our objectives for 2011 are outlined below :

- Achieve return on equity above 25%;
- Maintain NPL ratio below 3%;
- Bring down cost to income ratio substantially;
- Maintain capital base above regulatory requirements;

Offer long-term shareholder value through increases in dividends and stock price appreciation; Gain high levels of employee satisfaction and manage recruitment of talented staff from the industry; Foster new customer acquisition and retain the existing customers by consolidating relationships; employee friendly practices in corporate governance and further develop compliance process; Deliver on corporate social responsibility and ensure strong community involvements;

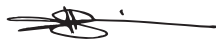
By the Grace of Almighty Allah we had been able to attain all the targets regarding business contract, business disbursement/execution profitability & recovery. Investment increased by Taka 82.20 crore and reached Taka 1024.76 crore. UFIL Capital Adequacy Ratio was 105.60% (Basel-II) at the end of 2010 compared to the ratio of 126.72% (Basel-I) required by the Central Bank and thereby, we have fulfilled the requirements of Basel-II.

Uttara Finance and Investments Limited has a 15-long years history, and each time it has faced challenges in the course of its progress, it has emerged stronger. I am confident that with the same spirit that has guided us throughout our history and the continued commitment of everyone in our organization we will once again overcome the challenges and UFIL will firmly move along a path to profitability for the future.

UFIL has always been a customer centric organization. To accommodate the needs and expectations of our customers, we have added new products to our existing product basket and trying relentlessly to excel in our existing service quality. We are committed and remain confident to meet the expectations of our stakeholders with a group of highly talented work force using state-of-the-art technologies for compliance of the regulatory bodies requirement, continued support for the very successful operation of the Company during the year 2010.

To conclude I wish to express my profound gratefulness to all the members of Board of Directors of Uttara Finance and Investments Limited who have all along extended their all out support through holding a good number of Board meetings and Executive Committee meetings in the year 2010 and also giving me the scope to explain business position of the company from time to time out of the Board and according very effective suggestions / advices to enable me to go with the works smoothly to attain the optimum goal for the Company.

On behalf of the management of the Company, I also express my deepest appreciation and gratitude to our Central Bank i.e. Bangladesh Bank, SEC, DSE, CSE, RJSC, ICB, Shareholders, customers, auditors and all other stakeholders for their continued guidance and support.



S. M. Shamsul Arefin
Managing Director & CEO

report of the board of directors



Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum

On behalf of the Board of Directors of Uttara Finance and Investments Limited I extend to you a hearty welcome to the Annual General Meeting of the Company for the year 2010. I also take this opportunity to present before you the sixteenth Annual Report of the Company along with the Financial Statements and Auditor's Report thereon for the year ended December 31, 2010 for your kind perusal.

Economic Scenario

In the international scene the world economy continued to bleed and it was difficult for the developed nations to tackle the worldwide recession affecting employment, housing, banking and economy as a whole. Billions of dollars had been poured in by governments of the developed economy to contain the recession without having a significant impact. However, it appears that a few economies of the Europe e.g. France and Federal Republic of Germany have managed to come out of the recession and are now well on their way to economic growth. The United States of America, the biggest economy in the world is now showing positive signs of recovery with Banking and Automobile sectors showing profit at the end of the year and also repaying bulk of the bailout fund to the Government. There are signs of growth in the housing sector in many of the states and the unemployment figure which was hovering around 10% is gradually coming down and at the same time the unemployment benefits claim have come down substantially.

Bangladesh was not directly affected but it could not escape the indirect effects of recession. Due to recession in the western world there was a perceptible drop in the orders for readymade garments and woven products which affected the local employment in the first place followed by drop in export earnings. There were loss of jobs in the Middle East, Korea and Singapore due to recession in the western world and a large loss of jobs in the real estate sector, resulting in a lot of migrant workers returning home with uncertain future. Employment opportunities for new workers also appeared very uncertain. There has been a sudden drop in the remittance of foreign exchange by the migrant workers which used to form the bulk of the country's earning.

In spite of the uncertainties surrounding the economic developments in the country the country's overall export performance registered a rise over the past year. It is expected that this rise will continue in the current year also. The other development has created a milestone in the economic sector of the Country. During the financial year 2008-2009, ending June 30 2009 the total remittance by the Bangladeshi's living and working abroad exceeded \$10 billion. This was a significant development in view of the fact that there were loss of jobs and the number of new workers going abroad went down significantly.

Business environment in Bangladesh

The Government of Bangladesh has been trying to successfully complete various development projects which were taken up in the previous years. Some new big development projects had been taken during the year though the implementation of development projects has not been up to the mark. The government has been given its full emphasis to employment generation and for the same Bangladesh Bank is continuing its efforts for more SME financing to the labour intensive industry.

To reduce the poverty of the country which is now more or less 40% of the total population, the Government of Bangladesh has been making outlines of the strategies to achieve a healthy economic growth. The GDP growth of Fiscal year 2009 – 2010 is 5.83% and estimated growth during fiscal year 2010 – 2011 will be 6.70% to reduce the poverty level by 2%. To achieve encouraging GDP rate the Government has to ensure maximum utilization of its ability and resources of the country. Experts from the different segments of the society opine that industrialization is the only way to achieve higher GDP. Shortage of electricity and gas supply, higher rate of bank interest, bureaucratic barriers to have different licence/clearance are the barriers to new investment. Power and energy shortage is the main barrier to have expected level of investment growth. The government has been giving its maximum efforts to encourage private entrepreneurs into renewable energy and designed a power purchase plan at preferential rate to feed back electricity into the national grid known as feed-in tariff (FIT) to solving the power crisis.

Readymade Garments (RMG) sector is the biggest industrial sector in Bangladesh. The main strength of this sector is cheap labour force of the country though the RMG workers have been demanding for increase of their wages to match with the growing cost of living. Bangladesh now is in a good position to have more foreign RMG orders than its neighbors India and Pakistan and even than China. By developing the PR and solving the power problem, labour unrest and also by ensuring lower interest rate of loan Bangladesh can explore its markets to Japan, South Africa, Latin American countries, Australia, New Zealand and China to reach \$ 20 billion RMG export within next three years.

IT is great news for Bangladesh that as per GARTNER's report Bangladesh is one of the top 30 destinations of IT outsourcing. GARTNER, a leading international research and consultancy firm recently reported that due to Government support, cultural compatibility, global and legal maturity, data and intellectual property security and privacy, labour pool, infrastructure, educational system, cost, economic environments etc. Bangladesh is now set on a par with India, China, Philippines, Malaysia, Thailand, Sri Lanka, Indonesia and Vietnam. On the other hand World Bank's Multilateral Investment Guarantee Agency (MIGA) report that Bangladesh is the 27th most favorite destination among the developing countries for Foreign Direct Investment (FDI) where China is in the top and India second.

Operational Performance of Uttara Finance

2010 has been a remarkable year of growth for Uttara Finance where profit before tax has shown a Growth of 68.34% and profit after tax has been 70.75% over last year. Inshallah this trend will be maintained in spite of difficulties presently faced in the leasing and finance sectors and the shareholders will be presented a good result at the end of the year.

Uttara Finance has maintained a steady growth despite some problems and bottlenecks faced during the year. We have been successful in having a clientele with proven record. The sponsors have been forthcoming with innovative ideas and the dedicated, motivated team work of the Management have all contributed to present a profitable result of the year under review. The business growth in 2010 was substantially higher over the figures of 2009. Total business contract and finances processed in 2010 increased to Tk. 600.11 crore as against Tk. 413.18 crore in 2009.

The Management ensured that a healthy balance was maintained in agriculture, import substitution industries, small and medium enterprises, export oriented industries and the real estate sectors. In the process, the company could diversify to a number of sectors essential for national growth.

Financial result

The accounts for the year ended 31 December 2010 have been audited by M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants, a renowned audit firm, for the third year. After thorough scrutiny of all books of accounts and systems they have compiled and certified the figures. The Board states that;

- The Financial Statements prepared by the Management of the Company are fairly presented.
- Proper Books of Accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates have also been made based on reasonable and prudent judgment.
- International Accounting Standards (IAS), as applicable in Bangladesh has been followed in preparation of the financial statements.
- Effectively implemented and monitored internal control system is sound.
- Subject to appliance of various measures regarding going concern the Board has no doubt about the ability of the company to continue its operation in foreseeable future.
- There is no significant deviation in operating results in comparison with last years.

The year end results of 2010 with comparative figures of 2009

Description	2010 Taka	2009 Taka
Operational Revenues	2,394,225,926	1,758,874,844
Operational Expenses	1,348,691,220	1,150,744,137
Profit before Provision and Tax	1,233,584,641	713,261,708
Profit after Tax	845,946,361	495,430,369
Earning Per Share (2009 adjusted)	16.02	9.38

Proposed appropriation of profit

The members of the Board of Directors of Uttara Finance had threadbare discussion on the dividend to be distributed and agreed to declare 40% Stock Dividend (4 share for every 10 shares held) to the Shareholders of the Company. Current year's net profit is now recommended to be appropriated as under

Description	2010 Taka	2009 Taka
Statutory Reserve @ 20 % of net profit	169,189,272	99,086,074
Stock Dividend @ 40% (stock dividend @ 25% - 2009)	211,200,000	79,200,000
General Reserve	200,000,000	200,000,000
Dividend Equalization Fund	100,000,000	100,000,000
Retained Earnings	165,557,089	17,144,295

Dividend

The Company has a strong dividend policy. The Company has been paying remarkable dividend in the last few years. The details of dividend payment amount, payout ratio are given in historical database.

Directors

The Board of Directors of the Company consists of 10 Members including one independent Director. As per Article 62 of the Company one-third of the total number of Directors is to retire by rotation every year. Accordingly, three Directors namely Mr. Mujibur Rahman, Mrs. Zakia Rahman and Mrs. Tahmina Rahman (Tina) retired from their office and being eligible offered themselves for re-election.

Directors' attendance in the Board of Directors meetings

During the year 2010 the Board of Directors met 5 times. Most of the Directors were present in all the meetings. During the year 2010 average presence of the Board Members was 85.45%. The non executive Directors are entitled for meeting attendance fee Tk. 5,000 for attending each meeting. The Company Secretary and Chief Financial Officer were also present in all the meetings. An attendance details of each Director is appended below:

Sl. No.	Name of Directors	Position in the Board	Total Meetings	No. of Meetings Attended
01	Mr. Rashidul Hasan (Alternate Director)	Chairman	5	4
02	Mr. Matiur Rahman (Nominee Director)	Vice Chairman	5	5
03	Mr. Mujibur Rahman (Nominee Director)	Director	5	4
04	Mr. Mehdadur Rahman	Director	5	4
05	Mr. Kazi Imdad Hossain (Nominee Director)	Director	5	5
06	Ms. Zakia Rahman	Director	5	4
07	Ms. Tahmina Rahman (Tina)	Director	5	4
08	Mr. N. G. Chin Keong	Director	5	2
09	Mr. Prithwish Kumer Roy, FCA	Independent Director	5	5
10	Mr. S. M. Shamsul Arefin	Managing Director	5	5
11	Mr. A J Masudul Haque Ahmed	Executive Director	5	5

Directors' attendance in the Executive Committee meetings

During the year 2010 the executive committee met 5 times. Most of the Members of the Committee were present in all the meetings. During the year 2010 average presence of the Executive Committee Members was 74.28%. Members of Committee who are non executive Directors are entitled for meeting attendance fee Tk. 5,000 for attending each meeting. The Company Secretary and Chief Financial Officer were also present in all the meetings. An attendance details of each Director is appended below:

Sl. No.	Name of Directors	Position in the Committee	Total Meetings	No. of Meetings Attended
01	Mr. Mujibur Rahman (Nominee Director)	Director	5	5
02	Mr. Mehdadur Rahman	Director	5	1
03	Mr. Kazi Imdad Hossain (Nominee Director)	Director	5	5
04	Ms. Tahmina Rahman (Tina)	Director	5	1
05	Mr. Prithwish Kumer Roy, FCA	Independent Director	5	4
06	Mr. S. M. Shamsul Arefin	Managing Director	5	5
07	Mr. A J Masudul Haque Ahmed	Executive Director	5	5

Pattern of Shareholdings

Pattern of Shareholdings of Related parties, Directors, CEO, Executives, Head of Internal Audit, Company Secretary & CFO including their spouses and minor children and Shareholders having 10% or more voting interest are given below:

Sl. No.	Name of Shareholders	Status of Shareholder	No. of Shareholding
01	Uttara Motors Limited	Sponsor	26,69,999
02	Uttara Automobiles Limited	Sponsor	41,26,666
03	Uttara Apparels Limited	Sponsor	46,20,000
04	Mr. Rashidul Hasan (Alternate Director)	Chairman	1,82,946
05	Ms. Chin Keong (Represented by Alternate Director)	Sponsor	20,62,500
06	Mr. Matiur Rahman	Nominee Director	83,333
07	Mr. Mujibur Rahman	Nominee Director	1,099
08	Mr. Mehdadur Rahman	Sponsor	4,39,999
09	Mr. Kazi Imdad Hossain	Nominee Director	nil
10	Ms. Zakia Rahman	Sponsor	9,63,333
11	Ms. Tahmina Rahman (Tina)	Sponsor	8,79,999
12	Mr. NG Chin Keong	Sponsor	20,62,500
13	Mr. Prithwish Kumer Roy, FCA	Independent Director	nil
14	Mr. S. M. Shamsul Arefin	CEO	nil
15	Mr. Jakir Hossain, FCA	Company Secretary	620
16	Mr. A J Masudul Haque Ahmed	Executive Director	22,360
17	Mr. Muhammad Abdul Hamid, FCMA	EVP	nil
18	Mr. Anil Chandra Das	EVP	nil
19	Mr. Uttam Kumar Saha	VP	nil
20	Uttara Automobiles Manufacturing Ltd.	10% or above Shareholder	62,02,200

Auditors

M/S Hoda Vasi Chowdhury & Co., Chartered Accountants has carried out the audit of the Company for the year 2010 and has completed three years of audit very creditably. As per requirement of Section 24 of the Banking Companies Act 1993 a new auditor is to be appointed for the year 2011. We have received a number of applications from reputed audit firms expressing their desire to work with the Company. The Board of Directors has considered the applications and has recommended the appointment of M/S S. F. Ahmed & Co., Chartered Accountants, an audit firm of repute to be the Auditor for the year 2011.

Conclusion

On behalf of the Board of Directors and on my own behalf I would like to convey my deep sense of appreciation to all the Shareholders who had taken such keen interest in the affairs of the Company during the year under review. It was indeed a unique experience to receive suggestions and advice on important policy matters of the Company. We are indeed very grateful to each and every one of you for such keen and incisive observation. We sincerely hope that you will continue to advise, support and encourage us similarly in the future for continued progress.

The management team has performed admirably under the policy guidance of the Board of Directors.

I on behalf of the Board wish you all good health, peace and prosperity in the spheres that you are operating.

Your large turnout has been a source of inspiration for us.

On behalf of the Board of Directors


Rashidul Hasan
Chairman

Corporate governance

Corporate governance is the way of direction and control by the management through processes, customs, policies and laws and also relationship among the stakeholders like shareholders, creditors, employees, customers and suppliers to achieve the goals for which the organization is governed. An organization is a legal entity created by law that defines the existence of its own. Corporate governance disclosure mainly related with five broad categories namely:

- Auditing
- Board and management structure and process
- Corporate responsibility and compliance
- Financial transparency and information disclosure
- Ownership structure and exercise of control rights

Principles and codes of corporate governance have been developed and issued from regulatory bodies with the support of governments. Weaknesses of the institutions are highlighted in absence of corporate governance mechanisms.

Securities and Exchange Commission vide its Notification no. SEC/CMMRRCD/2006-158/Admin/02-08 dated February 20, 2006 and thereafter Bangladesh Bank vide DFIM Circular no. 7 dated September 25, 2007 have issued guidance for corporate governance practice. Uttara Finance and Investments Limited has been operating its activities with full compliance of SEC notification and Bangladesh Bank circular. The compliance status of SEC notification and Bangladesh Bank circular is given hereafter under 'Annexure - I' and 'Annexure - II' respectively.

Annexure-I

Status of Compliance with the conditions imposed by the Commission notification no. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under condition no. 5.00)

Condition No.	Title	Compliance Status (put ✓ in the appropriate column)		Explanation for non compliance
1.1	Board size	✓		
1.2(i)	Independent Directors	✓		
1.2(ii)	Independent Directors Appointment	✓		
1.3	Chairman and Chief Executive	✓		
1.4(a)	Directors Report on Financial Statements	✓		
1.4(b)	Books of Accounts	✓		
1.4(c)	Accounting Policies	✓		
1.4(d)	IAS Applicable in Bangladesh	✓		
1.4(e)	System of Internal Control	✓		
1.4(f)	Going Concern	✓		
1.4(g)	Deviations in Operating Results	✓		
1.4(h)	Key Operating and Financial Data	✓		
1.4(i)	Declaration of Dividend	✓		
1.4(j)	Number of Board Meetings	✓		
1.4(k)	Pattern of Shareholdings	✓		
2.1	CFO, Head of Internal Audit & Company Secretary Appointment	✓		
2.2	Board Meeting Attendance	✓		
3.0	Audit Committee	✓		
3.1(i)	Composition of Audit Committee	✓		
3.1(ii)	Audit Committee Members Appointment	✓		
3.1(iii)	Expiry of Terms of Service of Audit Committee	✓		
3.2(i)	Chairman of Audit Committee	✓		
3.2(ii)	Audit Committee Chairman's Qualification	✓		
3.3.1(i)	Reporting to the Board of Directors	✓		
3.3.1(ii)(a)	Report of Conflict of Interest	✓		
3.3.1(ii)(b)	Defect in the Internal Control System	✓		
3.3.1(ii)(c)	Suspected Infringement of Laws	✓		
3.3.1(ii)(d)	Any other Matter	✓		
3.3.2	Reporting to the Authorities	✓		
3.4	Reporting to the Shareholders	✓		
4.00(i)	Appraisal or Valuation Services	✓		
4.00(ii)	Financial Information System	✓		
4.00(iii)	Book Keeping or Other Services	✓		
4.00(iv)	Broker Dealer Services	✓		
4.00(v)	Actuarial Services	✓		
4.00(vi)	Internal Audit Services	✓		
4.00(vii)	Any Other Services	✓		

Annexure – II

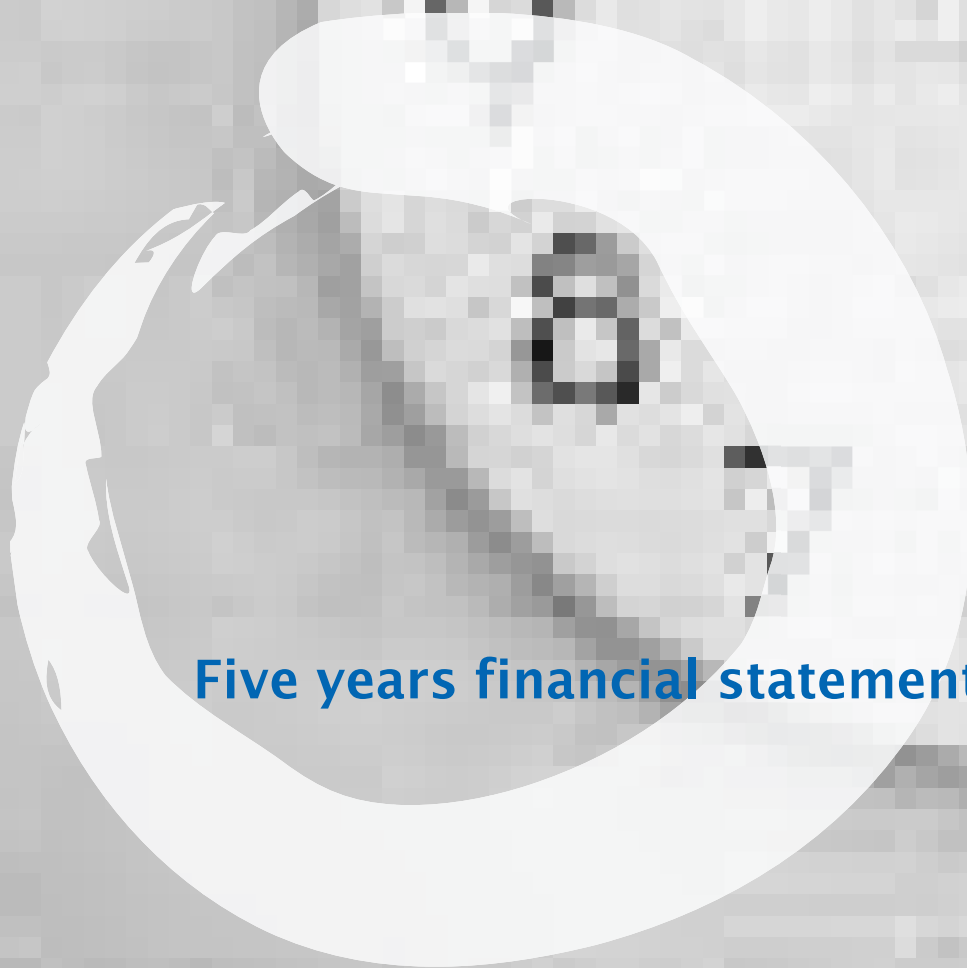
Compliance report on good governance guideline issued by Bangladesh Bank

For good governance Bangladesh Bank vide DFIM Circular no. 7 dated September 25, 2007 issued guidelines for financial institutions. Uttara Finance and Investments Limited has taken necessary steps in compliance of the guidelines. A compliance report on said guidelines is given below.

Sl. No.	Particulars	Compliance
1.	a. Responsibility and Scope of Directors:	
	i. Vision /mission will be set by directors. For expanding business and for achieving quality and efficiency directors will set goals and will set tactics and plan for achieving the goals. They will change, modify even deduct the tactics and plan in specific interval. But for any change or replacement of organization it is necessary to discuss with management.	Complied
	ii. For future success, Directors will make analysis of success/failure and will include this comparative analysis in the annual report. Based on this they will set future activities and tactics and will inform it to shareholders in AGM.	Complied
	iii. Directors will determine key performance indicators of Chief Executor and other employees of higher level and will evaluate it in 6 month interval.	Complied
	b. Establishment of Associated Committee:	
	For taking urgent decision executive committee can be established jointly by directors and management. But there will not be any alternative directors in such kind of committee.	Complied
	c. Financial Management:	
	i. According to Director's own decision, the annual budget and related report will be finalized.	Complied
	ii. Different related statements – income-expenditure, loan/lease statement, liquidity management, adequacy of capital, preservation of provision, law related works and directors will judge steps that will be taken if default occurs in collecting loan/lease.	Complied
	iii. The rules of purchase and procurement will be determined by Directors and based on this, they will determine the expenditure. For contraction of budget within different scope, the execution power of expenditure will be vested on Directors & related higher authority.	Complied
	iv. The execution of bank account will be determined by Director. For transparency a group will be formed based on combined effort of Director and management and they will execute the account according to their joint signature.	Complied
	d. Loan/Lease/Investment Management:	
	i. According to Directors discretion, the evaluation of the proposal of loan/lease/investment, disbursement of loan/lease/investment, regular collection and monitoring related rules will be set. Director will distribute this power efficiently and distribution of similar power will be held upon Chief Executor and concerned employees.	Complied
	ii. No Director will interfere directly or indirectly in granting loan; especially in times of related party transaction they will not give any opinion.	Complied
	iii. Director will give decision about syndicated loan/lease/investment.	Complied

Sl. No.	Particulars	Compliance
	e. Risk Management:	
	Risk Management Guideline based on “Core Risk Management Guideline” will be permitted and checked by the audit committee.	Complied
	f. Internal Audit & Compliance Management:	
	For achieving quality and efficiency and to establish internal control as well as compliance, a regular audit committee to build up and will be permitted by the board. Internal audit report, External report and BB inspection report will be submitted to the board through Audit Committee.	Complied
	g. Human Resource Management:	
	Principles & Service Rule regarding Human Resource Management of financial institution (Such as: Appointment, promotion, training, transfer, discipline, punishment system etc.) would be approved by the board. As per service rule, the board of directors cannot be involved in case of the appointment, promotion, transfer and punishment etc. The board can only involve based on service rule in the recruitment, provision of Managing Director, Deputy Managing Director and GM or Equivalent position to GM. No one of the board directors can involve in the selection committee of other personnel of the organization appointment and promotion except the above.	Complied
	h. Appointment of CEO & MD and his remuneration as well as increasing allowance:	
	An efficient CEO will be recruited and his remuneration & increase of allowances will be approved by board through permitted by Bangladesh Bank.	Complied
	i. Various facilities provided to the Chairman:	
	An office room, P.A, a telephone and vehicle facilities can be provided to the chairman for the interest of the company. Thus, the board will be approved regarding this.	Complied
2.	Responsibilities and Scope of Chairman:	
	i. As the chairman of the board would not taken the executive capacity so he can not involve the administrative and operational activities.	Complied
	ii. The chairman will sign and approved the minutes of board meeting.	Complied
	iii. Appointing CEO and the increase of allowances approval related activities and papers will be signed by chairman.	Complied

Sl. No.	Particulars	Compliance
3.	Responsibilities and Scope of CEO:	
i.	The CEO will perform the responsibilities regarding financial, business and administrative. The CEO will report to the board for achieving the goal of business and to enhance of business through business plan and implementation of the plan.	Complied
ii.	He will ensure that the Financial Institution act.1993 and its related circular, rules & regulation will comply duly in the daily activities of the financial institution.	Complied
iii.	All employees' appointment and promotion except DMD and GM or equivalent position will be decided by the CEO. Thus, approval of the board of written HR policy and service rule must be followed.	Complied
iv.	The activities and job responsibilities of the employees will be restructured.	Complied
v.	All employees' transfer and punishment except DMD and GM or equivalent to GM' will be controlled by the CEO.	Complied
vi.	He will sign all papers and report which is sent to BB.	Complied



Five years financial statements at a glance

Balance Sheet as on 31 December

	2008 Taka	2007 Taka	2006 Taka	2005 Taka	2004 Taka
SOURCE OF FUND					
Shareholders' equity	1,667,296,084	1,470,235,459	1,237,393,598	651,693,192	478,957,144
Share capital	316,800,000	316,800,000	264,000,000	132,000,000	120,000,000
Share premium	264,000,000	264,000,000	264,000,000	-	-
General reserve	300,000,000	250,000,000	200,000,000	150,000,000	100,000,000
Statutory reserve	297,338,642	238,918,517	187,070,145	142,530,064	104,382,854
Proposed dividend	95,040,000	95,040,000	79,200,000	33,000,000	30,000,000
Retained earnings	394,117,442	305,476,942	243,123,453	194,163,128	124,574,290
Term liabilities-net of current maturity	3,408,625,676	3,033,421,401	2,393,955,988	1,986,447,092	1,407,710,519
Loan from financial institutions - non-current portion	1,692,292,895	1,681,581,514	1,244,143,653	1,077,434,683	677,997,969
Loan from Bangladesh Bank under CBSF scheme - non current portion	1,259,986	15,776,665	29,236,458	-	-
Refinance from Bangladesh Bank	383,208,873	363,079,501	290,226,667	125,564,000	88,735,000
Coupon bonds	300,000,000	300,000,000	300,000,000	-	-
Promissory notes - non current portion	998,968,517	633,480,629	444,545,455	720,807,928	604,348,246
Advance lease rentals - non-current portion	32,895,405	39,503,092	85,803,755	62,640,481	36,629,304
Deferred tax liability	-	172,261,619	172,261,619	122,261,619	-
Interest suspense account	67,936,353	76,911,638	76,138,445	32,706,872	28,117,744
	5,143,858,113	4,752,830,117	3,879,749,650	2,793,108,775	1,914,785,407

	2008 Taka	2007 Taka	2006 Taka	2005 Taka	2004 Taka
APPLICATION OF FUND					
Intangible assets	1,200,000	1,700,000	1,200,000	-	-
Fixed assets - at cost less accumulated depreciation	47,355,119	45,441,611	45,081,446	25,663,815	22,483,611
Investment in leases	2,885,905,453	2,068,229,713	2,357,970,378	1,550,757,940	1,094,342,210
Investment in leases-non-current portion	2,844,642,660	2,125,308,354	1,852,435,100	1,083,313,891	813,984,209
Advance against leased assets	158,211,570	45,721,275	612,833,919	533,124,325	319,635,073
Provision for classified accounts	(116,948,777)	(102,799,916)	(107,298,641)	(65,680,276)	(39,277,072)
Zero coupon bond expenses	7,000,000	-	-	-	-
Right issue expenses	-	5,079,836	7,619,753	1,887,540	-
Investment in term finance	1,458,792,666	802,270,610	909,006,975	772,589,142	439,619,690
Term finance-non-current portion	1,523,889,518	868,686,865	950,660,428	801,270,612	461,360,359
Provision for classified accounts	(65,096,852)	(66,416,255)	(41,653,453)	(28,681,470)	(21,740,669)
Current assets	5,447,522,277	6,102,599,649	3,664,657,006	2,512,755,792	2,057,604,719
Term finance - current maturity	1,292,411,591	1,328,364,818	438,427,200	312,089,989	266,963,693
Investment in leases - current maturity	2,857,864,666	2,680,157,033	1,934,421,690	1,159,136,426	844,145,980
Receivable from lessees	285,956,179	254,467,063	197,978,155	167,285,812	131,058,697
Investment in merchant banking unit	499,353,043	220,073,586	-	-	-
Investment in shares and bonds	45,490,879	23,791,410	139,130,606	157,973,387	89,551,284
Advances, deposits, pre-payments and other receivables	397,528,928	850,759,399	538,156,635	225,122,407	161,627,677
Cash and cash equivalents	68,916,991	744,986,340	416,542,720	491,147,771	564,257,388
Current liabilities	4,703,917,402	4,272,491,302	3,105,785,908	2,070,545,454	1,699,264,823
Loan from financial institutions - current maturity	1,609,589,647	1,188,721,749	874,615,102	607,154,850	250,676,847
Loan from BB under CBSF scheme - current maturity	14,516,679	13,459,793	12,479,852	-	-
Promissory notes - current maturity	2,255,157,809	2,455,727,967	2,019,399,857	1,173,228,847	981,657,880
Advance lease rentals - current maturity	8,713,632	2,435,442	4,510,155	3,370,722	21,042,742
Provision for taxation	492,261,619	140,000,000	-	-	94,261,619
Accrued and other liabilities	223,678,016	282,146,351	144,780,942	236,791,035	166,625,735
Bank overdraft	100,000,000	190,000,000	50,000,000	50,000,000	185,000,000
Net current assets	743,604,875	1,830,108,347	558,871,098	442,210,338	358,339,896
Net assets	5,143,858,113	4,752,830,117	3,879,749,650	2,793,108,775	1,914,785,407

Profit and Loss Statement for the years ended 31 December

	2008 Taka	2007 Taka	2006 Taka	2005 Taka	2004 Taka
Operational revenues	1,384,196,591	1,316,519,084	862,483,006	637,404,141	433,893,142
Lease income earned	998,097,954	1,035,498,770	634,980,503	441,381,704	348,979,897
Interest on term finance	326,985,113	217,557,513	154,283,602	128,180,725	71,289,758
Loss on disposal of leased assets	(38,000)	(800,205)	(22,745)	(2,706,561)	(6,937,694)
Other revenues	59,151,524	64,263,006	73,241,646	70,548,273	20,561,181
Operational expenses	952,230,301	1,034,972,724	593,090,896	423,234,797	314,920,461
Financial expenses	882,034,400	973,089,443	539,406,019	387,157,263	284,352,533
Management and establishment expenses	70,195,901	61,883,281	53,684,877	36,077,534	30,567,928
Operating profit from leasing and financing operations	431,966,290	281,546,360	269,392,110	214,169,344	118,972,681
Income from Merchant Banking Operations	32,581,213	102,097,805	17,552,586	22,394,160	48,937,706
Income from operations	464,547,503	383,644,165	286,944,696	236,563,504	167,910,387
Non-operational income	37,350,111	36,881,507	38,575,638	31,697,155	45,040,216
Interest on deposits	21,305,399	36,881,507	38,575,638	31,602,738	44,678,317
Miscellaneous income	16,044,712	-	-	94,417	361,899
Profit before provision and tax	501,897,614	420,525,672	325,520,334	268,260,659	212,950,603
Provision for Classified assets	29,796,989	21,283,811	52,819,928	49,524,611	16,305,287
Leased assets	14,148,861	(4,498,725)	41,618,365	26,403,204	9,026,606
Investment in shares	16,967,531	1,019,734	(1,770,420)	16,180,606	-
Term finance	(1,319,403)	24,762,802	12,971,983	6,940,801	7,278,681
Net profit before tax	472,100,625	399,241,861	272,700,406	218,736,048	196,645,316
Provision for taxation	180,000,000	140,000,000	50,000,000	28,000,000	38,236,619
Current	180,000,000	140,000,000	-	13,000,000	35,236,619
Deferred	-	-	50,000,000	15,000,000	-
Dividend distribution tax	-	-	-	-	3,000,000
Net profit after tax	292,100,625	259,241,861	222,700,406	190,736,048	158,408,697
Retained earnings, brought forward	305,476,942	243,123,453	194,163,128	124,574,290	77,847,332
	597,577,567	502,365,314	416,863,534	315,310,338	236,256,029
Appropriations					
Statutory reserve	58,420,125	51,848,372	44,540,081	38,147,210	31,681,739
General reserve	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Proposed dividend					
Cash	95,040,000	95,040,000	26,400,000	33,000,000	18,000,000
Stock	-	-	52,800,000	-	12,000,000
Retained earnings, carried forward	394,117,442	305,476,942	243,123,453	194,163,128	124,574,290
	597,577,567	502,365,314	416,863,534	315,310,338	236,256,029
Earnings per share of Taka 100 each	92.20	81.83	79.62	144.50	132.01
Proposed dividend %					
Cash	30	30	10	25	15
Stock	-	-	20	-	10

Profit and Loss Statement of Merchant Banking Operations for the years ended 31 December

	2008 Taka	2007 Taka	2006 Taka	2005 Taka	2004 Taka
Operational revenue	75,318,957	135,299,189	18,075,006	22,744,860	49,309,208
Profit on sale of shares	33,958,877	116,061,527	8,167,814	14,641,777	42,662,106
Dividend income	1,622,363	11,401,454	9,907,192	8,103,083	6,647,102
Interest on loan to investors	26,535,236	5,335,414	-	-	-
Portfolio management fees	12,895,481	2,343,294	-	-	-
Documentation fees	102,500	97,500	-	-	-
Underwriting commission	204,500	60,000	-	-	-
Operational expenses-	43,309,568	33,434,414	522,420	350,700	371,502
Financial expenses	40,826,431	32,263,387	522,420	-	-
Management expenses	2,483,137	1,171,027	-	350,700	371,502
Profit from operations	32,009,389	101,864,775	17,552,586	22,394,160	48,937,706
Non-operating income-					
Interest on deposits	571,824	233,030	-	-	-
Net profit transferred to					
Profit and Loss Statement					
(Main operations)	32,581,213	102,097,805	17,552,586	22,394,160	48,937,706

Statement of Changes in Shareholders' Equity

Amount in Taka

Particulars	Share capital	Share premium	Statutory reserve	Proposed dividend	General reserve	Retained earnings	Total
2008							
Balance at 01 Jan 2008	316,800,000	264,000,000	238,918,517	95,040,000	250,000,000	305,476,942	1,470,235,459
Proposed dividend for 2007	-	-	-	(95,040,000)	-	-	(95,040,000)
Proposed dividend for 2008	-	-	-	95,040,000	-	(95,040,000)	-
Net profit for the year 2008	-	-	-	-	-	292,100,625	292,100,625
Transfer to statutory reserve	-	-	58,420,125	-	-	(58,420,125)	-
Transfer to general reserve	-	-	-	-	50,000,000	(50,000,000)	-
Balance at 31 Dec 2008	316,800,000	264,000,000	297,338,642	95,040,000	300,000,000	394,117,442	1,667,296,084
2007							
Balance at 01 Jan 2007	264,000,000	264,000,000	187,070,145	79,200,000	200,000,000	243,123,453	1,237,393,598
Net profit for the year 2007	-	-	-	-	-	259,241,861	259,241,861
Cash dividend for 2006	-	-	-	(26,400,000)	-	-	(26,400,000)
Stock dividend for 2006	52,800,000	-	-	(52,800,000)	-	-	-
Cash dividend for 2007	-	-	-	95,040,000	-	(95,040,000)	-
Transfer to statutory reserve	-	-	51,848,372	-	-	(51,848,372)	-
Transfer to general reserve	-	-	-	-	50,000,000	(50,000,000)	-
Balance at 31 Dec 2007	316,800,000	264,000,000	238,918,517	95,040,000	250,000,000	305,476,942	1,470,235,459
2006							
Balance at 01 Jan 2006	132,000,000	-	142,530,064	33,000,000	150,000,000	194,163,128	651,693,192
Cash dividend for 2005	-	-	-	(33,000,000)	-	-	(33,000,000)
Net profit for the year 2006	-	-	-	-	-	222,700,406	222,700,406
Cash dividend for 2006	-	-	-	26,400,000	-	(26,400,000)	-
Stock dividend of 2006	-	-	-	52,800,000	-	(52,800,000)	-
Transfer to statutory reserve	-	-	44,540,081	-	-	(44,540,081)	-
Transfer to general reserve	-	-	-	-	50,000,000	(50,000,000)	-
Right share issue	132,000,000	264,000,000	-	-	-	-	396,000,000
Balance at 31 Dec 2006	264,000,000	264,000,000	187,070,145	79,200,000	200,000,000	243,123,453	1,237,393,598
2005							
Balance at 01 Jan 2005	120,000,000	-	104,382,854	30,000,000	100,000,000	124,574,290	478,957,144
Proposed dividend for 2004	-	-	-	(30,000,000)	-	-	(30,000,000)
Stock dividend of 2004	12,000,000	-	-	-	-	-	12,000,000
Proposed dividend for 2005	-	-	-	33,000,000	-	(33,000,000)	-
Net profit for the year 2005	-	-	-	-	-	190,736,048	190,736,048
Transfer to statutory reserve	-	-	38,147,210	-	-	(38,147,210)	-
Transfer to general reserve	-	-	-	-	50,000,000	(50,000,000)	-
Balance at 31 Dec 2005	132,000,000	-	142,530,064	33,000,000	150,000,000	194,163,128	651,693,192
2004							
Balance at 01 Jan 2004	120,000,000	-	72,701,115	30,000,000	50,000,000	77,847,332	350,548,447
Proposed dividend for 2003	-	-	-	(30,000,000)	-	-	(30,000,000)
Proposed dividend for 2004	-	-	-	30,000,000	-	(30,000,000)	-
Net profit for the year 2004	-	-	-	-	-	158,408,697	158,408,697
Transfer to statutory reserve	-	-	31,681,739	-	-	(31,681,739)	-
Transfer to general reserve	-	-	-	-	50,000,000	(50,000,000)	-
Balance at 31 Dec 2004	120,000,000	-	104,382,854	30,000,000	100,000,000	124,574,290	478,957,144

Cash Flow Statement for the years ended 31 December

Cash flow from operating activities

	2008 Taka	2007 Taka	2006 Taka	2005 Taka	2004 Taka
Collection of lease rental and other operational income	1,352,707,475	1,265,523,089	888,441,307	603,883,587	262,752,086
Payment for operational expenses	(434,994,604)	(762,506,008)	(526,702,915)	(410,001,051)	(51,303,312)
Payment of income tax	(35,144,476)	(4,096,884)	(23,221,241)	(11,999,061)	(19,109,296)
Payments of dividend	(86,269,514)	(25,021,152)	(37,214,947)	(14,127,593)	(20,798,300)
Net cash flow from operating activities	796,298,881	473,899,045	301,302,204	167,755,882	171,541,178

Cash flow from investing activities

Acquisition of leased assets	(947,011,498)	(1,602,761,930)	(2,001,432,094)	(599,894,180)	(680,704,994)
Advance against leased assets	(112,490,295)	567,112,644	(79,709,594)	(213,489,252)	(232,847,637)
Investment in term finance	(1,863,126,833)	(1,934,225,200)	(713,065,790)	(777,557,556)	(467,333,025)
Investment in shares and bonds	(40,960,842)	99,654,196	(7,644,527)	(98,391,982)	(97,186,470)
Investment in merchant banking	(279,279,457)	(220,073,586)	-	-	-
Sale of shares and bonds	19,261,373	248,861,232	44,050,202	43,722,112	68,985,861
Acquisition of fixed assets	(5,595,307)	(4,012,214)	(23,950,720)	(4,651,835)	(1,258,611)
Disposal of leased assets	120,131	52,495,872	37,747,063	87,930,821	242,603,761
Collection from term finance	1,243,877,407	1,126,261,145	437,338,763	392,521,007	131,304,556
Net cash used in investing activities	(1,985,205,321)	(1,666,687,841)	(2,306,666,697)	(1,169,810,865)	(1,036,436,559)

Cash flow from financing activities

Issue of shares	-	52,800,000	132,000,000	12,000,000	-
Share premium	-	-	264,000,000	-	-
Term loans	438,248,858	751,544,508	640,548,199	732,853,714	456,571,533
Issue of coupon bond	-	-	300,000,000	-	-
Advance lease rentals	(329,497)	(48,375,376)	24,302,706	11,061,003	-
Promissory notes	164,917,730	625,263,284	569,908,537	308,030,649	481,603,339
Bank overdraft	(90,000,000)	140,000,000	-	(135,000,000)	185,000,000
Call money	-	-	-	-	(20,000,000)
Net cash from financing activities	512,837,091	1,521,232,416	1,930,759,442	928,945,366	1,103,174,872

Net increase/(decrease) in cash

and cash equivalents	(676,069,349)	328,443,620	(74,605,051)	(73,109,617)	238,279,491
Opening cash and cash equivalents	744,986,340	416,542,720	491,147,771	564,257,388	325,977,897
Closing cash and cash equivalents	68,916,991	744,986,340	416,542,720	491,147,771	564,257,388

major activities



Board of Directors meeting





Board of Directors meeting





Executive Committee meeting





15th AGM 2010



Board of Directors in the 15th AGM 2010





15th AGM 2010

Honourable guests in the UFIL annual dinner 2010





Uttara Finance 1st Mutual Fund Trust Deed signing ceremony



UFIL invested projects

Independent Auditor's Report To The Shareholders

We have audited the accompanying financial statements of Uttara Finance and Investments Limited, which comprise the statement of financial position as at 31 December, 2010, and the statement of comprehensive income, statement of changes in shareholders' equity, liquidity statement and statement of cashflows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting standards (BFRS), Financial Institutions Act, 1993; the rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994; the Securities and Exchange Rules, 1987; and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of Uttara Finance and Investments Limited as of 31 December, 2010, and (of) its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Financial Institutions Act, 1993; the rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994; the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c. the company's balance sheet and profit and loss account together with notes 1 to 38 thereto dealt with by the report are in agreement with the books of account and returns;
- d. the expenditures incurred and payments made were for the purposes of the company's business;
- e. the financial position of the company at 31 December, 2010, and the profit for the year then ended have been properly reflected in the financial statements, and the financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and applicable International Accounting standards (IAS);
- f. the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993; Securities and Exchange Commission Act, 1993 and in accordance with the accounting rules and regulations issued by Bangladesh Bank to the extent applicable to the company;
- g. adequate provision have been made for leases and advances which are, in our opinion, doubtful of recovery;
- h. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- i. the information and explanations required by us have been received and found satisfactory; and
- j. the company has followed the instructions required by the Bangladesh Bank in matters of lease/advance, classification, provision and suspense interest account.

Date: 28 April 2011, Dhaka

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Chartered Accountants



financial statements

Balance Sheet

as at 31 December 2010

	Notes	Taka 2010	Taka 2009
Property and assets			
Cash	3	64,772,999	46,938,269
Cash in hand (including foreign currencies)	3.1	-	-
Balance with BB and its agent Banks (including foreign currencies)	3.2	64,772,999	46,938,269
Balance with other Bank & Financial Institutions	4	885,051,755	547,892,736
in Bangladesh	4.1	885,051,755	547,892,736
Outside Bangladesh	4.2	-	-
Money at call on short notice	5	-	-
Investments	6	788,729,286	722,758,871
Government		-	-
Others		788,729,286	722,758,871
Loans, Advances and Leases		9,458,962,178	7,125,397,629
Loans, lease finance, cash credits and overdrafts etc.	7	9,458,962,178	7,125,397,629
Bills discounted and purchased	8	-	-
Fixed Assets including Premises, Furniture and Fixtures	9	177,665,286	162,628,407
Other assets	10	4,691,174,757	4,002,226,890
Non- Financial Institution's assets	11	-	-
Total assets		16,066,356,261	12,607,842,802
Liabilities and capital			
Liabilities			
Borrowings from other banks, Financial institutions and Agent	12	5,315,849,932	4,248,800,012
Deposits and other accounts	13	3,886,917,991	3,470,755,501
Current Accounts and other accounts		-	-
Bill Payables		-	-
Savings bank deposits		-	-
Fixed deposits		-	-
Term deposits		3,886,917,991	3,470,755,501
Bearer certificates of deposits		-	-
Other deposits		-	-
Other liabilities	14	3,553,955,524	2,820,600,836
Total liabilities		12,756,723,447	10,540,156,349
Capital/Share holders Equity			
Paid-up capital	15	528,000,000	316,800,000
Statutory reserve	16	565,613,988	396,424,716
General reserves	17	700,000,000	500,000,000
Share Premium	18	528,000,000	264,000,000
Proposed dividend	19 & 38.2	-	79,200,000
Dividend equalisation fund		200,000,000	100,000,000
Retained earnings	20	788,018,826	411,261,737
Total shareholders' equity		3,309,632,814	2,067,686,453
Total liabilities and shareholders equity		16,066,356,261	12,607,842,802

	Notes	Taka 2010	Taka 2009
Off-Balance Sheet Items			
Contingent Liabilities (A)			
Acceptances and endorsements		-	-
Letter of guarantee	37.1	250,000,000	250,000,000
Irrevocable letters of credit	37.2	1,074,000	495,600,000
Bills for collection		-	-
Other Contingent Liabilities		-	-
Total		251,074,000	745,600,000
Other Commitments (B)			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total			
Total Off-Balance Sheet items including Contingent Liabilities (A+B)		251,074,000	745,600,000
Other memorandum items		-	-

These financial statements should be read in conjunction with the annexed notes and an annexure.


Mujibur Rahman
 Director


S.M. Shamsul Arefin
 Managing Director


Uttam Kumar Saha
 Chief Financial Officer

Auditors Report to the shareholders
 See annexed report of date

Date: 28 April 2011, Dhaka


 Chartered Accountants

Profit and Loss account

for the year ended 31 December 2010

	Notes	Taka 2010	Taka 2009
Interest income	22	1,416,999,670	1,413,341,452
Interest paid on deposits and borrowings etc.	23	1,069,359,951	953,656,079
Net interest income		347,639,719	459,685,373
Investment income	24	132,762,051	35,953,703
Commission , exchange and brokerage	25	-	-
Other operating income	26	185,604,229	104,202,346
Total operating income		666,005,999	599,841,422
Salary and allowances		48,863,018	38,543,549
Rent,taxes,insurance,electricity etc.	27	19,015,145	17,343,314
Legal and professional expenses	28	1,499,189	1,146,132
Postage, stamp, telecommunication etc.	29	68,599	73,070
Stationery, printing, advertisement etc.	30	6,273,426	2,721,356
Managing Directors' salary and fees		5,160,000	5,160,000
Directors' fees	31	246,000	173,500
Auditor fees		100,000	85,000
Depreciation and repair of fixed assets (Annexure- 1)		16,245,269	10,156,378
Other expenses	32	21,250,775	15,359,658
Total operating expenses		118,721,421	90,761,957
Profit before provision (leasing)		547,284,578	509,079,465
Profit transferred from merchant banking operation		686,300,063	204,182,243
Total profit before provision		1,233,584,641	713,261,708
Provision for loans/investments:			
Provision against loans	33	9,163,463	15,059,708
Provision for diminution in value of investments	34	36,879,056	(7,228,369)
Other provisions		-	-
Total provision		46,042,519	7,831,339
Total profit /(loss) before taxes		1,187,542,122	705,430,369
Provision for taxation	14.4		
Current tax		337,800,526	206,604,394
Deferred tax		3,795,235	3,395,606
Net profit after tax		845,946,361	495,430,369
Retained surplus brought forward from previous year		411,261,737	394,117,442
		1,257,208,08	889,547,811
Appropriations:			
Statutory reserve		169,189,272	99,086,074
General reserve		200,000,000	200,000,000
Dividend Equalisation fund		100,000,000	100,000,000
Proposed dividend		-	79,200,000
Retained surplus for the year		788,018,826	411,261,737
Total retained earnings		1,257,208,098	889,547,811
Earnings per Share of Taka 10 each	35	16.02	9.38

These financial statements should be read in conjunction with the annexed notes and an annexure.



Mujibur Rahman
Director



S.M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Auditors Report to the shareholders See annexed report of date

Date: 28 April 2011, Dhaka

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Chartered Accountants

Statement of Profit and Loss account

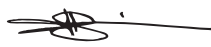
Merchant Banking Operations

for the year ended 31 December 2010

	2010 Taka	2009 Taka
Operational income		
Profit from sale of shares	559,242,011	204,336,710
Commission income	83,519,496	26,979,337
Dividend income	6,355,022	2,399,936
Interest on loan to investors	160,256,922	63,702,931
Portfolio management fees	34,463,129	11,781,650
Documentation fees	378,500	111,000
Underwriting Commission	249,125	268,125
	844,464,205	309,579,689
Operational expenses		
Financial expenses	144,996,107	100,169,306
Management expenses	15,613,741	6,156,795
	160,609,848	106,326,101
Profit from operation	683,854,357	203,253,588
Non-operational income		
Interest on deposits	2,445,706	928,655
Net profit transferred to profit and loss statement (main Operation)	686,300,063	204,182,243

These financial statements should be read in conjunction with the annexed notes and an annexure.

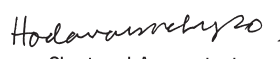

Mujibur Rahman
 Director


S.M. Shamsul Arefin
 Managing Director


Uttam Kumar Saha
 Chief Financial Officer

Auditors Report to the shareholders
 See annexed report of date

Date: 28 April 2011, Dhaka


 Chartered Accountants

Cash flow Statement

for the year ended 31 December 2010

	2010 Taka	2009 Taka
A. Cash Flows from Operating Activities		
Interest receipts	1,424,110,092	1,051,155,001
Interest payments	(873,136,638)	(925,205,928)
Dividend receipts	2,810,994	9,357,594
Capital gain from sale of securities	126,935,228	26,596,109
Cash payments to employees	(54,023,018)	(43,703,549)
Cash payments to suppliers and Management expenses	(46,930,867)	(34,770,072)
Income tax paid	(270,349,019)	(94,663,956)
Receipt from other operational activities	180,771,923	90,562,617
Cash generated before changes in operating assets and liabilities	490,188,695	79,327,816
Increase/(decrease) in operating assets and liabilities		
Net Loans and advances to customers	(1,238,628,504)	(629,190,148)
Loans and deposits from banks and other customers	1,483,212,409	1,263,248,902
Bank Overdraft	95,000,000	25,000,000
Cash generated from operating assets and liabilities	339,583,905	659,058,754
Net cash generated from operating activities	829,772,600	738,386,570
B. Investing Activities		
Acquisition of property, plant and equipment	(31,282,148)	(115,273,288)
Redemption of Coupon Bond	-	(300,000,000)
Issuance of Zero Coupon Bond	200,000,000	850,000,000
Margin loan	(1,094,936,045)	(580,511,056)
Sale of Securities	138,188,851	38,239,972
Investment in Securities	(82,749,509)	(18,765,408)
Net Cash used in investing activities	(870,778,851)	(126,309,780)
C. Financing Activities		
Dividend paid	-	(86,162,776)
Share Premium	264,000,000	-
Issuance of shares	132,000,000	-
Net cash used in investing activities	396,000,000	(86,162,776)
D) Net increase in cash and cash equivalents (A+B+C)	354,993,749	525,914,014
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	594,831,005	68,916,991
G) Cash and cash equivalents at the end of the year (D+E+F)	949,824,754	594,831,005
Cash and Cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	64,772,999	46,938,269
Balance with other Banks and financial institutions	885,051,755	547,892,736
Total cash and cash equivalents	949,824,754	594,831,005

These financial statements should be read in conjunction with the annexed notes and annexures.


Mujibur Rahman
 Director


S.M. Shamsul Arefin
 Managing Director


Uttam Kumar Saha
 Chief Financial Officer

Statement of Changes in Shareholders' Equity

for the year ended 31 December 2010

Particulars	Paid up capital	Share Premium	Statutory reserve	General reserve	Dividend Equ. Fund	Proposed dividend	Retained earnings	Total
Balance on 01 January 2010	316,800,000	264,000,000	396,424,716	500,000,000	100,000,000	79,200,000	411,261,737	2,067,686,453
Changes in Accounting policy								
Transfer to statutory reserve			169,189,272				(169,189,272)	-
Market adjustment of approved securities								-
Surplus/(Deficit) on account of revaluation of properties								-
Surplus/(Deficit) on account of revaluation of investments								-
Currency transaction difference								-
Net gains and losses not recognised in the income statement								-
Net profit for the year 2010							845,946,360	845,946,360
Right Issue 2010	132,000,000	264,000,000						396,000,000
Bonus dividend for 2009	79,200,000					(79,200,000)	-	-
Dividend equalisation fund					100,000,000		(100,000,000)	-
Transfer to general reserve				200,000,000			(200,000,000)	-
Balance for the year ended 31 December 2010	528,000,000	528,000,000	565,613,988	700,000,000	200,000,000	-	788,018,825	3,309,632,813
Balance on 01 January 2009	316,800,000	264,000,000	297,338,642	300,000,000	-	95,040,000	394,117,442	1,667,296,084
Net profit for the year 2009							495,430,369	495,430,369
Cash dividend for 2008						(95,040,000)		(95,040,000)
Stock dividend for 2009						79,200,000	(79,200,000)	-
Dividend equalisation fund					100,000,000		(100,000,000)	-
Transfer to statutory reserve			99,086,074				(99,086,074)	-
Transfer to general reserve				200,000,000			(200,000,000)	-
Balance for the year ended 31 December 2009	316,800,000	264,000,000	396,424,716	500,000,000	100,000,000	79,200,000	411,261,737	2,067,686,453

These financial statements should be read in conjunction with the annexed notes and an annexure.


Mujibur Rahman
Director


S.M. Shamsul Arefin
Managing Director


Uttam Kumar Saha
Chief Financial Officer

Maturity analysis of assets and liabilities

as at 31 December 2010

Particulars	Period for not excess of 1 month	Period for 1-3 months	Period for 3-12 months	Period for 1-5 years	Period for more than 5 years	Total Taka
Asset:						
Cash in hand (including balance with Bangladesh Bank)	-	-	-	-	-	-
Balance with other banks and financial institution	550,051,756	170,000,000	130,000,000	99,772,999	-	949,824,755
Money at call and on short notice	-	-	-	-	-	-
Investments	769,157,057	-	25,097,700	-	-	794,254,757
Loan, advances and lease	-	12,390,798	1,852,640,213	7,010,666,526	583,264,641	9,458,962,178
Fixed assets including premises, furniture and fixture	-	-	-	177,665,286	-	177,665,286
Other assets	1,299,887,881	2,824,903,554	192,244,765	374,138,557	-	4,691,174,757
Non-Financial Institution's assets	-	-	-	-	-	-
Total assets	2,619,096,694	3,007,294,352	2,199,982,678	7,662,243,368	583,264,641	16,071,881,733
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	-	1,328,962,483	1,550,455,632	2,432,431,817	-	5,311,849,932
Deposits and other accounts	-	-	400,000,000	3,486,917,990	-	3,886,917,990
Provision and other liabilities	496,660,239	374,082,884	222,019,723	2,011,192,678	450,000,000	3,553,955,524
Total Liabilities	496,660,239	1,703,045,367	2,172,475,355	7,930,542,485	450,000,000	12,752,723,446
Net liquidity gap	2,122,436,455	1,304,248,985	27,507,323	(268,299,117)	133,264,641	3,319,158,287

These financial statements should be read in conjunction with the annexed notes and an annexure.



Mujibur Rahman
Director



S.M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Notes to the Financial Statements

for the year ended 31 December 2010

1. Legal status

Uttara Finance and Investments Limited was registered with the Registrar of Joint Stock Companies on August 07, 1995 and commenced its operations in Bangladesh on August 08, 1995 as a public limited company under the Companies Act, 1994 after obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993 and Its shares are quoted in the Dhaka and Chittagong Stock Exchanges since 1997 and obtained license of Merchant Operations from the Securities and Exchange Commission on March 25, 1998. The Company has its Head Office and Head Office-Extension in Dhaka and Branch Office in Chittagong throughout the country.

1.2 Principal activities and nature of operation

The company extends lease financing, as its core business, for all types of machinery and equipment including vehicles for industrial and commercial and private purposes. It has also expended its activities into Short-Term Finance, Term Finance and merchant banking operation.

1.3 Its products and services

- a) Leasing;
- b) Documentary Credit;
- c) Term financing;
- d) Small and Medium Enterprise (SME) financing;
- e) Working capital financing;
- f) Merchant banking activities.

a) Lease financing

UFIL provides lease finance under simple terms and conditions for acquisition of capital machineries for industrial undertakings, industrial equipments, office equipments, medical equipments and construction equipments etc.

b) Documentary Credit

UFIL imports the lease asset(s) from foreign suppliers through establishment of letters of credit.

c) Term financing

UFIL provides loan within the period series from one year to five years to the customers. The Company also extends financing in the processing industries of the agricultural products depending on the nature of a product, profitability of the project and socioeconomic factors.

d) Small and Medium Enterprise (SME) refinancing

UFIL provides refinance in the SME sectors after compliance with the terms and conditions of the Company. It also encourages women entrepreneurs by providing loan facilities under this scheme as per the rules and regulations provided through Bangladesh Bank as per ACSPD circular no. 08, dated 26 May 2008.

I. Small enterprise

Small enterprise does not include ideally any Public Limited Company and which do not fulfill the following criteria such as;

For service and business concerns

Total fixed assets excluding land and building is within Tk. 50,000 to 5,000,000 and employed personnel are not more than 25.

For manufacturing concern

Total fixed assets excluding land and building is within Tk. 50,000 to 15,000,000 and employed personnel are not more than 50.

II. Medium enterprise

Medium enterprise does not include ideally any Public Limited Company and which do not fulfill the following criteria such as;

For service and business concerns

Total fixed assets excluding land and building is within Tk. 5,000,000 to 100,000,000 and employed personnel are not more than 50.

For manufacturing concern

Total fixed assets excluding land and building is within Tk. 15,000,000 to 200,000,000 and employed personnel are not more than 150.

e) Working capital financing

UFIL offers also working capital financing which is essential to any business for operation and development. It helps to keep the business current and competitive within the market. Any commercial real estate or equipment that produces an income for the business, can obtain working capital financing from UFIL that can help to pay down credit lines or accounts payable, freeing up money for growth opportunities.

f) Merchant banking activities

UFIL is operating merchant banking activities after obtaining license from the Securities & Exchange Commission (SEC) since 1998 and at now its activities are in the following grounds;

- I. Securities trading in secondary market;
- II. Margin loan
- III. Investor portfolio;
- IV. Issue management;
- V. Underwriting of issues;
- VI. Financial consultancy; and
- VII. Project counseling

Significant accountings policies

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared on the basis of going concern concept under historical cost conventions in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS).

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis.

2.3 Compliance with local laws

The Financial Statement have been prepared in compliance with the requirements of the Companies Act 1994, the Financial Institutions Act, 1993, Guidelines from Bangladesh Bank, Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchange and other relevant local laws as applicable. Cash flows from operating activities are computed under direct method as prescribed by the Securities and Exchange Rules 1987.

2.4 Functional, presentational and reporting currency

The presentation of financial statements has been made in accordance with the DFIM No. 11 dated 23 December 2009 of Bangladesh Bank. These financial statements have been prepared in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka. The financial statements are stated in Taka unless or otherwise signified.

2.5 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of liabilities, income and expenses. Actual results may differ from these estimates and these are reviewed on an ongoing basis.

2.6 Accounting for leases

Following Bangladesh Accounting Standards (BAS) 17, accounting for lease transactions have been recorded under finance lease method since all the risks and rewards incidental to ownership are substantially transferred to the lessee as per agreement. Accordingly the aggregate lease receivables including un-guaranteed residual value throughout the primary lease term are recorded as gross lease receivables while the excess of gross lease receivables over the total acquisition cost constitutes the unearned lease income. The unearned lease income is amortized to revenue over the primary lease term yielding a constant rate of return over the period. Initial direct costs, if any, in respect of lease are charged in the year in which such costs are incurred.

2.7 Property, plant and equipment

2.7.1 Recognition and measurement

Items of property, plant and equipment are measured at original cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. Fully depreciated assets are carried in the books at one/zero percent of their original cost.

2.7.2 Leased assets

Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2.7.3 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. Maintenance expenses of the property, plant and equipment are recognized in the profit and loss account as incurred.

An item of property, plant and equipment is de-recognized on its disposal. The gain or loss arising from de-recognition of an asset is determined as the difference between the net disposal proceeds, if any and the carrying amount of the item.

2.7.4 Depreciation

Depreciation is provided on the straight-line method with a pro-rata charge based on the month of acquisition. Depreciation on addition of fixed assets is charged on the following month of acquisition of assets and depreciation is charged for the full month on disposal of assets on concerned month. The depreciation rates per annum applicable to different categories of property, plant and equipment are as follows:

Sl. no	Category of assets	Rate of depreciation
1	Land and land	0%
2	Buildings & premises	10%
3	Office decoration	20%
4	Office equipment	15%
5	Computer	15%
6	Motor vehicles	20%
7	Furniture & Fixtures	15%

2.8 Revenue recognition

2.8.1 Lease income

The excess of gross lease rentals receivable over the cost of the leased asset represents the total unearned income at the time of execution of lease. The unearned income is allocated over the period of lease on a pattern reflecting a constant return on the net investment. In case of structured lease, finance income is recognized on the basis of lease structure. Earned finance income due over **ninety days** is not recognized as revenue rather it is recognized as interest suspense. Suspended interest is recognized as income on cash basis when it is received.

2.8.2 Income from long term and short term finance

Income from long and short term finance is recognized as revenue when the interest is accrued. Interest outstanding over **ninety days** is not recognized as income rather it is recognized as interest suspense. Suspended interest is recognized as income on cash basis when it is received.

2.8.3 Income from bank deposits

Interest from short term deposits and fixed deposits are recognized on accrual basis taking into account the principal outstanding and the effective rate over period of maturity.

2.8.4 Fee based income

Fee based income are recognized as revenue when it is received.

2.9 Merchant Banking Operations

The Unit is engaged in Merchant Banking Operations under a license granted by Securities and Exchange Commission and maintains its accounting records from which accounts are prepared according to applicable directives issued by Securities and Exchange Commission. Operational income is recognized on accrual basis considering the establishment of right to receive the same.

2.10 Intangible assets

Software is generally charged off as revenue expenditure but considering the ability of generation of future economic benefits and the cost incurred to procure software, sometimes it is shown as intangible asset, which is amortized on a straight-line basis over a period of five years.

2.11 Interest suspense account

Interest income outstanding over ninety days is not recognized as revenue rather it is recognized as interest suspense account as per FID circular no. 03, dated 03 May 2006 of Bangladesh Bank. Suspended interest is recognized as revenue when it is being received.

2.12 Borrowing cost

Borrowing costs are recognized as expense in the year in which they are incurred.

2.13 Account receivable

Account receivables at the balance sheet date are stated at amounts which are considered realizable. Specific allowance is made for receivables considered to be doubtful for recovery.

2.14 Provision for doubtful assets

Provisions, specific and general, are made on the basis of end review by the management as per policy of the Company and of guidelines contained in Bangladesh Bank's FID Circulars. Specific provisions are made where the repayment of identified leases/loans are in doubt and reflect an estimate of the amount of loss anticipated and the general provision is made for the inherent risk of losses. Provisions are applied to write off leases/loans, in part or in whole, when they are considered wholly or partly irrecoverable. A minimum appropriate general provision for unclassified leases and loans to the extent of 1% of the outstanding receivables is provided. The Company maintains full provision against leases and loans in case of payments outstanding for over three months irrespective of the status of classification. The Company also maintains special provision for regular leases and loans where management has doubt about recovery.

2.15 Income tax expenses

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Financial Institutions"; hence the applicable tax rate is **42.5%**.

Deferred tax is recognized using balance sheet liability method, providing for all temporary timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.16 Provision for accrued expenses

Provisions have been recognized in the balance sheet as follows:

- i. when the company has a present obligation, legal or constructive as a result of a past event;
- ii. when it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- iii. when a reliable estimate can be made of the amount of the obligation.

2.17 Contingent liabilities and contingent assets

The company does not recognize contingent liability and contingent asset but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

2.18 Cash and cash equivalents

Cash flow statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and the considering the provisions of Paragraph 18(b) of BAS which prescribed that Enterprise of changes encourage to report Cash Flow Statement from operating activities using the direct method. Cash and cash equivalents consist of cash in hand and cash at bank, that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

2.19 Cash Reserve Requirements and Statutory Liquidity requirements

The Company maintains cash reserve requirements and statutory liquidity reserve with the Bangladesh Bank current account as per FID circular no. 06, dated 06 November 2003 and subsequent in FID circular no. 02, dated 10 November 2004 for statutory cash reserve requirements. The Company meets the terms of CRR and SLR in a satisfactory way in accordance with Section-19 of the Financial Institutions Act 1993 and Clause-05 of the Financial Institution Regulations 1994.

2.20 Statutory reserve

This represents 20% to its reserve fund before declaration of dividend based on profit after tax set aside in compliance with clause 6 of the Financial Institution Regulations, 1994.

2.21 Director of the Company

At the end of the year under audit, there were *eight* Directors in the Board of Directors of the Company excluding the Managing Director. The Managing Director is the Chief Executive and Ex-officio Director of the Company.

2.22 Related party disclosure

The Company transacts with related parties. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.23 Impairment of assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit and loss.

2.24 Earning per share

The company presents basic earnings per share (EPS) data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

2.25 Reporting period

These financial statements cover one year from 01 January 2009 to 31 December 2009.

2.26 Events after the balance sheet date

As per BAS -10 "**Events after balance sheet date**" Events after balance sheet date are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

There were no materials events have occurred after the reporting period which could affect the values stated in the financial statements.

2.27 Proposed dividend

The proposed dividend are not recognized as a liability in the balance sheet in accordance with the BAS 10: Events after the balance sheet date. Dividend payable to the company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

BAS 1: Presentation of financial statements also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the company has disclosed the same in the notes no. 38.2 to the financial statements.

2.28 Comparative information

Comparative information has been disclosed in respect of the year 2008 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
3	Cash		
	Cash in hand (note: 3.1)	-	-
	Balance with BB and its Agent Bank(s) (note: 3.2)	64,772,999	46,938,269
		64,772,999	46,938,269
3.1	Cash in hand:		
	In local currency	-	-
	In Foreign currency	-	-
		-	-
3.2	Balance with Bangladesh Bank and its Agent Bank(s)		
	In local currency	64,772,999	46,938,269
	In Foreign currency	-	-
		64,772,999	46,938,269
3.3	Statutory Deposits		
3.3.1	Cash reserve ratio (CRR) and statutory liquidity ratio (SLR)		
	Cash reserve requirement/ratio (CRR) and statutory liquidity ratio (SLR) have calculated and maintained in accordance with the Financial Institutions Act 1993; section 19 and FID circular number 06/2003, 2.5% of total term deposit excluding different financial institutions' deposits kept with Bangladesh Bank as CRR and as for SLR 5% of total outside liability except financial institutions' liability, should be kept as cash and with Bangladesh Bank as well as with other scheduled Banks. Both the reserves are maintained by the company in excess of the statutory requirements, as shown below:		
a)	Cash Reserve Ratio (CRR)		
	Required reserve	49,477,000	34,706,000
	Actual reserve maintained	82,514,000	49,953,000
	Surplus	33,037,000	15,247,000
b)	Statutory Liquidity Ratio (SLR)		
	Required reserve	474,494,000	81,722,000
	Actual reserve maintained	511,114,000	273,800,000
	Surplus	36,620,000	192,078,000
	Total required reserve	523,971,000	374,489,000
	Total actual reserve held with Bangladesh Bank	593,628,000	448,029,000
	Total Surplus	69,657,000	73,540,000
4	Balance with other banks and financial Institution		
	In Bangladesh (note: 4.1)	885,051,755	547,892,736
	Outside Bangladesh (note: 4.2)	-	-
		885,051,755	547,892,736
4.1	In Bangladesh:		
	CD account:	(65,015,052)	17,427,028
	STD account:	615,066,807	250,465,708
	Fixed deposit	335,000,000	280,000,000
		885,051,755	547,892,736
	(Details are shown in Annexure-2)		
4.2	Outside Bangladesh	-	-
4.3	Maturity wise grouping (inside and outside Bangladesh)		
	Repayable-on demand	550,051,755	267,449,936
	up to 3 months	170,000,000	205,442,800
	over 3 months but below 1 year	130,000,000	75,000,000
	over 1 months but below 5 years	35,000,000	-
	Over 5 years	-	-
		885,051,755	547,892,736

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
5	Money at call on short notice	-	-
6	Investments:	788,729,286	722,758,871
6.1	Government Securities		
	I) Treasury bill	-	-
	II) National Investment Bond	-	-
	III) Bangladesh bank bills	-	-
	IV) Govt. notes/bond	-	-
	V) Prize bond	-	-
	VI) Others	-	-
		-	-
6.2 Other Investments:			
	I) Preference shares (note: 6.2a)	12,291,000	24,582,000
	II) Ordinary shares (note: 6.2b)	771,438,286	693,176,871
	III) Debenture and Bond (note: 6.2c)	5,000,000	5,000,000
	IV) Gold etc.	-	-
		788,729,286	722,758,871
6.2a	Preference Share (Unquoted Shares)		
	PHP Float Glass Ind. Ltd.	12,291,000	24,582,000
6.2b	Ordinary Shares (Quoted shares)		
	Orion Laboratories	7,390,000	0
	CDBL	5,416,700	0
		12,806,700	-
	Quoted Shares:		
	MIDAS Financing Ltd.	14,767,877	23,005,671
	Jago Corporation Ltd.	4,260,000	4,260,000
	National Life Insurance Company Ltd.	1,083,743	1,083,743
	National Bank Ltd.	2,451	2,451
	Agrani Insurance Company Ltd.	479,901	479,901
	Social Investment Bank Limited	-	1,503,696
	ICB AMCL NRB 1st MF	-	30,850,920
	ICB AMCL NRB 2nd MF	-	1,021,250
	AB Bank	-	56,200
	Aftab Automobiles Limited	30,000,000	1,879
	Bangladesh General Insurance	-	2,417
	Beacon Pharmaceuticals	4,602,336	-
	BEXTEX Ltd.	-	2,237,300
	BRAC Bank Ltd.	-	27,445,723
	City General Insurance Co. Ltd.	33,123,812	-
	The Dhaka Dyeing and Manufacturers Ltd.	9,188,741	-
	Dhaka Electric Supply Com.	-	4,610
	First Security Bank Ltd.	1,427,066	-
	Fu-Wang Ceramic	426,959	-
	Global Insurance Ltd.	14,342,475	-
	Grameen Mutual Fund 1	-	503,250
	Grameen Phone Ltd.	418,793	-
	Green Delta Mutual Fund	10,000,000	-
	ICB Islami Bank Limited	3,221	55,170,724
	Imam Button industries Ltd.	5,537,340	5,537,287
	Islamic Finance and Investments Ltd.	2,020	-

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
	The City Bank Limited	-	151,775,410
	Janata Insurance Co.Ltd.	14,775,226	-
	Jamuna Bank Ltd.	-	50,701
	Lafarge Surma Cement	8,373,839	-
	Meghna Life Insurance Co. Ltd.	-	62,353
	Mercantile Insurance Co. Ltd.	171,034,376	-
	Mobile Jamuna	6,125,108	-
	Mutual Trust Bank Limited	93	123,581,688
	National Housing Finance	85,633,357	-
	National Tubes Ltd.	20,820,907	-
	Northern General Insurance	23,149,907	-
	Peoples Leasing and Finance	7,884,047	-
	PHP 1st Mutual Fund	10,000,000	-
	Pioneer Insurance Co Ltd.	9,167,173	-
	Powergrid Co. Ltd.	-	50,065,266
	Pragati Life Insurance Ltd.	107,126,578	-
	Prime Bank Ltd.	2,533,800	-
	Prime Finance & Investments Ltd.	25,194,804	-
	Purabi General Insurance	94,967	-
	RAK Ceramic Ltd.	5,664	-
	Republic Insurance Company Ltd.	10,734,191	-
	Rupali Insurance Company Ltd.	8,380,593	-
	Rupali Life Insurance Co.	-	1,392,470
	S.Alam Cold Rolled Steel	3,928	-
	Sonar Bangla Insurance Ltd.	4,157,451	-
	Southeast Bank Ltd.	684,257	-
	Peoples Insurance Co.	-	47,408,908
	Square Pharmaceuticals Ltd.	-	85,514,818
	Standard Bank Ltd.	-	1,418,298
	Trust Bank Ltd.	-	69,141,600
	Titas Gas	-	8,779,227
	United Airways (BD) Ltd.	2,047,571	-
	United Commercial Bank Ltd.	-	819,110
	United Leasing Co. Ltd.	107,605,218	-
	Usmania Glass Sheet Factory	3,431,796	-
		758,631,586	693,176,871
6.2c	Investment in bonds of		
	Islami Bank Bangladesh Ltd.	5,000,000	5,000,000
		788,729,286	722,758,871
7	Loans, Advances and Leases	9,458,962,178	7,125,397,629
7.1	Maturity grouping of investments are as follows:		
	Repayable-on demand	-	-
	Up to 3 months	1,687,837,899	618,344,586
	Over 3 months but not more than 1 year	177,193,112	154,664,274
	Over 1 year but not more than 5 years	6,559,232,534	6,352,388,769
	More than 5 years	1,034,698,633	-
		9,458,962,178	7,125,397,629
7.2	Loans, cash credits, overdrafts and lease finance etc.		
	In Bangladesh (note: 7.2a)	9,458,962,178	7,125,397,629
	Outside Bangladesh (note: 7.2b)	-	-
		9,458,962,178	7,125,397,629

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
7.2a	In Bangladesh:		
	Lease Finance	3,827,453,281	3,880,693,452
	Term Finance	3,956,061,796	2,664,193,121
	Margin loan	1,675,447,101	580,511,056
		9,458,962,178	7,125,397,629
7.2b	Out of Bangladesh:		
	Lease Finance	-	-
	Term Finance	-	-
	Overdraft	-	-
		-	-
7.3	Loans, Advances & Leases on the Basis of Significant:		
	Advance to allied concerns of Directors	3,925,685	12,611,763
	Advance to Chief Executive Officer, Other Senior Executives and Staffs	28,447,275	14,228,069
	Advances to industries	7,751,142,117	6,518,046,741
	Margin loan	1,675,447,101	580,511,056
		9,458,962,178	7,125,397,629
7.4	Advances to Customers for more than 15% of FI's Total Capital:		
	Number of clients	2	5
	Amount of outstanding advances	1,144,554,428	1,731,791,402
	Amount of classified advances	-	-
	Measures taken for recovery	n/a	n/a
7.5	Industry-wise loans, Advances and Leases:		
	Agriculture	1,807,027	45,048,841
	Chemicals & pharmaceuticals	473,205,486	525,542,028
	Electronics & electrical	-	184,280
	Food & beverage	216,687,822	768,641,975
	Garments & accessories	422,299,936	178,620,879
	Glass & ceramics	378,024,906	220,641,425
	Home loan	1,296,305,589	843,646,889
	Information technology	112,343,985	39,522,276
	Steel & Engineering	440,859,453	942,352,384
	Printing & Packaging	587,481,780	5,133,450
	Working Capital	27,549,000	703,938,772
	Commercial lending	2,267,742,630	858,804,207
	Plastic industries	12,455,548	860,607
	Textile	393,731,419	531,230,778
	Transporting	916,484,515	851,618,537
	Others	1,911,983,082	609,610,301
		9,458,962,178	7,125,397,629
7.6	Geographical Location-wise (Division)		
	In Bangladesh:		
	Dhaka	7,183,651,680	5,588,082,877
	Chittagong	2,275,310,498	1,537,314,752
	Khulna	-	-
	Sylhet	-	-
	Barisal	-	-
	Rajshahi	-	-
		9,458,962,178	7,125,397,629

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
7.7	Classification as per Bangladesh bank rules		
	Unclassified		
	Standard	6,805,542,297	5,493,209,939
	SMA	795,846,824	837,167,869
		7,601,389,121	6,330,377,808
	Classified		
	Sub-standard	-	18,931,547
	Doubtful	-	8,457,246
	Bad	182,125,956	187,119,972
		182,125,956	214,508,765
	Total	7,783,515,077	6,544,886,573
	Margin loan	1,675,447,101	580,511,056
	Total	9,458,962,178	7,125,397,629
7.8	Particulars of loans advances and leases		
	i) Loans/investments considered good in respect of which the bank is fully secured	7,191,219,548	6,345,285,306
	ii) Loans/investments considered good for which the bank holds no security other than the debtors personal security	2,267,742,630	780,112,323
	iii) Loans/investments considered good and secured by the personal security of one or more parties in addition to the personnel security of the debtors;	-	-
	iv) Loans/investments adversely classified, provision not maintained there against	-	-
		9,458,962,178	7,125,397,629
	v) Loan/investments due by directors of the FI or any of them either severally or jointly with any other persons	-	-
	vi) Loans and investments due by Companies or firms in which the directors of the FI are interest as directors, partners or managing agents or in case of private Companies as member	3,925,685	12,611,763
	vii) Maximum total amount of advances/investments including temporary advances made at any time during the year to directors or managers or officers of the FI or any of their either separately or jointly with any other person	-	-
	viii) Maximum total amount of advances/investments including temporary advances/investment granted during the year to the Companies or firms in which the directors of the FI are interested as directors, partners or managing agents or in case of private Companies as member	5,000,000	5,000,000
	ix) Due from other banking companies	39,685,561	39,685,561
	x) Total amount of Classified loans and advances/investments on which interest is not credited to income.	182,125,956	214,550,365
	a) Movement of classified loans and advances		
	Opening balance on January 01, 2009	214,550,365	294,839,897
	Increase/(decrease) during the year	(32,424,409)	(80,289,532)
	b) Amount of provision kept against loan classified as Bad/loss on the reporting date of Balance Sheet	-	-
	c) Interest creditable to the interest suspense account	-	-
	xi) Written off loans	-	-
	During the year	-	-
	Cumulative to-date (as per Bangladesh Bank guidelines)	-	-
	Cumulative to-date (in amicable settlement)	-	-
		-	-
		-	-

The amount of written off loans for which lawsuits have been filed for its recovery

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
8	Bills discounted and purchased		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
		-	-
9	Fixed assets including Land, Building Premises, Furniture and fixtures		
	Land and land development	64,619,482	37,082,409
	Building and premises	121,338,500	121,338,500
	Office decoration	10,592,570	10,240,920
	Office Equipments	6,974,338	4,094,250
	Computer	4,974,872	4,514,622
	Motor vehicles	7,953,015	7,953,015
	Furniture and fixtures	3,754,672	3,701,585
		220,207,449	188,925,301
	Less: Accumulated Depreciation	42,542,163	26,296,894
	Balance at 31 December	177,665,286	162,628,407
	Details are shown in Annexure-1		
10	Other assets:		
	Income Generating		
	1. Accrued Interest on investments and other receivables	871,376,392	1,369,654,363
	2. Advance against lease finance	428,511,489	1,547,775,559
	3. Investments in Merchant Banking Unit	2,824,903,554	830,229,714
		4,124,791,435	3,747,659,636
	Non-Income Generating		
	1. Stock of stationery, Stamp and Printing Materials etc.	-	-
	2. Advance rent and advertisement etc.	4,404,099	7,340,175
	3. Security deposits	26,500	26,500
	4. Right share issue expenses	15,019,209	7,000,000
	5. Advance Income tax and prepayments	546,933,514	240,200,579
		566,383,322	254,567,254
		4,691,174,757	4,002,226,890
11	Non-Financial Institution's Assets:		
	Assets acquired on settlement of Accruals	-	-
12	Borrowing from other banks and financial institutions:		
	In Bangladesh (note: 12.1)	5,315,849,932	4,248,800,012
	Outside Bangladesh	-	-
		5,315,849,932	4,248,800,012
	Balance as on 01 January	4,248,800,012	3,301,882,542
	Received during the year	3,107,828,917	1,447,301,202
	Paid during the year	(2,040,778,997)	(500,383,732)
	Balance at 31 December	5,315,849,932	4,248,800,012
12.1	In Bangladesh:		
	Mercantile Bank Limited	171,533,472	316,466,086
	Uttara Bank Limited	270,212,958	331,796,693
	BRAC Bank Limited	475,072,262	306,229,888
	United Commercial Bank Limited	227,806,459	132,025,845
	Prime Bank Limited	694,060,306	279,031,981
	Citi Bank N.A	370,000,000	370,000,000
	Social Investment Bank Limited	39,117,182	113,601,920
	Pubali Bank Limited	115,002,699	175,002,699
	Shahjalal Bank Limited	376,679,459	438,756,259

	At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
Bank Alfalah Limited	130,328,234	198,516,531
Standard Bank Limited	271,651,737	115,649,163
Jamuna Bank Limited	-	38,811,252
Southeast Bank Limited	252,867,189	91,483,176
State Bank of India Limited	77,926,068	48,113,486
Commercial Bank of Ceylon	36,111,106	80,555,546
The Trust Bank Limited	278,323,701	132,443,219
Dhaka Bank Limited	195,967,189	-
Bangladesh Commerce Bank Limited	151,300,008	58,333,330
National Bank Limited	81,127,149	97,217,583
Dutch Bangla Bank Limited	200,000,000	-
International Leasing Company Limited	1,198,414	1,876,728
Mutual Trust Bank Limited	253,623,405	315,808,372
Premier Bank Limited	53,533,533	73,504,973
IDLC Bangladesh	-	142,882
Oman Bangladesh Leasing	308,918	1,132,539
Islami Bank Limited	76,429,995	105,101,576
BASIC Bank Limited	131,250,153	50,974,305
IFIC Bank Limited	320,010,634	281,307,468
ONE Bank Limited	64,407,702	94,916,512
	5,315,849,932	4,248,800,012
12.2 Analysis by security		
Secured loan	5,315,849,932	4,248,800,012
Unsecured loan	-	-
	5,315,849,932	4,248,800,012
12.3 Nature of repayment		
Repayable on demand	-	-
Repayable on maturity	5,315,849,932	4,248,800,012
	5,315,849,932	4,248,800,012
13 Deposits and other accounts		
Term-Deposit	3,886,917,991	3,470,755,501
These represent deposits taken from individuals and institutions under the Company's term deposit schemes for a period of not less than six months for institutions and one year for individuals and interest rates range from 10.50% to 13.50%. Deposits are of revolving in nature and renewed for further periods.		
Balance on 01 January	3,470,755,501	3,254,126,326
Receipt during the year	2,511,648,198	3,128,946,584
Adjustment during the year	(2,095,485,708)	(2,912,317,409)
Balance at 31 December	3,886,917,991	3,470,755,501
Maturity analysis		
Repayable on demand	-	-
Repayable within 1 month	-	-
Over 1 month but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	3,886,917,991	3,470,755,501
Over 5 years but within 10 years	-	-
	3,886,917,991	3,470,755,501

			At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
14	Other liability:	Notes		
	Accumulated provision for loans, advances and leases	14.1	206,268,799	197,105,337
	Interest suspense account	14.2	105,744,342	81,884,925
	Provision for loss in value of shares	14.3	62,048,138	25,169,082
	Provision for other assets		-	-
	Pension and Insurance fund		-	-
	Unclaimed dividend		19,748,802	19,026,558
	Advance rental and discount payables		42,059,75	42,463,526
	Liabilities with subsidiary companies		-	-
	Provision for income tax	14.4	905,978,316	702,261,619
	Loan from CBSF through Bangladesh Bank		-	1,259,986
	Loan from IPFF through Bangladesh Bank		66,173,338	64,063,998
	Refinance from Bangladesh Bank		377,232,467	408,363,811
	Coupon Bonds		-	-
	Zero Coupon Bond		1,050,000,000	850,000,000
	Bank overdraft	14.5	222,019,723	125,000,000
	Accrued Liabilities	14.6	496,681,844	304,001,994
	Balance at 31 December		3,553,955,524	2,820,600,836
14.1	Accumulated provision for loans, advances and leases			
	Provision for unclassified loans, advances and lease	14.1a	104,854,043	97,505,354
	Provision for classified loans, advances and leases	14.1b	101,414,756	99,599,983
			206,268,799	197,105,337
14.1a	Movement on unclassified loans, advances and lease			
	Opening balance		97,505,354	89,590,632
	Provision for the year		7,348,689	7,914,722
	Closing balance		104,854,043	97,505,354
14.1b	Movement on classified loans, advances and lease			
	Opening balance		99,599,983	92,454,997
	Fully provided debts written off during the year	(-)	-	-
	Recovery of amounts previously written off	(+)	-	-
	Specific provision made for the year	(+)	-	-
	Recoveries and provision no longer required	(-)	-	-
	Net charge to Profit and Loss Account	(+)	1,814,773	7,144,986
	Provision at the end of the year		101,414,756	99,599,983
14.1c	Provision for	Required	Maintained	Excess/Shortage
	Classified loans, advances and leases	101,414,756	101,414,756	-
	Unclassified loans, advances and leases	104,854,043	104,854,043	-
		206,268,799	206,268,799	-
14.2	Interest suspense account			
	Opening balance		81,884,925	67,936,353
	Amount transferred/accrued to "interest suspense" account during the year (+)		23,859,417	13,948,572
	Amount recovered in "interest suspense" account during the year (-)		-	-
	Amount written off during the year		-	-
	Balance at the end of the year		105,744,342	81,884,925
14.3	Provision for loss in value of shares			
	Opening balance		25,169,082	32,397,451
	Adjustments during the year		36,879,056	(7,228,369)
	Closing balance		62,048,138	25,169,082

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
14.4	Provision for income tax		
	Opening balance	702,261,619	492,261,619
	Add: Provision for current tax during the year	337,800,526	206,604,394
	Provision for deferred tax during the year	3,795,235	3,395,606
	Less: Adjustment during the year	(137,879,064)	-
	Closing balance	905,978,316	702,261,619
14.5	Bank overdraft		
	Opening Balance	125,000,000	100,000,000
	Add: Received during the year	127,019,723	335,000,000
	Less: Payment made during the year	30,000,000	310,000,000
	Closing balance	222,019,723	125,000,000
14.6	Accrued Liabilities		
	Financial expenses	433,060,866	238,857,276
	Accrued expenses	1,522,267	2,131,959
	Other payables	62,098,711	63,012,759
	Closing balance	496,681,844	304,001,994
15	Share capital		
15.1	Authorised capital:		
	100,000,000 ordinary shares of Taka 10 each	1,000,000,000	100,000,000
15.2	Issued, subscribed and paid up capital:		
	5,28,00,000 ordinary shares of Taka 10 each issued for cash	528,000,000	316,800,000

15.3 Percentage of shareholding

Category of shareholders	Percentage (%)		Amount	
	2010	2009	2010	2009
Sponsors (Local)	4.32	4.17	22,809,600	13,200,000
Sponsors (Foreign)	7.81	10.42	41,250,000	33,000,000
Sponsors (Company)	21.62	20.83	116,886,000	66,000,000
General Public	22.14	24.38	103,118,400	77,237,300
Financial Institutes	44.09	40.18	232,795,200	127,296,800
Foreign Investors	0.02	0.02	105,600	65,900
Total	100.00	100.00	528,000,000	316,800,000

15.4 Classification of shareholders by holding

Holding	Number of holder		% of total holding		No. of Shares		Value of share (@Tk.10 each)	
	2010	2009	2010	2009	2010	2009	2010	2009
Upto 500 shares	7936	2212	3.43	6.24	1,808,876	197,536	18,088,760	19,753,600
501-5000 shares	2229	219	8.09	9.91	4,273,027	313,914	42,730,270	31,391,400
5001-10000 shares	111	19	1.96	4.46	1,036,120	141,156	10,361,200	14,115,600
10001-20000 shares	72	11	2.76	5.46	1,457,240	173,086	14,572,400	17,308,600
20001-30000 shares	24	11	1.49	8.21	784,960	260,114	7,849,600	26,011,400
30001-40000 shares	17	2	1.52	2.32	801,147	73,566	8,011,470	7,356,600
40001-50000 shares	4	1	0.45	1.36	237,107	43,100	2,371,070	4,310,000
50001-100000 shares	21	3	3.48	5.23	1,839,097	165,546	18,390,970	16,554,600
100001-1000000 shares	39	8	76.82	56.81	40,562,426	1,799,982	405,624,267	179,998,200
Over 1000000 shares	-	-	0.00	-	-	-	-	-
Total	10453	2486	100.00	100.00	52,800,000	3,168,000	528,000,000	316,800,000

At 31 Dec, 2010

At 31 Dec, 2009

Taka

Taka

15.5

Name of the Directors, sponsors shareholders & their shareholding as on 31st December 2010

Sl. No.	Name	Position	2010		2009	
			Total No. of Shares	Total Value	Total No. of Shares	Total Value
1	Mr. Rashidul Hasan	Chairman	182946	1,829,460	14977	1,497,700
2	Mr. Jakir Hossain	Company Secretary	827	8,270	50	5,000
3	Mr. Mujibur Rahman	Nominee Director	827	8,270	50	5,000
4	Mr. A J Masudul Haque Ahmed	Executive Director	27360	273,600	1642	164,200
5	Mr. N. G. Chin Keong	Sponsor	2062500	20,625,000	165000	16,500,000
6	Mrs. Chin Keong	Sponsor	2062500	20,625,000	165000	16,500,000
7	Uttara Automobiles Ltd.	Sponsor	4126667	41,266,667	237600	23,760,000
8	Uttara Apparels Ltd.	Sponsor	4620000	46,200,000	277200	27,720,000
9	Uttara Motors Ltd.	Sponsor	2669999	26,699,990	145200	14,520,000
10	Mr. Mehdadur Rahman	Sponsor	439999	4,399,990	26400	2,640,000
11	Ms. Zakia Rahman	Sponsor	963333	9,633,330	52800	5,280,000
12	Ms. Tahmina Rahman (Tina)	Sponsor	879999	8,799,990	52800	5,280,000
	Total		18036957	180,369,567	1138719	113,871,900

16 Statutory reserve:

As per section 9 of the Financial Institution Act, 1993 and the regulation 6 of the Financial Institutions Regulations 1994, 20% of post tax profit for the year 2010 has been transferred to Statutory Reserve Fund amounting to Tk.169,189,272.

Balance on 1 January	396,424,716	297,338,642
Transfer during the period	169,189,272	99,086,074
Balance at 31 December	565,613,988	396,424,716

This represents 20% of net profit kept aside after tax in compliance with clause 6 of the Financial Institution Regulations 1994.

17 General reserve:

Balance on 1 January	500,000,000	300,000,000
Transfer during the period	200,000,000	200,000,000
Balance at 31 December	700,000,000	500,000,000

18 Share Premium

528,000,000 **264,000,000**

The Board of Directors 86th Board meeting, agenda no-16 held on 9th May 2010 recommended to the existing shareholders 1:3 Right Share (One right share against three existing share of Tk. 10) with a premium of Tk. 20 which is approved by the shareholders at the 15th Annual General Meeting on 23 June 2010 and accordingly SEC has approved the same. So that the above represents Tk. 264,000,000 receipt from the shareholders @ Tk. 20 per share as premium on 13,200,000 shares.

19 Proposed dividend

- **79,200,000**

20 Retained earnings

Opening balance	411,261,737	394,117,442
Add: Net profit after taxation	845,946,361	495,430,369
Less: Transfer to statutory reserve	169,189,272	99,086,074
Less: Transfer to general reserves	200,000,000	200,000,000
Less: Transfer to Dividend equalisation fund	100,000,000	100,000,000
Less: Propose dividend	-	79,200,000
	788,018,826	411,261,737

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
21	Profit and loss account		
	Income:		
	Interest, discount and similar income	1,416,999,670	1,413,341,452
	Dividend income	6,355,022	2,399,936
	Fees, commission and brokerage	118,231,750	39,029,112
	Gains <i>less</i> losses arising from dealing securities	692,004,062	240,290,413
	Gains <i>less</i> losses arising from investment securities	-	-
	Gains <i>less</i> losses arising from dealing in foreign currencies	-	-
	Income from non-financial institution's assets	-	-
	Other operating income	348,685,357	168,944,932
	Profit <i>less</i> losses on interest rate changes	-	-
		2,582,275,861	1,864,005,845
	Expenses:		
	Interest, fee and commission	1,069,359,951	953,656,079
	Losses on loans and advances	-	-
	Administrative expenses	241,835,225	171,572,022
	Other operating expenses	21,250,775	15,359,658
	Depreciation on FI's assets	16,245,269	10,156,378
		1,348,691,220	1,150,744,137
	Profit before provision	1,233,584,641	713,261,708
22	Interest income		
	Interest income on loans, advances and leases	1,416,999,670	1,413,341,452
	Interest income on amount deposit with other Bank or Financial Institution	-	-
	Interest income on amount deposit with foreign Bank	-	-
		1,416,999,670	1,413,341,452
23	Interest paid on deposits and borrowings etc.		
	Interest on:		
	Term Deposits	381,513,105	366,301,184
	Loan from financial institutions	566,397,945	496,197,077
	Bank overdraft	4,220,013	2,113,590
	Loan from Foreign Bank	-	-
	Coupon bond	111,261,027	56,742,160
	Call money	5,967,861	32,302,068
		1,069,359,951	953,656,079
24	Income from Investment:		
	Income from:		
	Bills	-	-
	Treasury bills	-	-
	Notes	-	-
	Bond	-	-
	Share	132,762,051	35,953,703
	Debentures	-	-
		132,762,051	35,953,703
25	Commission, brokerage and exchange		
	Commission	-	-
	Exchange gain	-	-
	Brokerage	-	-

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
26	Other operational income:		
	Interest realized and accrued on advance against leased assets	138,162,821	54,904,315
	Interest on deposits	32,421,841	44,206,897
	Realization of delinquent charges	6,423,243	3,380,594
	Commission from letter of credit	1,263,953	599,572
	Service charges	1,242,220	1,024,441
	Miscellaneous	6,090,151	86,527
		185,604,229	104,202,346
27	Rent, taxes, insurance, electricity etc.		
	Office Rent	4,467,256	4,186,908
	Electricity bill	1,277,161	1,280,655
	Other maintenance	13,270,728	11,875,751
		19,015,145	17,343,314
28	Legal and professional expenses		
	Stamps	322,630	302,632
	Professional fees and other charges	1,176,559	843,500
		1,499,189	1,146,132
29	Postage, stamp, telecommunication etc.		
	Postage, telephone, telex, fax and e-mail	68,599	73,070
	Others	-	-
		68,599	73,070
30	Stationery, printing, advertisement etc.		
	Printing and stationery	1,579,989	1,389,629
	Books and periodicals	50,200	62,629
	Advertisement and publicity	4,643,237	1,269,098
		6,273,426	2,721,356
31	Directors Fee:		
	Fees for attending Board Meetings @ Tk. 5,000	246,000	173,500
	Other Financial Facilities	-	-
		246,000	173,500
32	Other expenses		
	Motor vehicle expenses	4,187,860	3,870,609
	Communication	3,368,810	2,721,800
	AGM expenses	3,241,061	1,856,342
	Subscription and donation	5,380,595	795,978
	Repossessing expenses	1,460,619	1,765,783
	Traveling and conveyance	1,445,871	1,847,801
	Levies	1,535,369	804,609
	Entertainment	625,090	475,736
	Amortisation of computer software expenses	-	1,200,000
	Training expenses	5,500	21,000
		21,250,775	15,359,658

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
33	Provision against loans		
	Closing Balance:		
	Provision for classified loans, advances and leases	101,414,756	99,599,983
	Provision for unclassified loan, advances and leases	104,854,043	97,505,354
		206,268,799	197,105,337
	Less: Last year provision		
	Provision for classified loans, advances and leases	99,599,983	92,454,997
	Provision for unclassified loan, advances and leases	97,505,354	89,590,632
	Provision made during the year	197,105,337	182,045,629
		9,163,462	15,059,708
34	Provision for diminution in value of investments		
34.1	Dealing security		
	In quoted shares	36,879,056	(7,228,369)
	In unquoted shares	-	-
		36,879,056	(7,228,369)
34.2	Investment security		
	In quoted shares	-	-
	In unquoted shares	-	-
		-	-
	Total	36,879,056	(7,228,369)
35	Earning per share		
	Basic earnings per share have been calculated as follows:		
	a) Earnings attributable to ordinary shares (net profit after tax)	845,946,361	495,430,369
	b) Weighted average number of ordinary shares outstanding during the year	52,800,000	52,800,000
	Earning per share	16.02	9.38

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as on 31 December 2010 as per Bangladesh Accounting standard (BAS) 33. Moreover, number of shares of 2009 has been restated giving the effect of change of denomination of shares from Tk.100 each to Tk.10 each.

36 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting standard (BAS) 24; "Related Party Disclosures". Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 31 December 2010 as follows:

Name of Party	Primary lines of Business	Nature of relation ship	Nature of transaction	Balance at 01 January, 2010 (Taka in crore)	Balance at 31 December, 2010 (Taka in crore)
Uttara Motors Ltd.	Leasee and supplier	Sponsor shareholder	Term deposit	62.58	54.08
Uttara Apperals Ltd	Leasee sponsor	Sponsor shareholder	Term deposit	16.78	6.78
Uttara Automobiles Ltd.	Leasee sponsor	Sponsor shareholder	Lease & Term deposit	15.82	5.79

		At 31 Dec, 2010 Taka	At 31 Dec, 2009 Taka
37	Contingent liabilities and assets		
37.1	Letters of guarantee	250,000,000	250,000,000
	As per the requirement of Dhaka Stock Exchange Limited (Member's Margin) regulation 2000, an issuance of guarantee by Uttara Finance & Investment Ltd. Guarantee no. 01, dated 01.06.2009 for Tk. 25.00 (twenty five) crore only on behalf of UGC Securities Ltd. favouring Dhaka Stock Exchange Ltd. as required for Member's Margin. And UGC Securities Ltd. JBC Tower (6th floor), 10 Dilkusha C/A, Dhaka-1000, the member of Dhaka Stock Exchange Ltd. membership no. 54 The liability under this guarantee shall be restricted to Tk. 25.00 (twenty five) crore only and shall remain valid upto May, 31, 2010.		
37.2	Irrevocable letters of credit	1,074,000	150,000,000
	NAM Jute Mills	1,074,000	395,600,000
	Monno Bono China	-	100,000,000
		1,074,000	495,600,000
38	General		
38.1	Claims		
	a) Claim against the company not acknowledge as debts	Nil	Nil
	b) Claim by the company not acknowledge as receivable	Nil	Nil
	"Dividend income and gain on sale of invested shares and bonds are stated as ""Tax free income"" presented in the profit and loss account considered good by management.		
38.2	Proposal of dividend		
	The Board of Directors in its 91st meeting under agenda no.11 recommended 40% stock dividend.		
38.3	Figures of the previous years have been rearranged/restated, where necessary, to conform to current year presentation.		

These financial statements should be read in conjunctions with the annexed notes


Mujibur Rahman
Director


S.M. Shamsul Arefin
Managing Director


Uttam Kumar Saha
Chief Financial Officer

Schedule of Fixed assets

as on 31 December 2010

Amount in Taka

Assets Category	Cost				Rate (%)	Depreciation			
	At 1-Jan-10	Additions during the year	Disposals during the year	Total at 31-Dec-10		At 1-Jan-10	Charges for the year	Adjustments for the year	Total at 31-Dec-10
Land and land development	37,082,409	27,537,073	-	64,619,482	0%	-	-	-	64,619,482
Building & Premises	121,338,500	-	-	121,338,500	10%	6,139,138	12,133,850	-	18,272,988
Office decoration	10,240,920	351,650	-	10,592,570	20%	8,113,243	1,783,493	-	9,896,736
Office equipments	4,094,250	2,880,088	-	6,974,338	15%	2,357,821	590,596	-	2,948,417
Computer	4,514,622	460,250	-	4,974,872	15%	2,858,673	490,756	-	3,349,429
Motor Vehicle	7,953,015	-	-	7,953,015	20%	4,076,068	1,038,811	-	5,114,879
Furniture and fixtures	3,701,585	53,087	-	3,754,672	15%	2,751,951	207,763	-	2,959,714
Total on 31 December 2010	188,925,301	31,282,148	-	220,207,449		26,296,894	16,245,269	-	42,542,163
Total on 31 December 2009	63,495,635	125,429,666	-	188,925,301		16,140,516	10,156,378	-	26,296,894
									177,665,286
									162,628,407

Cash at Bank

As at 31 December 2010

Annexure-2

Annexure

Name of Banks	Bank A/C No.	Amount in Taka	
		At 31 Dec 2010	At 31 Dec 2009
In current deposit with			
Commercial Bank of Ceylon Plc.	CD-1805001865	(40,332,521)	(1,216,477)
IFIC Bank Ltd.	CD-1017124285001	(69,214,388)	(4,138,381)
Uttara Bank Ltd.	CD-21-1912	121,120	131,138
Rupali Bank Ltd.	CD-200085087	102,700	103,650
Social Islami Bank Ltd.	CD-000813300008175	94,875	95,685
State Bank of India	CD-05120043520001	2,817,240	87
The City Bank Ltd.	CD-1102004981001	947,872	(597,821)
Mercantile Bank Ltd.	CD-010111100025962	32,989,758	-
NCC Bank Ltd.	CD-00280210008023	23,060	23,060
Eastern Bank Ltd.	CD-01011060011025	3,652,506	10,378,231
Standard Chartered Bank	CD-01284919401	1,947,699	11,462,706
BRAC Bank Ltd.	CD-1501200132042001	45,807	818,150
The City Bank Ltd.	CD-1102351488001	1,781,905	358,685
Shahajalal Islami Bank Ltd.	CD-400311100001067	7,315	8,315
Balance for current deposit accounts (A)		(65,015,052)	17,427,028

In short term deposit with

AB Bank Ltd.	STD-4005231614430	66,437	66,242
Bank Alfalah Ltd.	STD-03700011	2,403,483	12,352,017
Bank Asia Ltd.	STD-00336000903	11,824,039	11,973,802
Bangladesh Commerce Bank Ltd.	STD-0005-0320000070	17,027,013	18,702,030
NCC Bank Ltd.	STD-00270325000261	598,088	577,037
Citibank N.A	STD-G010001200264009	9,132,333	14,275,704
Dhaka Bank Ltd.	STD-0201150000001033	6,844,537	18,857,483
Dutch Bangla Bank Ltd.	STD-0110120000000146	1,346,004	3,530,934
Bank Asia Ltd.	STD-00536000571	25,198,513	26,968,720
Exim Bank Ltd.	STD-00113100049022	1,130,928	1,103,253
First Security Bank Ltd.	STD-010113100001397	481,298	456,844
IFIC Bank Ltd.	STD-2045171125041	3,185,693	6,426,307
IFIC Bank Ltd.	STD-1017127135041	7,435,150	14,333,586
Islami Bank Bangladesh Ltd.	STD-20501090900003210	1,210,870	1,624,809

Name of Banks	Bank A/C No.	Amount in Taka	
		At 31 Dec 2010	At 31 Dec 2009

In short term deposit with

Jamuna Bank Ltd.	STD-00060320000515	164,258	15,527
Mercantile Bank Ltd.	STD-011913100000066	1,432,932	1,528,632
Mercantile Bank Ltd.	STD-010113100001852	10,000,845	2,913,609
Mutual Trust Bank Ltd.	STD-00120320000339	182,753	431,043
National Bank Ltd.	STD-004836001188	7,527,950	5,851,538
National Bank Ltd.	STD-000236002942	15,756	16,357
One Bank Ltd.	STD-5080101009	10,437,449	16,332,088
One Bank Ltd.	STD-0015015398002	1,319,282	1,273,941
One Bank Ltd.	STD-5117007008	6,600,101	-
IFIC Bank Ltd.	STD-117812735041	16,933,518	-
IFIC Bank Ltd.	STD-7347634041	396,096,054	-
The Premier Bank Ltd.	STD-012413100000117	18,872	19,330
Prime Bank Ltd.	STD-10431010001894	5,175,059	6,578
Prime Bank Ltd.	STD-1083102002869	7,149,242	20,246,407
Prime Bank Ltd.	STD-10831050002877	156,084	154,407
Shahjalal Islami Bank Ltd.	STD-400413100000229	1,534,435	1,519,352
Social Islami Bank Ltd.	STD-003113600000081	2,225,664	3,351,696
Social Islami Bank Ltd.	STD-003113600000107	9,165,642	10,147,155
Social Islami Bank Ltd.	STD-13600000017	7,485,815	6,694,641
Social Islami Bank Ltd.	STD-002213600000416	1,432,590	10,180,849
Sonali Bank Ltd.	STD-000236002496	10,119,343	7,979,403
Southeast Bank Ltd.	STD-002713100000102	2,898,923	2,838,852
Standard Bank Ltd.	STD-00236001357	407,284	22,463
The City Bank Ltd.	FCD-5122021030001	447,019	449,360
The City Bank Ltd.	STD-3102004981001	6,653,824	5,641,984
The City Bank Ltd.	STD-3102020266001	21,601,728	21,601,728

Balance for short term deposit accounts (B)

615,066,807

250,465,708

Balance at 31 December (A+B)

550,051,755

267,892,736

Bangladesh Bank	CD-688
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Balance for Bangladesh Bank account

64,772,999

46,938,269

64,772,999

46,938,269

Fixed Deposit	
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Balance for Fixed Deposit

335,000,000

280,000,000

335,000,000

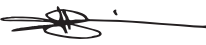
280,000,000

Total Cash at Bank

949,824,753

594,831,005


Mujibur Rahman
Director


S.M. Shamsul Arefin
Managing Director


Uttam Kumar Saha
Chief Financial Officer

Investment in shares and bonds

as at 31 December 2010

Annexure-3

Particulars	No. of shares	Market price per share/Taka	Market Price	Book Value
MIDAS Financing Ltd.	173,085	425	73,561,125	14,767,877
Orion Laboratories	73,900	100	7,390,000	7,390,000
CDBL	54,167	100	5,416,700	5,416,700
Jago Corporation	42,600	36	1,533,600	4,260,000
National Bank Ltd.	10	710	7,103	2,451
Agrani Insurance Co.	3,751	250	936,200	479,901
National Life Insurance	4,575	3,895	17,819,625	1,083,743
PHP float Glass Ind.	120,500	102	12,291,000	12,291,000
Islami Bond	5,000	1,000	5,000,000	5,000,000
Aftab automobiles	189,325	452	85,499,170	30,000,000
Beacon Pharma	50,000	69	3,435,000	4,602,336
City General Insurance	22,650	1,504	34,059,938	33,123,812
First Security Bank Ltd.	40,000	41	1,624,000	1,427,066
Fu-wang Ceramic Industry	650	571	370,988	426,959
Global Ins. Ltd.	14,250	930	13,248,938	14,342,475
Grameen Phone Ltd.	5,100	246	1,253,580	418,793
Green Delta Mutual Fund	1,000,000	14	13,600,000	10,000,000
ICB Islamic Bank Ltd.	300	19	5,820	3,221
Imam Button Industries	16,390	606	9,936,438	5,537,340
Islamic Finance and Inv.	2	934	1,867	2,020
Janata Insurance	6,460	1,991	12,861,860	14,775,226
Lafarge Surma Cement	10,800	564	6,088,500	8,373,839
Mercantile Ins.	109,850	1,454	159,749,363	171,034,376
Mobil Jamuna	40,191	152	6,125,108	6,125,108
MTBL	0	710	142	93
National Housing Finance	60,800	1,219	74,130,400	85,633,357
National Tubes Ltd.	11,920	1,471	17,528,360	20,820,907
Northern General Insurance	22,550	860	19,387,363	23,149,907
Peoples Leasing and Finance	25,000	291	7,277,500	7,884,047
PHP First Mutual fund	1,000,000	12	11,600,000	10,000,000
Pioneer Ins. Ltd.	4,400	1,974	8,685,600	9,167,173
Progoti Life Ins. Ltd.	24,000	4,287	102,888,000	107,126,578
Prime Bank Ltd.	8,446	945	7,979,359	2,533,800
Prime Finance and Inv.	50,000	466	23,295,000	25,194,804
Purabi General Ins. Ltd.	35	2,245	78,584	94,967
RAK Ceramic Ind. Ltd.	118	172	20,249	5,664
Republic Insurance Co. Ltd.	10,900	855	9,319,500	10,734,191
Rupali Insurance Co. Ltd.	6,000	1,737	10,420,500	8,380,593
S.Alam Cold Rolled Steel	5	823	4,114	3,928
Sonar Bangla Insurance	4,300	818	3,515,250	4,157,451
Southeast Bank Ltd.	1,200	600	720,300	684,257
The Dacca Dyeing and Manu.	93,000	98	9,141,900	9,188,741
United airways	3,000	737	2,211,000	2,047,571
United Leasing	54,680	1,732	94,705,760	107,605,218
Usmania Glass	1,597	1,700	2,714,900	3,431,796

877,439,704

788,729,286


Mujibur Rahman
Director


S.M. Shamsul Arefin
Managing Director

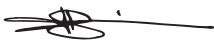

Uttam Kumar Saha
Chief Financial Officer

Highlights of the overall activities of the company

As at 31 December 2010

Sl no.	Particulars	2010	2009
1	Paid up capital	528,000,000	316,800,000
2	Total assets	16,066,356,261	12,607,842,802
3	Total deposits	3,886,917,991	3,470,755,501
4	Total loans and advances	9,458,962,178	7,125,397,629
5	Total contingent liabilities and commitments	650,000,000	745,600,000
6	Credit deposit ratio	243.35	205.30
7	Percentage of classified loan against total loans and advances	2.34	3.28
8	Profit after tax and provision	845,946,360	495,430,369
9	Amount of classified loans during the year	182,125,956	214,508,765
10	Provision against classified loan	101,414,756	99,599,983
11	Provision excess/(shortage)	-	-
12	Cost of Fund	10.14%	12.53%
13	Interest earning assets	11,197,516,218	8,442,987,505
14	Non interest earning assets	4,868,840,043	4,164,855,297
15	Return on Investments (ROI)	9.01	5.74
16	Return on Assets (ROA)	5.27	3.13
17	Income from investment	132,762,051	35,953,703
18	Earnings per share	16.02	9.38
19	Net income per share	16.02	9.38
20	Price earning ratio	23.36	22.64


Mujibur Rahman
 Director


S.M. Shamsul Arefin
 Managing Director


Uttam Kumar Saha
 Chief Financial Officer

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PROXY FORM

I/we name.....
address.....
being a member of Uttara Finance and Investments Limited and a holder ofshares against registered folio/BO A/c no..... hereby appoint Mr./Ms..... of as my/our proxy to attend and vote for me/us and on my/our behalf at the 16th (sixteenth) Annual General Meeting of the Company to be held on Monday, May 30, 2011 at 10.00 a.m. and at any adjournment thereof.

Signature of the member.....

Signature of proxy.....

Date: May, 2011

Notes:

- 1.00 Proxy form duly completed must be deposited at the Registered Office of the Company 48 hours before the time appointed for the meeting.
- 2.00 Signature of the member should agree with the 'specimen signature' available with the Company/BO Account.

Affix
revenue
stamp



ATTENDANCE SLIP

I hereby record my attendance at the 16th (sixteenth) Annual General Meeting of Uttara Finance and Investments Limited as a holder ofshares/proxy of the Company.

Name of the member/proxy:.....

Address:.....

Member's folio no./BO A/C no.....

Signature of the member/proxy.....

Date: May 30, 2011

Notes:

- 1.00 Signature of the member should agree with the 'specimen signature' available with the Company/BO Account.
- 2.00 Please note that Annual General Meeting can only be attended by the honourable member(s) or properly constituted proxy. Therefore, any friend or children accompanying honourable member(s) or proxy cannot be allowed into the meeting.
- 3.00 Members attending the meeting in person or by proxy are requested to duly complete the attendance slip to check at the checking counter.
- 4.00 Shareholders/attorney/proxy is requested to deposit this slip (after checking) in between from 8:30 am. to 10:30 am.

