

People First...

Annual Report 2014

integrated
business
solutions...



UTTARA FINANCE
AND INVESTMENTS LIMITED

People First...

Uttara Finance and Investments Limited started its journey in 1995 as a non banking financial institution with licence from Bangladesh Bank. Since inception the Company has been providing different kinds of financial services to various individuals and corporate bodies. The Company as one of the leading financial institutions is committed to all its Stakeholders to enhance their value with the highest standards of business integrity, ethics and professionalism in all of its activities.

During the period of its journey the Company provided financial services to thousands of individual clients and hundreds of corporate clients where good number of direct employment opportunities exists. Human Resource is the core asset and backbone of the Company. Through direct employment of a good number of qualified talented people, the Company has been playing a vital role in the economic development of the country. As a secured place for deposit with good return, the Company has been encouraging the savings habit among the people. Besides, a large number of Shareholders through their investment in shares of the Company have been enjoying good return each and every year. Through merchant banking service the Company has been helping the investors of the capital market of the country. Uttara Finance and Investments Limited has been paying very good amount of income tax, VAT and withholding tax directly to the government exchequer in each and every year and our Clients, Employees, Shareholders, Depositors have been also contributing to the national economy for its development.

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Welcome to the world of
reports, statements and
detailed informations of
Uttara Finance and
Investments Limited for
the year ended
31 December 2014

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LETTER OF TRANSMITTAL

To **Shareholders**
 Auditors
 Bangladesh Bank
 Bangladesh 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, 2014

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, 2014 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
EVP & Company Secretary

Dhaka, Wednesday, July 08, 2015

LETTER OF INVITATION FROM THE CHAIRMAN

Dear Shareholders,

I extend a warm invitation to you to attend the 20th Annual General Meeting of Uttara Finance and Investments Limited to be held on Wednesday, July 29, 2015 at 10:30 am in Spectra Convention Centre, House # 19, Road # 7, Gulshan-1, Dhaka-1212, Bangladesh to transact the business as per notice given herewith served by the Company Secretary of the Company.

The agenda as set out in the notice will be placed before you in the 20th Annual General Meeting for your approval to ensure exact reflection of your views. I would like to remind your right to raise questions in the Annual General Meeting. Since it is not always possible to answer instantly every question raised in the Annual General Meeting and therefore, to ensure all matters of your particular interest, you are requested to raise questions in advance on or before Thursday, July 23, 2015 addressing the Company Secretary, Uttara Finance and Investments Limited, Uttara Centre (11th Floor), 102 Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208, Bangladesh.

From your discussion in the Annual General Meeting relevant questions and important topics will be assessed and we will try our level best to address in the Annual General Meeting. This is for your kind note that advance notice of relevant questions will, of course, not prevent any Shareholder from raising question(s) at the appropriate time during the meeting.

We are looking forward to your large attendance in the meeting.

Sincerely,



Rashidul Hasan

Chairman

Dhaka, Wednesday, July 08, 2015

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th (twentieth) Annual General Meeting of Uttara Finance and Investments Limited will be held on Wednesday, July 29, 2015 at 10:30 am in Spectra Convention Centre, House # 19, Road # 7, Gulshan-1, Dhaka-1212, Bangladesh to transact the following business:

AGM 2015	20-01	Adoption of Directors' Report, Auditors' Report and audited Financial Statements for the year ended 31 December 2014;
AGM 2015	20-02	Declaration of Dividend for the year 2014;
AGM 2015	20-03	Re-appointment of Directors;
AGM 2015	20-04	Appointment of external Auditors and fixation of remuneration;

By order of the Board



Md. Jakir Hossain, FCA
SEVP & Company Secretary
Wednesday, July 08, 2015

Notes:

01. The **Record Date** is Wednesday, July 08, 2015
02. Shareholders whose name will appear in the Depository Register of Central Depository Bangladesh Limited (CDBL) and/or Share Register of the Company on the Record Date will be eligible to attend the 20th Annual General Meeting.
03. A member may appoint a 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 completed, signed and stamped must be deposited at the share department of the Company 72 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 duly verified attendance slip of signature of Member(s) and/or proxy-holder(s)
06. Shareholders attendance counter will open at 9:00 am and continue till 11:00 am. The check in counters will be closed at 11:00 am.

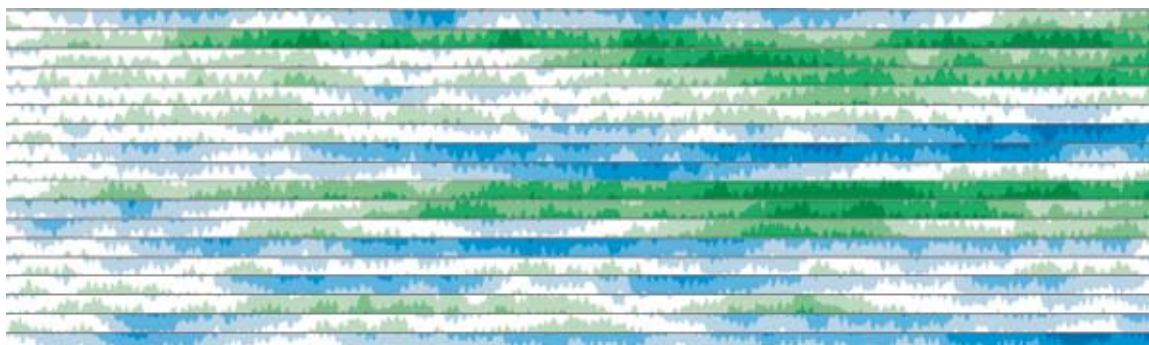
Share department address

Uttara Centre (11th Floor)
102 Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208
Ph.: 880-2-8142680, 880-2-8170281-5, Fax: 880-2-8142679

Special note:

As per notification of BSEC-no benefit in cash or kind (food box/gift/gift coupon etc.) will be given on occasion of AGM.

EXPLANATORY NOTES FOR AGENDA OF AGM



Agenda - AGM 2015 20-01

adoption of directors' report, auditors' report and audited financial statements for the year ended 31 december 2014

In terms of the Companies Act, 1994, the Directors are required to present to the Shareholders at the Annual General Meeting the Directors' Report and annual audited Financial Statements including Auditors Report thereon. For the year ended 31 December 2014 the Directors' Report, the audited Financial Statements and the Auditors Report thereon is given in the Annual Report 2014 from page no. 70 to 83 and page no. 121 to 171 respectively.

Agenda - AGM 2015 20-02

declaration of dividend for the year 2014

The Board of Directors in its 116th meeting held on Wednesday, June 24, 2015 recommended 20% (twenty percent) cash dividend i.e. Tk. 2.00 (Taka two) for every share of Tk. 10.00 (Taka ten) and 10% (ten percent) stock dividend i.e. 1 fully paid share for every 10 fully paid share of Tk. 10/- for the year 2014 subject to approval by the regulatory authorities and by the Shareholders in the Annual General Meeting. The dividend will be paid to the Shareholders whose name appeared in the Depository Register of Central Depository of Bangladesh Limited (CDBL) and/or Share Register of the Company at the close of business on Wednesday, July 08, 2015 being the Record Date.

Agenda - AGM 2015 20-03

re-appointment of directors

As per Article 62 of the Company's Articles of Association one-third of the total number of Directors are to retire by rotation every year. Accordingly, three Directors namely Mr. Mujibur Rahman, Ms. Zakia Rahman and Ms. Tahmina Rahman (Tina) retired from their office and being eligible offered themselves for re-election.

Agenda - AGM 2015 20-04

appointment of external auditors' and fixation of remuneration

The Financial Institutions Act, 1993 stipulated that an auditor of a Financial Institution cannot be appointed for more than three consecutive years. M/S Hoda Vasi Chowdhury & Co., Chartered Accountants has carried out the audit of the Company for the year 2014. The Board of Directors considering the willingness and proposal of Board Audit Committee recommended for appointment of M/S K. M. Hasan & Co., Chartered Accountants and an audit firm of repute to be the Auditor for the year 2015 to hold office from the conclusion of the 20th Annual General Meeting until the conclusion of the next 21st Annual General Meeting of Uttara Finance and Investments Limited.

As per Section 210(10) of the Companies Act, 1994, remuneration of the Auditors' required to be approved by the Shareholders in the Annual General Meeting of the Company. As approved by the Shareholders in 19th Annual General Meeting held in 2014 the auditors' remuneration for audit services paid to the auditors for the financial year ended 31 December 2014 amounting to Tk. 150,000/- plus VAT. As proposed by the Audit Committee, the Board in its 116th meeting held on Wednesday, June 24, 2015 recommended for appointment of M/S K. M. Hasan & Co., Chartered Accountants at a remuneration of Tk. 150,000/- plus VAT.



BACKGROUND OF UTTARA FINANCE AND INVESTMENTS LIMITED

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.

There are three branches of Uttara Finance and Investments Limited located in Chittagong, Gulshan (Dhaka) & Bogra. The corporate branch of the Company and its registered office is located in Dilkusha, Dhaka & extended head office is located in its own premises at Uttara Centre, in the Tejgaon area.



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 all kind of Merchant Banking services.

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

Ultimate goal

- To maximize the stakeholders' value in the long run
- To develop long term strong relationship with clients
- To be a pioneer for providing financial services
- To create employment opportunity by investment in labour intensive projects

Corporate attitude

To provide dedicated service to our clients with the highest integrity



VISION

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



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 professional 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



OBJECTIVE

The objective of Uttara Finance and Investments Limited is to ensure sustainable operational growth to maximize the benefits for the valued shareholders. To achieve the desired targets through the skilled, trained, experienced and motivated management working hard with responsibility in financially disciplined environment to ensure satisfactory customer service.

PRINCIPLES

- Service first to our clients
- Teamwork for quick service
- Quick decision for saving time
- Find-out and maximum utilization of opportunity
- Hard working to achieve goal
- Investment to create employment opportunity
- Maintaining of long term relationship
- Change welcome mentality and support
- Fair competition with ethical behaviour
- Develop and ensure corporate culture
- Maintaining of sustainable growth
- Efficient risk assessment and management for making decision
- Build client business for benefit of the clients
- Financial discipline
- Rewarding talents

VALUES WE CARRY

- Recognition by customer
- Effort together to have the best
- Social and economic development attitude
- Service for People empowerment
- Friendly office environment and team work
- High moral and ethical standards
- Accountable to all stakeholders
- Highest level of trust and transparency
- Positive to accept Challenge

STRENGTHS

- Clients
- Working forces (manpower)
- Familiar and friendly working environment
- Excellent team work
- Integrity
- Transparency
- Prudent policy
- Financial and administrative discipline
- Professional excellence
- Strong risk management
- Commitment to the stakeholders
- Strong guidance of Board of Directors and its Committee
- Attractive leadership
- Excellent working environment
- Efficient and effective decision taking ability

STRATEGY

The Board and Management of Uttara Finance and Investments Limited appreciate very well that clientele is the heart of the organization. For giving financial services we always knock to our clients door to provide our assistance not only when the clients are in good position but also when they are in crisis.

CODE OF CONDUCT AND ETHICS



Uttara Finance and Investments Limited has been running its business in accordance with the approved Code of Conduct. Employees of the Company deliver professional services as per policies and relevant technical and professional standards with integrity, competence, dignity and in an ethical manner. For professionally behave and to improve ability, all the employee exercise independent professional judgment and take reasonable care. Employees of the Company perform their professional obligations with knowledge about all applicable laws, rules, regulations and relevant standards and maintain the confidentiality and privacy.

COMPANY CHRONICLES

MAJOR EVENTS

May 07	1995	Date of incorporation
August 08	1995	Date of commencement
September 07	1995	Licence from Bangladesh Bank
November 01	1995	Date of commercial operation
November 21	1995	Signing of first lease agreement
December 04	1995	Execution of first lease agreement
August 31	1997	Listing with Chittagong Stock Exchange Ltd.
September 07	1997	Listing with Dhaka Stock Exchange Ltd.
March 25	1998	Registration as Merchant Bank
May 02	2002	Opening of Branch at Chittagong
August 08	2004	Opening of Investors' Accounts
September 08	2008	Approval of Zero Coupon Bond by Bangladesh Bank
February 11	2009	Approval of Zero Coupon Bond by BSEC
April 29	2010	Opening of Branch at Gulshan, Dhaka
July 14	2011	Opening of Branch at Bogra

COMPANY INFORMATION

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

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-ব্যাংকিং) 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, 8170281-5
Fax: +880-2-8142679

Branch Office

Chittagong Branch

Uttara Center, F/2 Sk. Mujib Road,
Pathantuli, Chittagong, Bangladesh.
Phone: +880-31-724786, 2511760-1
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, 67763, 67765
Fax : +880-51-69048

CHAIRMAN

Rashidul Hasan

MANAGING DIRECTOR

S. M. Shamsul Arefin, M.Com., MBA

COMPANY SECRETARY

Md. Jakir Hossain, FCA

LEGAL ADVISER

Md. Waliur Reza Chowdhury
L.L.B., Advocate

AUDITOR

M/S K. M. Hasan & 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 of 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.

BRAC Bank Ltd.

Bank Alfalah Ltd.

IFIC 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 Cylon PLC

Mercantile Bank Ltd.

Jamuna Bank Ltd.

Basic Bank Ltd.

Bangladesh Development Bank Ltd.

The City Bank Ltd.

Islami Bank Bangladesh Ltd.

Dhaka Bank Ltd.

Shahjalal Islami Bank Ltd.

Premier Bank Ltd.

State Bank of India

United Commercial Bank Ltd.

PRODUCTS AND SERVICES



Leasing

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

- Operating lease
- Financing lease
- Sale and lease back

Term Financing

Finances are provided for a fixed term in different modes:

- Term finance
- Working capital finance
- Bridge finance
- SME finance
- Syndicated finance

Merchant Banking

Merchant banking unit provides the following services:

- Underwriting
- Portfolio management
- Issue management
- Margin loan
- Corporate advisory services
- Investments in capital market through investors' accounts

Documentary Credit

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

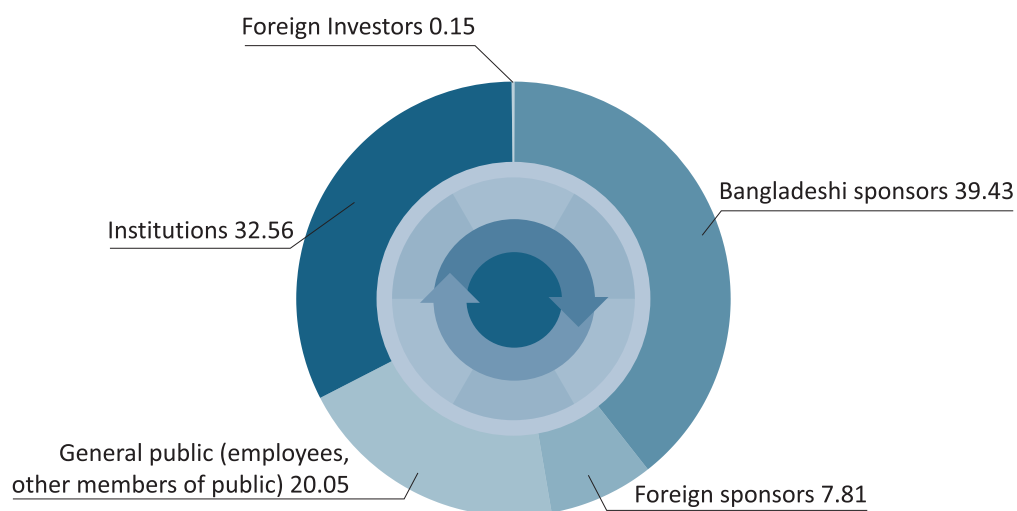
Term Deposits

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

- Semi Annual Profit Scheme
- Annual Profit Scheme
- Cumulative Profit Return Scheme
- Monthly Profit Return Scheme
- Quarterly Profit Return Scheme
- Half Yearly Profit Return Scheme
- Earn Ahead Profit Return Scheme
- Double Money Scheme
- Triple Money Scheme



CAPITAL AND SHAREHOLDING STRUCTURES



Capital	%	Taka
Authorized		
500,000,000 ordinary shares of Tk.10 each		5,000,000,000
Issued, subscribed and paid up		
113,836,800 ordinary shares of Tk. 10 each		1,138,368,000
Shareholding Structure		
Bangladeshi sponsors	39.43	448,788,560
Foreign sponsors	7.81	88,935,000
General public (employees, other members of public)	20.05	228,187,950
Institutions	32.56	370,666,990
Foreign Investors	0.15	1,789,500

SHAREHOLDERS INFORMATION

in the 19th annual general meeting-2014



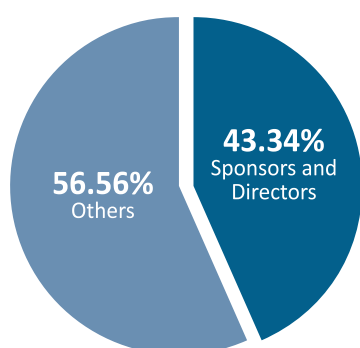
The 19th Annual General Meeting of Uttara Finance and Investments Limited was held on Wednesday, April 30, 2014 at Spectra Convention Centre (Queens Hall), House # 19, Road # 7, Gulshan-1, Dhaka-1212, Bangladesh at 10 am. Due notice having been given and a quorum being present the meeting was duly convened and constituted. The meeting was called to order by Mr. Rashidul Hasan, Chairman of the Board of Directors of the Company. The Company is taking the opportunity to convey heartiest thanks to 107 nos. Shareholders for their kind presence in the meeting.

Shareholders in the 19th AGM

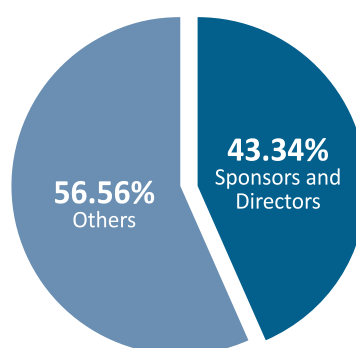
SECURITIES AND EXCHANGE COMMISSION NOTIFICATION

As per Securities and Exchange Commission Notification No. SEC/CMRRCD/2009-193/119/Admin/----- dated November 22, 2011 'All Sponsors/Promoters and Directors of a Company listed with any Stock Exchanges shall all time jointly hold minimum 30% (thirty percent) shares of the paid-up capital of the Company. The Sponsors/ Promoters and Directors holding less than 30% (thirty percent) shares shall acquire the rest amount within 6 (six) months of issuance of this Notification;'

The Sponsors and Directors of Uttara Finance and Investments Limited from the inception of the Company never sold/transferred any shares of the Company. During the last few years the Sponsors and Directors of the Company have purchased a good number of shares from the secondary market. As on December 31, 2014 the shareholding of Directors as a whole was 43.34 percent.



Shareholding position 2014



Shareholding position 2013

Shareholding position of Sponsors and Directors

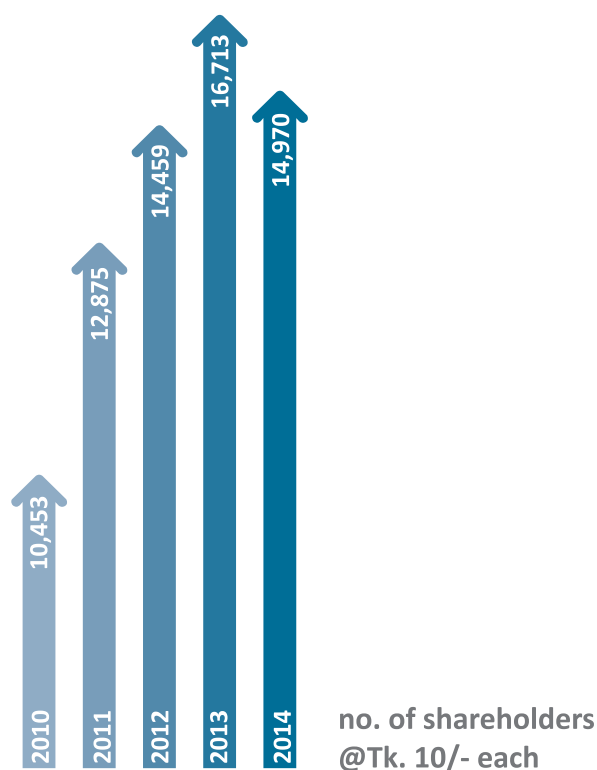
Sl. No.	Name of Sponsors/shareholding Directors	Position	2014		2013	
			Total no. of shares	Percentage (%)	Total no. of shares	Percentage (%)
1	Mr. NG Chin Keong	Sponsor Director	4,446,750	3.91	4,446,750	3.91
2	Uttara Automobiles Ltd.	Sponsor Director	8,897,090	7.82	8,897,090	7.82
3	Uttara Apparels Ltd.	Sponsor Director	9,960,720	8.75	9,960,720	8.75
4	Uttara Motors Ltd.	Sponsor Director	5,811,516	5.11	5,811,516	5.11
5	Mr. Mehdadur Rahman	Sponsor Director	2,279,196	2.00	2,279,196	2.00
6	Ms. Zakia Rahman	Sponsor Director	2,279,196	2.00	2,279,196	2.00
7	Ms. Tahmina Rahman (Tina)	Sponsor Director	2,279,196	2.00	2,279,196	2.00
8	Uttara Automobiles Manufac. Ltd.	Director	13,371,942	11.75	13,371,942	11.75
	Total		49,325,606	43.34	49,325,606	43.34

PATTERN OF SHAREHOLDING AND NUMBER OF SHAREHOLDERS

Uttara Finance and Investments Limited has been running with strong capital base. As on December 31, 2014 paid up capital of the Company was Tk. 1,138.368 million against its authorized capital Tk. 5,000.00 million and as on that date total number of Shareholders was 14,970 which was 16,713 as on December 31, 2013. 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 holders		% of total holding		No. of shares		Value of share (@Tk.10 each)	
	2014	2013	2014	2013	2014	2013	2014 (Tk.)	2013 (Tk.)
Upto 500 shares	9,414	10,557	1.23	1.43	1,400,301	1,625,943	14,003,010	16,259,430
501-5,000 shares	4,672	5,221	6.70	7.24	7,629,429	8,242,022	76,294,290	82,420,220
5,001-10,000 shares	430	478	2.74	2.99	3,116,305	3,404,531	31,163,050	34,045,310
10,001-20,000 shares	207	207	2.49	2.45	2,836,341	2,787,853	28,363,410	27,878,530
20,001-30,000 shares	53	68	1.13	1.43	1,280,536	1,622,932	12,805,360	16,229,320
30,001-40,000 shares	36	44	1.10	1.33	1,247,736	1,518,862	12,477,360	15,188,620
40,001-50,000 shares	35	17	1.38	0.67	1,573,307	764,491	15,733,070	7,644,910
50,001-100,000 shares	40	44	2.55	2.71	2,904,840	3,084,181	29,048,400	30,841,810
100,001-1,000,000 shares	80	77	80.68	79.75	91,848,005	90,785,985	918,480,050	907,859,850
1,000,001 and above	0	-	-	-	-	-	-	-
Total	14,967	16,713	100.00	100.00	113,836,800	113,836,800	1,138,368,000	1,138,368,000

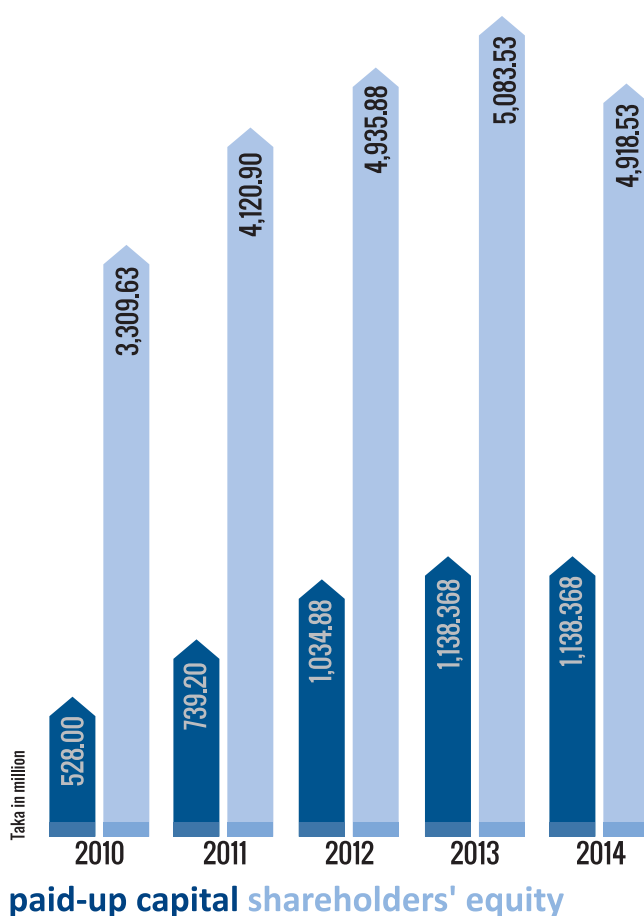


CAPITAL AND EQUITY STATISTICS

As on December 31, 2014 paid up capital of the Company was Tk. 1,138.368 million. The Bangladesh Bank vide its DFIM Circular no. 5, dated July 24, 2011 directed that minimum paid up capital of NBFIs would be Tk. 1,000.00 million by June 30, 2013. The paid up capital of Uttara Finance and Investments Limited as on June 30, 2013 was Tk. 1,034.88 million.

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

Sl. No.	Particulars	2014	2013	2012	2011	2010
01	Authorized Capital (Taka)	5,000,000,000	5,000,000,000	5,000,000,000	1,000,000,000	1,000,000,000
02	Paid up Capital (Taka)	1,138,368,000	1,138,368,000	1,034,880,000	739,200,000	528,000,000
03	No. of outstanding shares of Tk. 10	113,836,800	113,836,800	103,488,000	73,920,000	52,800,000
04	Shareholders' Equity (Taka)	4,918,534,932	5,083,530,640	4,935,880,079	4,120,895,361	3,309,632,814
05	Market Capitalization (million Taka)	8,492.23	9,414.30	8,589.50	8,441.66	20,412.48



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, 2014 was Tk. 1,138.368 million which was also Tk. 1,138.368 million in the year 2013. Out of the total paid up capital the Directors and/or Sponsors shareholding at the end of 2014 was 47.24% as against 47.24% of 2013. As per record of the Company's share register the top 10 Shareholders holding as on December 31, 2014 is 60.54%. Details of Directors and/or Sponsors shareholding and top 10 Shareholders shareholding are as given below:

Shareholding position of Sponsors/Directors as on December 31, 2014

Sl. No.	Name	Position	2014		2013	
			Total no. of shares	Total value (Tk.)	Total no. of shares	Total value (Tk.)
1	Mr. Rashidul Hasan	Chairman	394,430	3,944,300	394,430	3,944,300
2	Mr. Matiur Rahman	Nominee Director	553,665	5,536,650	553,665	5,536,650
3	Mr. Mujibur Rahman	Nominee Director	2,367	23,670	2,367	23,670
4	Mr. A J Masudul Haque Ahmed	Executive Director	16,776	167,760	36,776	367,760
5	Mr. NG Chin Keong	Sponsor Director	4,446,750	44,467,500	4,446,750	44,467,500
6	Mrs. Chin Keong Sponsor	Director	4,446,750	44,467,500	4,446,750	44,467,500
7	Uttara Automobiles Ltd.	Sponsor Director	8,897,090	88,970,900	8,897,090	88,970,900
8	Uttara Apparels Ltd.	Sponsor Director	9,960,720	99,607,200	9,960,720	99,607,200
9	Uttara Motors Ltd.	Sponsor Director	5,811,516	58,115,160	5,811,516	58,115,160
10	Mr. Mehdadur Rahman	Sponsor Director	2,279,196	22,791,960	2,279,196	22,791,960
11	Ms. Zakia Rahman	Sponsor Director	2,279,196	22,791,960	2,279,196	22,791,960
12	Ms. Tahmina Rahman (Tina)	Sponsor Director	2,279,196	22,791,960	2,279,196	22,791,960
13	Mr. Md. Showkat Hossain, FCA	Independent Director	-	-	-	-
14	Mr. A. T. K. M. Ismail	Independent Director	1,450	14,500	1,450	14,500
15	Uttara Automobiles Manufac. Limited	Director	13,371,942	133,719,420	13,371,942	133,719,420
16	Kazi Imad Hossain	Nominee Director	4,620	46,200	4,620	46,200
	Total		54,765,664	547,656,640	54,765,664	547,656,640

Top 10 (ten) Shareholders on the basis of shareholdings as on December 31, 2014

Sl. No.	Name of the shareholders	2014		2013	
		No. of shares held	% of holdings	No. of shares held	% of holdings
1	Uttara Automobiles Manufac. Limited	13,371,942	11.75	13,371,942	11.75
2	Uttara Apparels Limited	9,960,720	8.75	9,960,720	8.75
3	Uttara Automobiles Limited	8,897,090	7.82	8,897,090	7.82
4	ICB	8,003,448	7.03	7,807,898	6.86
5	ICB Unit Fund	6,025,520	5.29	6,002,420	5.27
6	Uttara Motors Limited	5,811,516	5.11	5,811,516	5.11
7	Mr. NG Chin Keong	4,446,750	3.91	4,446,750	3.91
8	Mrs. Chin Keong	4,446,750	3.91	4,446,750	3.91
9	Uttara Motor Corporation Limited	3,862,830	3.39	3,862,830	3.39
10	Bangladesh Fund	4,100,000	3.60	3,500,075	3.07
	Total	68,926,566	60.54	68,107,991	59.83

RETURN FROM INVESTMENT IN SHARES OF UTTARA FINANCE AND INVESTMENTS LIMITED

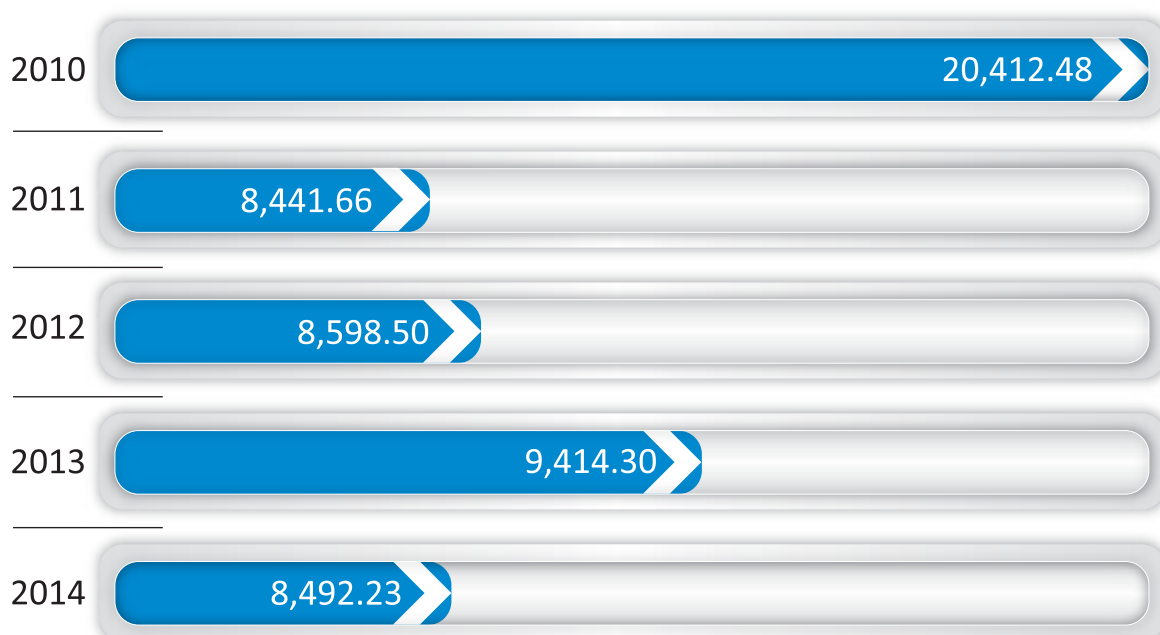
Uttara Finance and Investments Limited was incorporated in the year 1995 and from 1997 the Company consistently has been paying dividend to its Shareholders. Beside payment of cash dividend in most of the years of last 16 years the Company credited stock dividend to the Shareholders in the year 2004, 2006, 2009, 2010, 2011 & 2012. In the year 2006 and 2010 the Company also issued rights share to increase the capital to fulfill the minimum capital requirement as per Bangladesh Bank circular. After IPO in 1997 the paid up capital of the Company was 120.00 million and at the end of 2013 the paid up capital was Tk. 1,138.368 million and at present the face value per share of the Company is Tk. 10.00 which was Tk. 100.00 at the time of incorporation. The Board of Directors and Management of the Company have been giving their maximum effort to maximize the return to its Shareholders.

An analytical statement of return of Shareholder (IPO investor) of Uttara Finance and Investments Limited is as given below.

Particulars	No. of shares of Tk. 10	Amount in Taka
Investment		
Initial investment in IPO (assume 1 lot of 500 shares of Tk. 10 each)	500	5,000
10% stock dividend in 2004	50	-
	550	5,000
1R:1 @ Tk. 30 including premium of Tk. 20	550	16,500
	1,100	21,500
20% stock dividend in 2006	220	-
	1,320	21,500
25% stock dividend in 2009	330	-
	1,650	21,500
1R:3 @ Tk. 30 including premium of Tk. 20	550	16,500
	2,200	38,000
40% stock dividend in 2010	880	-
	3,080	38,000
40% stock dividend in 2011	1,232	-
	4,312	38,000
10% stock dividend in 2012	431	-
	4,743	38,000
10% stock dividend in 2014	474	-
Total shares and cost thereof after dividend of 2014	5,217	38,000

Return

A	Market value of 5,217 shares	294,030
	(Ex-dividend value @ Tk. 56.36)	
B	Cash dividend per share for share of Tk. 10	
	1997 @ Tk. 1.00 for 500 shares	500
	1998 @ Tk. 1.50 for 500 shares	750
	1999 @ Tk. 1.50 for 500 shares	750
	2000 @ Tk. 2.00 for 500 shares	1,000
	2001 @ Tk. 2.50 for 500 shares	1,250
	2002 @ Tk. 2.50 for 500 shares	1,250
	2003 @ Tk. 2.50 for 500 shares	1,250
	2004 @ Tk. 1.50 for 500 shares	750
	2005 @ Tk. 2.50 for 550 shares	1,375
	2006 @ Tk. 1.00 for 1,100 shares	1,100
	2007 @ Tk. 3.00 for 1,320 shares	3,960
	2008 @ Tk. 3.00 for 1,320 shares	3,960
	2012 @ Tk. 2.00 for 4,312 shares	8,624
	2013 @ Tk. 3.00 for 4,743 shares	14,229
	2014 @ Tk. 2.00 for 4,743 shares	9,486
		50,234
A+B	Total return since IPO in 1997	344,264
	Percentage (%) of total return since IPO in 1997	905.96%
	Per year average return percentage (%) (Average yearly growth)	50.33%

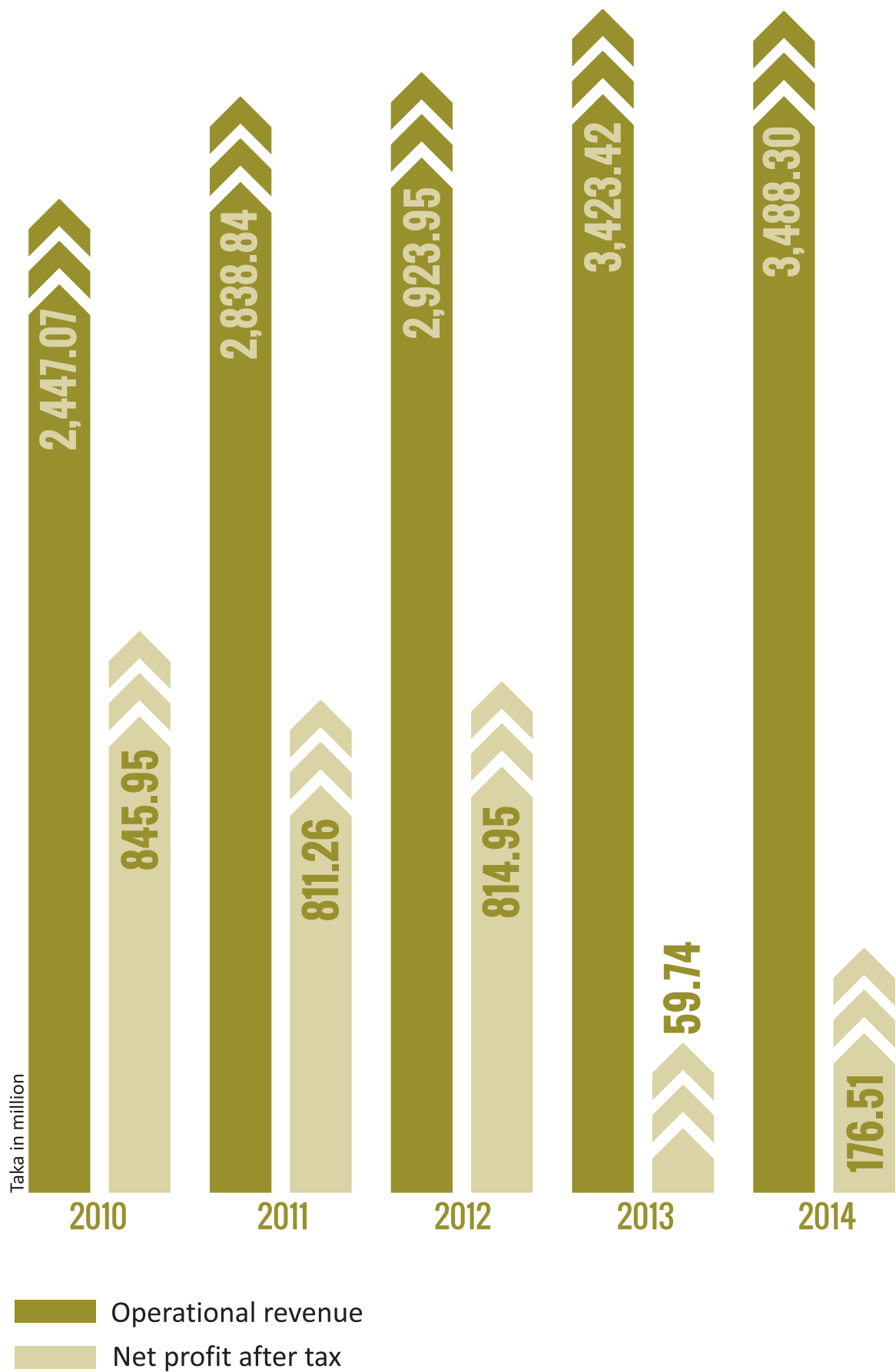


market capitalisation (million taka)

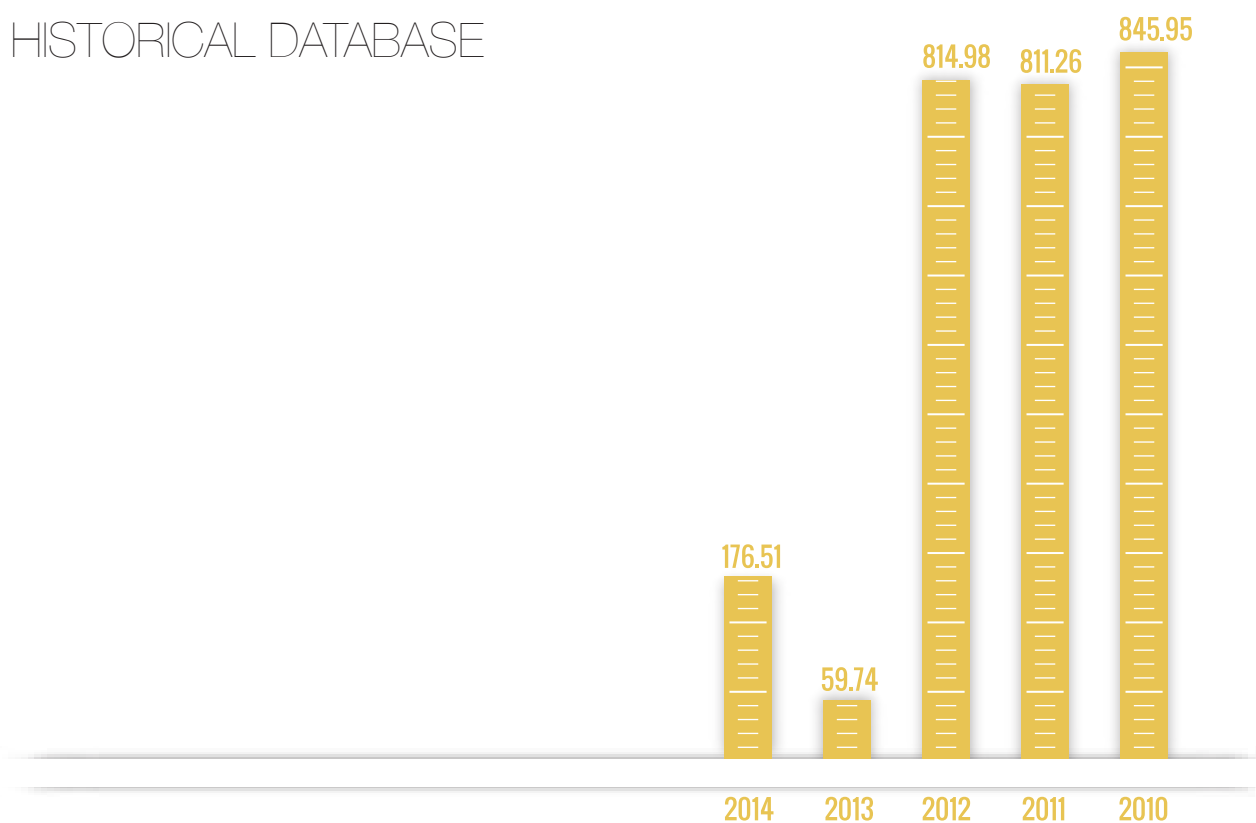
FINANCIAL PERFORMANCES

operational revenue and net profit after tax

	Unit	2014	2013
Operational revenues	Tk.	3,488,301,511	3,423,420,975
Operational expenses	Tk.	2,573,923,633	2,562,759,594
Profit before provision and tax	Tk.	1,028,210,584	869,583,968
Net profit after tax	Tk.	176,514,692	59,741,425
Fixed assets	Tk.	148,718,017	153,653,663
Investments in lease	Tk.	10,676,943,716	9,112,585,679
Investments in term finance	Tk.	10,248,071,975	8,949,529,704
Shareholders' equity	Tk.	4,918,534,932	5,083,530,640
Long term loan	Tk.	7,195,685,840	5,992,997,719
Term deposit	Tk.	10,368,944,199	9,228,098,424
Debt equity ratio	times	4.00	3.23
Financial expenses coverage ratio	times	1.23	1.08
Net asset value per share of Tk. 10	Tk.	43.21	44.66
Earning per share of Tk. 10 each (2013-restated)	Tk.	1.55	0.52
Dividend per share	%	30.00	30.00
Return on average equity	%	3.53	1.19



HISTORICAL DATABASE



Profit after tax (Taka in million)

Unit	Taka in million				
	2010	2011	2012	2013	2014
Business performance	5,734.70	7,180.23	9,278.97	11,539.13	13,047.30
Contract processed	6,845.55	7,939.53	10,366.04	12,972.63	14,839.50
Cumulative investment	10,247.69	13,658.73	15,605.99	20,285.17	23,178.25

Financial performances

Operational revenues	2,447.07	2,838.84	2,923.95	3,423.42	3,488.30
Operational expenses	1,348.69	1,662.92	1,650.31	2,562.76	2,573.92
Profit before provision and tax	1,233.58	1,181.17	1,276.99	869.58	1,028.21
Net profit after tax	845.95	811.26	814.95	59.74	176.51
Fixed assets	177.67	172.80	168.55	153.65	148.72
Investments in lease	3,827.45	4,041.30	6,908.54	9,112.59	10,676.94
Investments in term finance	5,631.51	6,000.40	6,584.42	8,949.53	10,248.07
Shareholders' equity	3,309.63	4,120.90	4,935.88	5,083.53	4,918.53

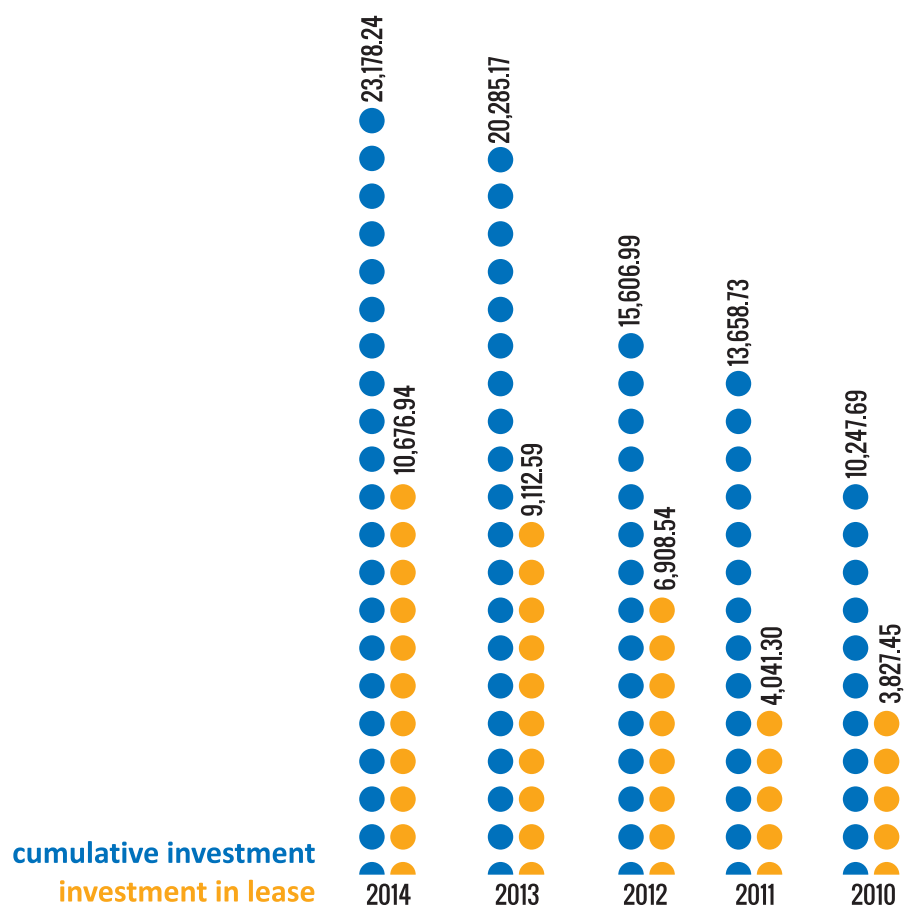
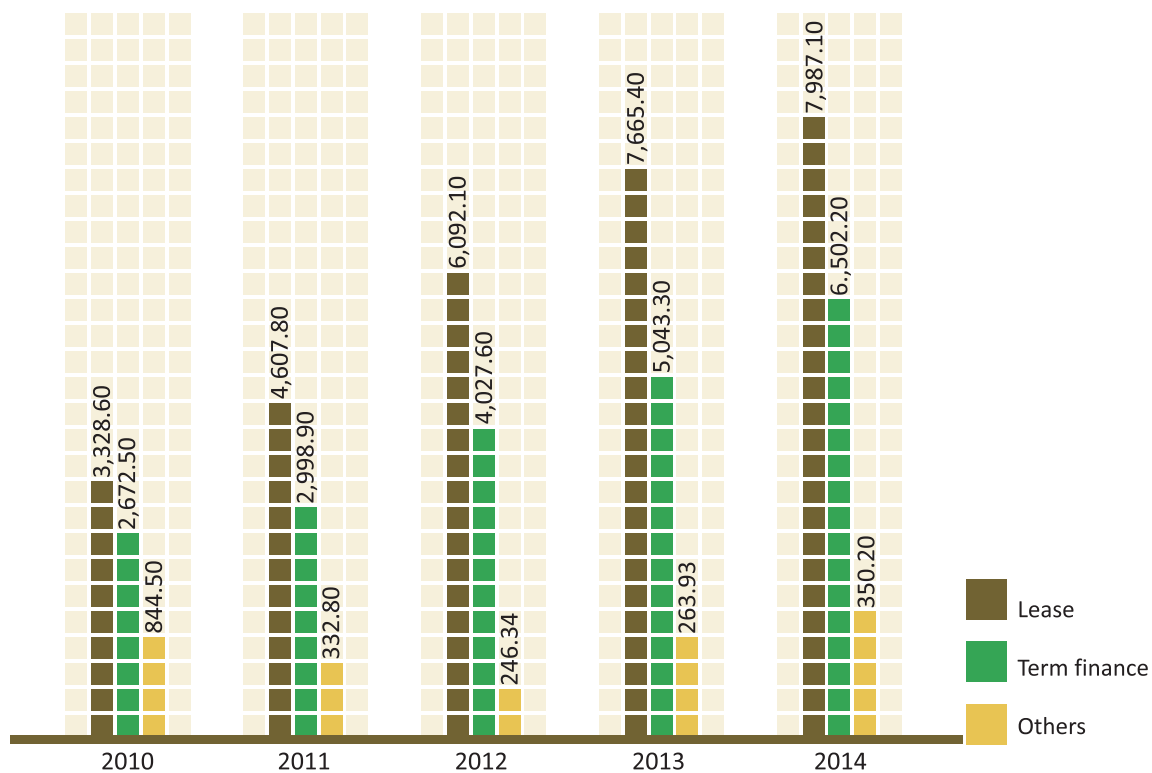
Financial ratios

Debt equity ratio	times	2.78	2.50	2.28	3.23	4.00
Financial expenses coverage ratio	times	1.98	1.72	1.74	1.08	1.23
Net asset value per share of Tk. 10	Taka	62.68	55.75	47.70	44.66	43.21

Profitability ratios

Earning per share of Tk. 10	Taka	8.74	7.84	7.16	0.52	1.55
Cash dividend	%	-	-	20.00	30.00	20.00
Stock dividend	%	40.00	40.00	10.00	-	10.00
Return on average equity	%	31.46	21.84	18.00	1.19	3.53
Investment to net worth	times	3.10	3.31	3.16	3.99	4.71

SECTORWISE BUSINESS



INCOME AND UTILIZATION THEREOF-2014

Income	Taka	%
Operational income	3,488,301,511	96.84
Non operational income	113,832,706	3.16
Utilization of income		
Operational expenses	2,573,923,633	71.46
Provision	491,695,892	13.65
Income tax	360,000,000	9.99
Statutory reserve	35,302,938	0.98
Dividend	341,510,400	9.48
General reserve	200,000,000	5.55
Dividend equalization fund	100,000,000	2.78
Retained earnings	(500,298,646)	(13.89)



ANALYSIS_{OF} PERFORMANCES 2014

All of the non banking financial institutions of Bangladesh have passed a very challenging year along with other related industries of Bangladesh due to high interest rate, less investment opportunity due to political unrest, road blockade and hartal, anti government movement, poor infrastructure, fall in stock prices, etc. Most of the business men who run their business taking finance from different banks and FIs are forced to become defaulters and this leads to increase the numbers.

At Uttara Finance in 2014, business marketing was more of push than demand driven. Effort of Uttara Finance to reduce dependency on commercial banks as major source of fund continued by way of marketing by Deposit Mobilization Unit and intensive fund Management in money market. Management of Uttara Finance with kind support of the Board of Directors had been able to contain the projected business; disbursement and profit growth.

In the year 2015, major task of Uttara Finance would be to intensify diversification of fund mobilization; reduce dependency on bank borrowing to insignificant level by way of seeking long term foreign loan; enlarge Deposit Mobilization Unit; attain more efficiency in fund management; intensify involvement in Merchant Banking business etc.

Strategy

The Board and Management of Uttara Finance and Investments Limited appreciate very well that clientele is the heart of the organization. For giving financial services we always knock to our clients door to provide our assistance not only when the clients are in good position but also when they are in crisis.

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 professional 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.

Target

Under the prevailing circumstances and demonstrated ability of Uttara Finance to cope with adverse situation in the past, management team of Uttara Finance is determined to maintain the growth rate and would make all out efforts to attain business of BDT 14,500 million. But this will practically remain subject to securing Long Term Loan from foreign sources and macro level socio-economic-political scenario. Thus, an extent of flexibility is likely to continue.

In spite of all macro level impediments in the year 2014 Uttara Finance reached to the following numbers:

Highlights	BDT in million
Business Contract achievement	14,839.50
Business Disbursement achievement	13,047.30
Total recovery (Lease and Term Loan)	6,998.21
Credit Line received	6,423.96
TDR (non bank) received	8,388.75
Repayment of Credit Line	5,221.27
Repayment of TDR (non bank)	7,247.91
Investment in Merchant Banking Unit	271.28
Investment in shares	999.34
Investment in treasury bills	982.61

Operational and financial achievements

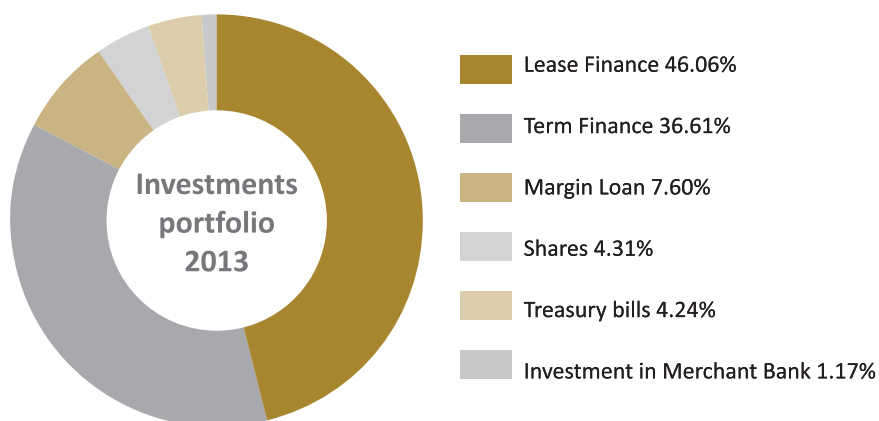
- During the year 2014 operational revenue of the Company is Tk. 3,488.30 million which was Tk. 3,423.42 million in 2013. The growth rate is 1.90 percent.
- The profit earned from lease and finance before provision and tax was Tk. 1,028.21 million which was in 2013 Tk. 869.58 crore which reflects a growth of 18.24 percent.
- Income from Merchant Banking unit in 2014 recorded Tk. 247.88 million against Tk. 189.94 million of 2013 i.e. growth 30.50 percent.
- Management expense which was Tk. 166.07 million in 2013 increased by 16.17 percent to Tk. 192.93 million in 2014.
- Shareholders' equity in 2014 of Tk. 4,918.53 million decreased by 3.25 percent over the amount Tk. 5,083.53 million of 2013.
- Company's borrowings from bank and other financial institutions in 2013 was Tk. 5,993.00 million which increased by 20.07 percent to Tk. 7,195.69 million in 2014.
- Balance of Deposit received from different persons and institutions as on December 31, 2014 is Tk. 10,368.94 million which was Tk. 9,228.10 million as on December 31, 2013 i.e. growth of 12.36 percent

Income earning investment

The core business of Uttara Finance and Investments Limited is lease finance. Beside lease finance the Company also extends term finance facility and margin loan to its clients. The Board of Directors from the very inception of the Company had given their effort to invest in the core business of the Company and the Management is trying its level best to ensure quality investment. Company's total investment details of 2014 and 2013 are given hereunder:

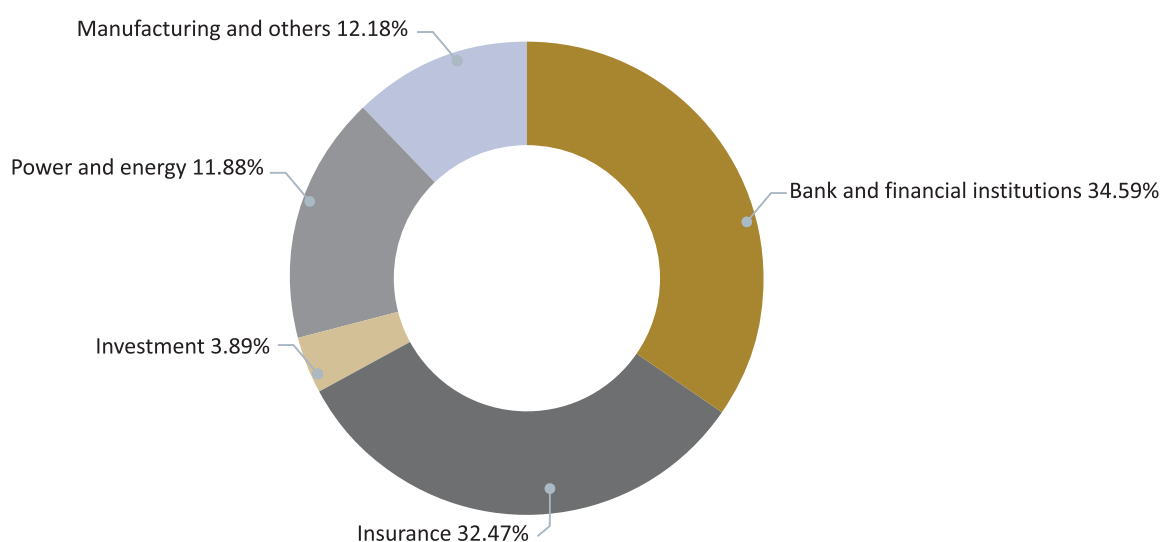
Figures in Million Taka

Head of investment	2014		2013	
	Amount	%	Amount	%
Lease Finance	10,676.94	46.06	9,112.59	44.92
Term Finance	8,486.49	36.61	7,362.72	36.30
Margin Loan	1,761.58	7.60	1,586.81	7.82
Shares	999.34	4.31	592.58	2.92
Treasury bills	982.61	4.24	492.08	2.43
Investment in Merchant Bank	271.28	1.17	1,138.40	5.61
Total	23,178.24	100.00	20,285.18	100.00



Non performing loan/assets

After making every investment, the recovery team was very serious to collect the installments/dues from the clients in time. In spite of maximum efforts the amount of non performing loan (NPL) increased to Tk. 1,061.31 million in 2014 which was Tk. 838.22 million in 2013. The percentage of NPL in 2014 is 5.54 which was 5.09 in 2013. Against the non performing loan total accumulated amount of required provision was Tk. 987.91 million as on December 31, 2014 and the Company made the provision by charging the same against Company's earned profit. Besides total amount of interest suspense account is Tk. 392.30 million at the end of 2014 which was Tk. 302.60 million at the end of 2013.



Investments in shares

Uttara Finance and Investments Limited also made investment in shares. At the end of 2013 Company's investment in share was Tk. 592.58 million which increased to Tk. 999.34 million in 2014. The market price of shares in hand as on December 31, 2014 was Tk. 788.23 million i.e. Tk. 211.11 million provision was made for the difference. The investments made by the Company in different sectors to maintain a balanced diversified portfolio to minimize the risk associated with investment in shares. Sector wise investment positions in shares are given hereunder:

	No. of company	2014	%	2013	%
Bank and financial institutions	20	345,671,848	34.59	200,097,256	33.77
Insurance	13	324,477,164	32.47	267,596,654	45.16
Investment	4	38,828,468	3.89	29,238,761	4.93
Power and energy	21	168,690,117	16.88	69,198,232	11.68
Manufacturing and others	3	121,670,291	12.18	26,444,435	4.46
Total	61	999,337,888	100.00	592,575,338	100.00

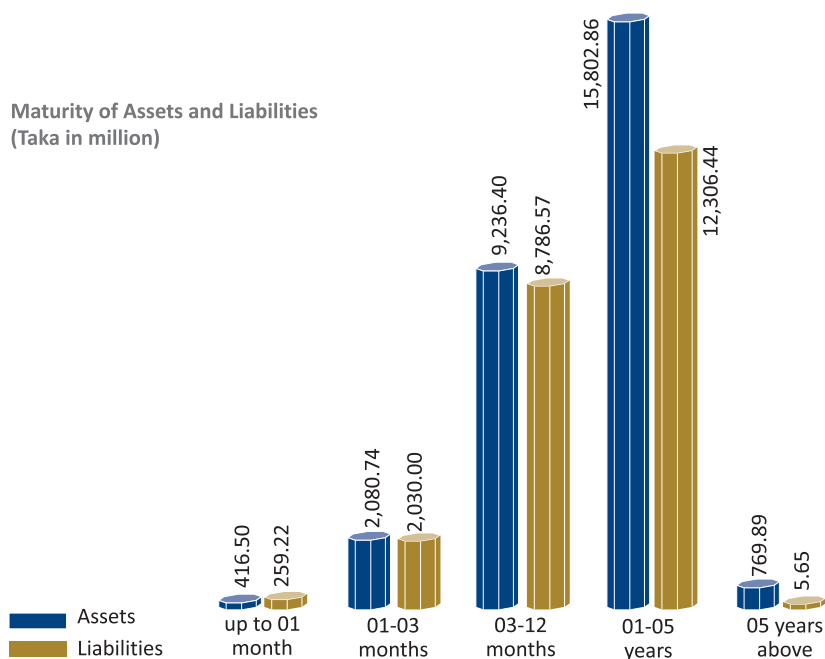
Liquidity statement

Liquidity statement given hereunder represents the liquidity position of the Company in different tenures. The statement prepared on the basis of agreement with the assets and liabilities related parties. In absence of any agreement, previous practice and best judgment had been applied to prepare the statement which was checked by the external auditors M/S Hoda Vasi Chowdhury & Co. Chartered Accountants. The Asset and Liability of the Company was analyzed by the Asset Liability Management Committee regularly to ensure reasonable immediate encashable amount to meet up emergency need to pay off the financial obligations. The company feels proud to say that it never made a single day delay to pay any amount in the past even when there was a severe liquidity crisis in the money market in 2012-2013. Present position of the Company is adequate to meet up its current and future payment requirements.

Statement of Liquidity Analysis (Maturity of Assets and Liabilities) at 31 December 2014.

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	above 5 years	Amounts in Taka Total
Assets						
Cash in hand	2,535,515	-	-	-	-	2,535,515
Balance with Bangladesh Bank and its agent bank(s)	313,967,230	-	-	-	-	313,967,230
Balance with banks and other financial institutions	-	-	3,188,661,195	-	-	3,188,661,195
Money at call and short notice	100,000,000	-	-	-	-	100,000,000
Investments	-	982,607,000	-	1,270,621,760	-	2,253,228,760
Leases, loans and advances	-	1,098,137,179	6,047,742,416	13,009,241,176	769,894,920	20,925,015,691
Fixed assets including premises, furnitures and fixtures	-	-	-	148,718,017	-	148,718,017
Other assets	-	-	-	1,374,281,848	-	1,374,281,848
Non-financial institutional assets	-	-	-	-	-	-
Total assets (A)	416,502,745	2,080,744,179	9,236,403,611	15,802,862,801	769,894,920	28,306,408,256
Liabilities						
Borrowings from Bangladesh Bank banks, other financial institutions and agents	259,223,605	-	126,919,000	6,809,543,235	-	7,195,685,840
Deposits	-	2,030,000,000	4,709,493,424	3,623,802,293	5,648,482	10,368,944,199
Other deposits	-	-	710,000,000	660,000,000	-	1,370,000,000
Provision and other liabilities	-	-	3,240,153,320	1,213,089,965	-	4,453,243,285
Total Liabilities (B)	259,223,605	2,030,000,000	8,786,565,744	12,306,435,493	5,648,482	23,387,873,324
Net Liquidity Gap (A - B)	157,279,140	50,744,179	449,837,867	3,496,427,308	764,246,438	4,918,534,932

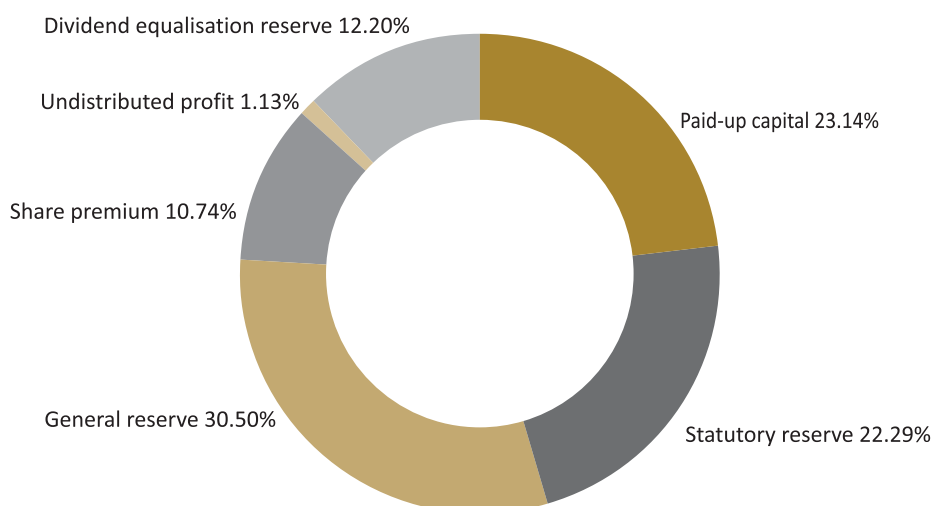
Maturity of Assets and Liabilities
(Taka in million)



Shareholders' equity

The paid up capital of Uttara Finance and Investments Limited as on December 31, 2014 is Tk. 1,138.368 million and as on the same date of 2013 the paid up capital of the Company was also Tk. 1,138.368 million. On the other hand total equity of the Company at the end of 2014 is Tk. 4,918.53 million against Tk. 5,083.53 million of 2013. Good amount of earning, reasonable business growth, strong dividend payout policy, raising of capital on demand of regulatory bodies, Shareholders' contribution as premium is the pillar of the handsome amount of equity and the Company now is in very strong position than its peers. The position of equity is as given under:

Heads	2014	%	Amount in Taka	
			2013	%
Paid-up capital	1,138,368,000	23.14	1,138,368,000	20.39
Statutory reserve	1,096,732,265	22.29	1,061,429,327	19.02
General reserve	1,500,000,000	30.50	1,300,000,000	23.29
Share premium	528,000,000	10.74	528,000,000	9.46
Undistributed profit	55,434,667	1.13	555,733,313	18.88
Dividend equalisation reserve	600,000,000	12.20	500,000,000	8.96
Total	4,918,534,932	100.00	5,083,530,640	100.00



shareholders' equity

Loan from financial institutions

As on December 31, 2014 total amount of outstanding balance of loan is Tk. 7,195.69 million which was Tk. 5,993.00 million in 2013 and Tk. 4,187.65 million in 2012. At the end of year 2014 the Company had loan balance outstanding with 26 different commercial banks and 3 financial institutions. Uttara Finance and Investments Limited is enjoying the credit facility with different banks payable on installment basis.

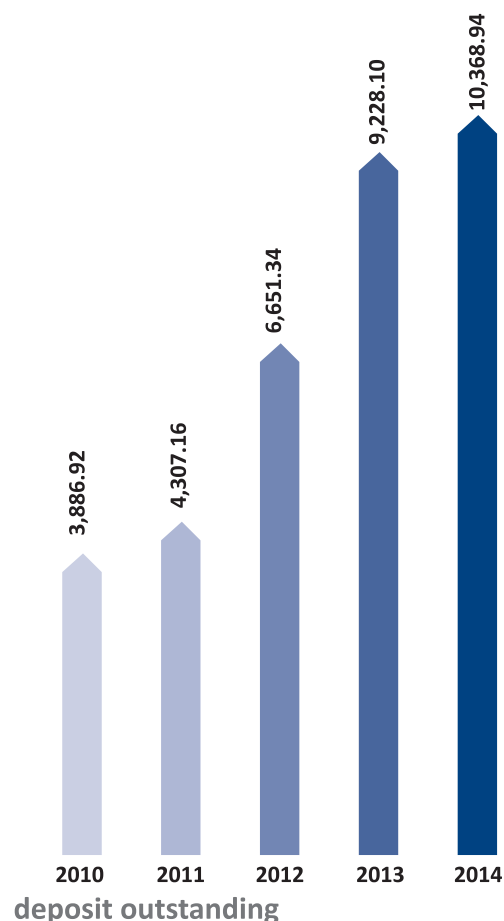
Deposit from different individuals and institutions

Deposit from different individuals and institutions is an important source of fund of Uttara Finance and Investments Limited. The amount of deposit receipts of the Company increasing day by day which is the reflection of depositors' confidence on the Company. At the end of 2014 the amount of outstanding deposit stood at Tk. 10,368.94 million which was Tk. 9,228.10 million and Tk. 6,651.34 million respectively in the year 2013 and 2012.

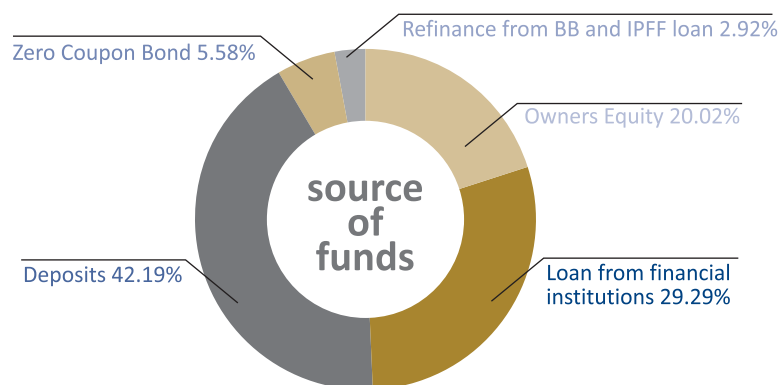
Source of funds

Besides Shareholders' equity, bank loan/credit line and deposits another important source of fund of the Company is Zero Coupon Bond. Outstanding balance as on December 31, 2014 of zero coupon bond is Tk. 1,370.00 million and the same was Tk. 660.00 million and Tk. 910.00 million respectively in the year 2013 and 2012.

A statement of source of fund as on December 31, 2014 is as given below.



Head of Funds	Amount in Taka			
	2014	%	2013	%
Owners Equity	4,918,534,932	20.02	5,083,530,640	
23.64	Loan from Bank and financial institutions 7,198,266,792		29.29	
5,994,483,805	27.88	Deposits	10,368,944,199	
42.19	9,228,098,424	42.91	Zero Coupon Bond	
1,370,000,000	5.58	660,000,000	3.07	
Refinance from BB and IPFF loan	718,424,825	2.92	538,135,980	2.50
Total	24,574,170,748	100.00	21,504,248,849	100.00



Cash flows

During the year 2014 the net operating cash flows of the Company is Tk. 2,115.82 million against Tk. 1,484.11 million of 2013 and net investment through operating activities is Tk. (39.35) million against Tk. 330.61 million in 2013. Net cash flows from investing activities in 2014 is Tk. (116.68) million which was Tk. (875.11) million in 2013.

Operating expenses

In the year 2014 the operating expenses of the Company recorded to Tk. 2,573.92 million out of which Tk. 2,381.00 million was financial expenses, Tk. 192.93 million was Management expenses including depreciation and others. In the year 2013 the same was Tk. 2,562.76 million and Tk. 166.07 million respectively. The Management expenses includes salary and benefits of employee, office rent, office maintenance, meeting expenses, printing & stationeries, travelling and conveyance, legal expenses etc.

Profit after tax

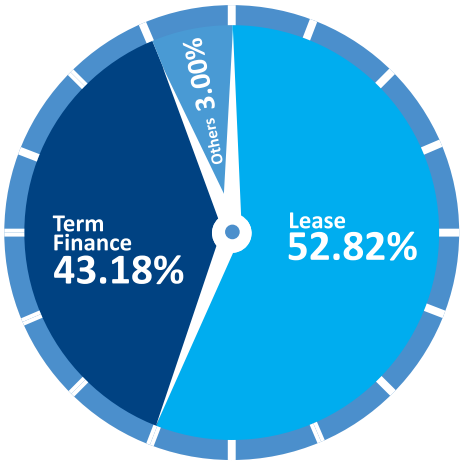
During the year 2014 the Company earned net profit after tax Tk. 176.51 million which was Tk. 59.74 million in the year 2013 (restated). The net profit after tax of 2013 was reported in that year Tk. 852.53 million have restated to Tk. 59.74 million during reporting of profit for the year 2014. Reason of reduced amount is given in note no. 39 of the audited financial statements.

GRAPHICAL

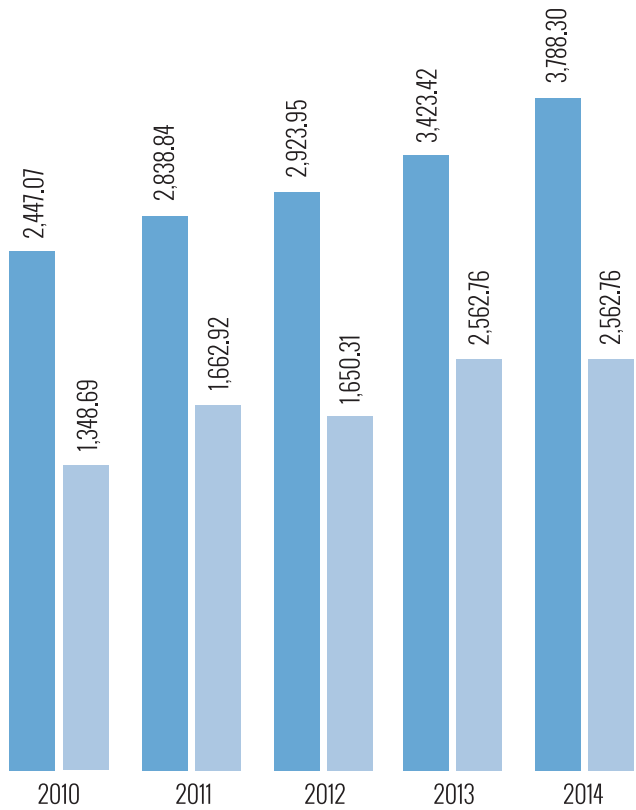


PRESENTATION

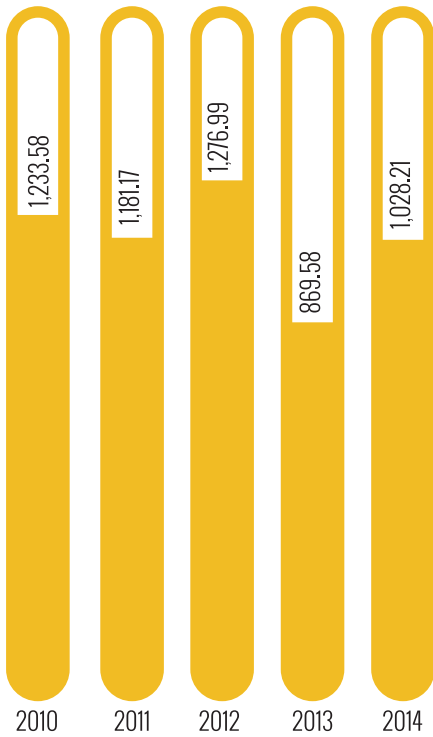
graphical presentation of performances



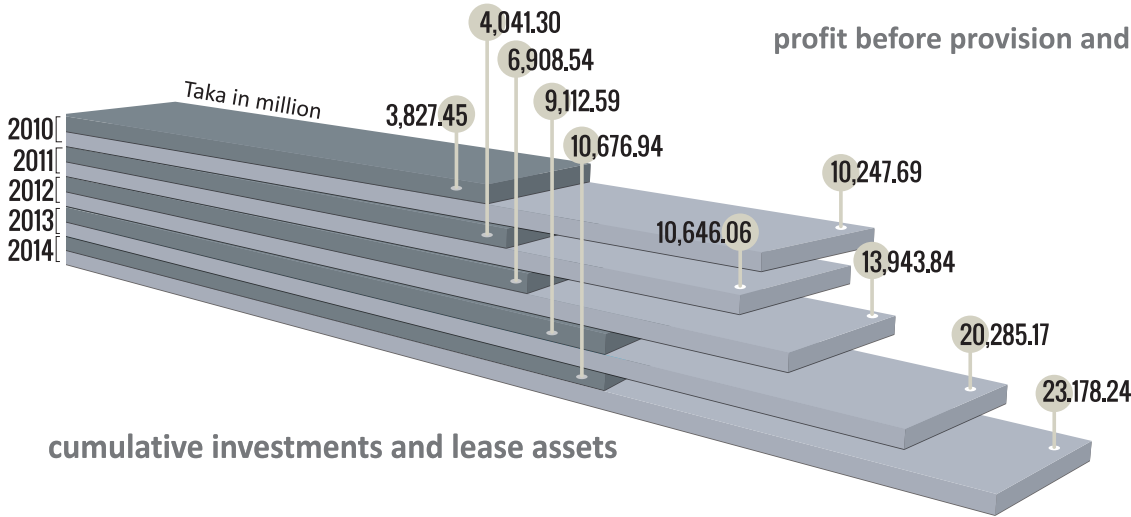
business contract-2013



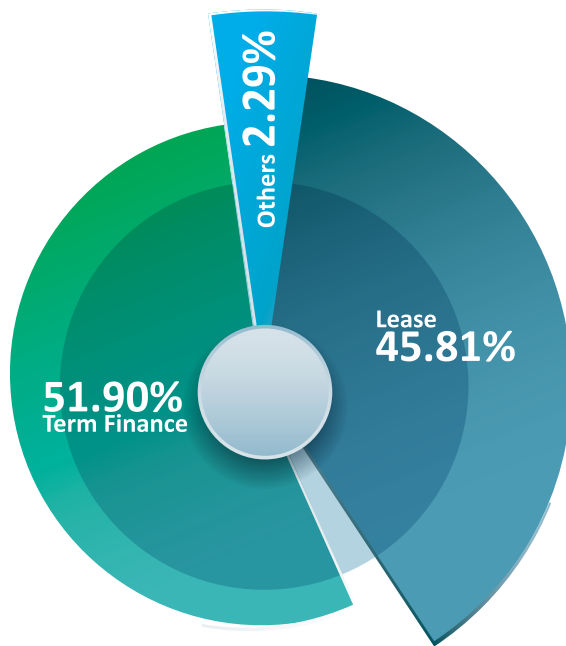
operational revenue and expenses



profit before provision and tax



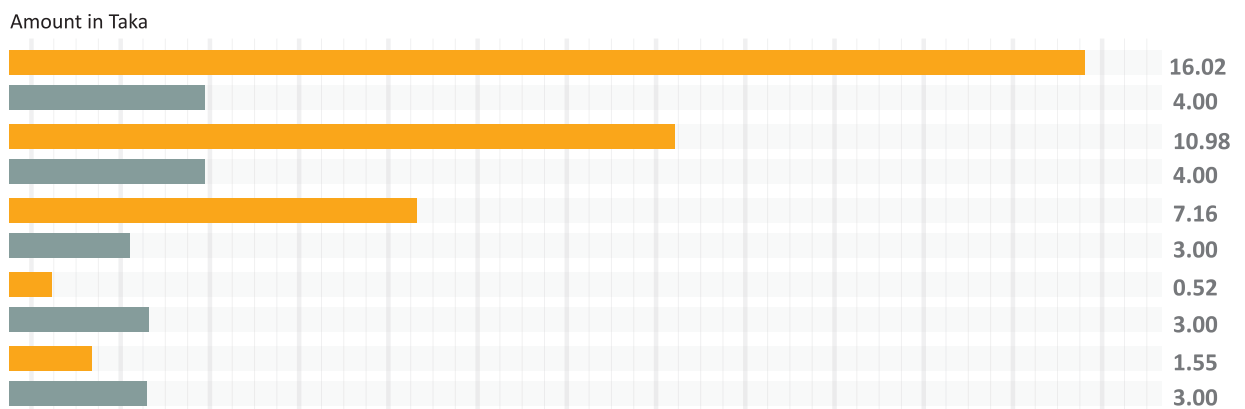
cumulative investments and lease assets



disbursement-2014



net asset value per share of Tk.10



earning per share and dividend per share of Tk.10



shareholders' equity

BOARD OF DIRECTORS

Chairman

Rashidul Hasan

(Nominee Director of Uttara Automobile Manufacturers Limited)

Vice Chairman

Matiur Rahman

(Nominee Director of Uttara Automobiles Limited)

Directors

Mujibur Rahman

(Nominee Director of Uttara Apparels Limited)

Mehdadur Rahman

Zakia Rahman

NG Chin Keong

Tahmina Rahman (Tina)

Kazi Imdad Hossain

(Nominee Director of Uttara Motors Limited)

Md. Showkat Hossain, FCA

Independent Director

A. T. K. M. Ismail

Independent Director

A J Masudul Haque Ahmed

Executive Director

Managing Director

S. M. Shamsul Arefin, M. Com., MBA

STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

Structure of the Board of Directors

The Board of Directors of Uttara Finance and Investments Limited is the governing authority of the Company. Mr. Rashidul Hasan is the Chairman and Mr. Matiur Rahman is the Vice Chairman of the Board. The Board is governed by the Company's internal rules and regulations as well as guideline issued by Bangladesh Bank, Bangladesh Securities and Exchange Commission and as per Company Act 1994. To do the duties properly and make its functions and operating procedures easier the Board is assisted by two of its committees namely;

1. Executive Committee
2. Board Audit Committee.

The Board have formed 7 Members Executive Committee consisting of 4 shareholding Directors, one independent Director, one executive Director and Managing Director where Shareholding Director Mr. Mujibur Rahman is the Chairman. The Board have also formed 3 Members Board Audit Committee where Mr. A. T. K. M. Ismail is the Chairman and two Shareholding Directors are the Members. All the Board Committees are comprised with nonexecutive Directors and Independent Directors.

Size and composition of the Board

As per FID Circular no. 9 dated 11 September, 2002 of Bangladesh Bank, the number of Shareholding Directors of the Board of a Non-banking Financial Institution shall be minimum nine and maximum eleven. The Board of Directors of Uttara Finance and Investments Limited consists of 8 (eight). As per BSEC's Notification, a listed company should have Independent Director of at least one-fifth of total Directors. Against eight Shareholding Directors there are two Independent Directors of the Company. Besides, the Managing Director and one Executive Director are also Member of the Board. Details biography of the Members of the Board are given in the page no. 49 to 55.

Members of the Board

Nature of Directors	Number of Directors		
	Board of Directors	Executive Committee	Board Audit Committee
Shareholding Director	4 (Four)	2 (Four)	1 (Four)
Shareholding Director-Nominee	4 (Four)	2 (Four)	1 (Four)
Independent Director	2 (two)	1 (two)	1 (two)
Executive Director	1 (One)	1 (One)	
Managing Director	1 (One)	1 (One)	1 (One)
Total	12 (Twelve)	7 (Seven)	4 (Four)

Appointment, tenure, Retirement and Re-appointment of Shareholding Directors

The subscribers as per Memorandum of the Company used to act as Directors till appointment of first Directors of the Company as per companies act. Articles no. 51 of the Memorandum of the Company states that "the number of Directors unless otherwise determined by the General Meeting shall not be less than 7 (seven) and not more than 15 (fifteen)." The Board of Directors of the Company consists of 8 Members. All the Directors of the Company are qualified as per Articles no. 61 of the Memorandum, provisions of Companies Act, Bangladesh Bank and Bangladesh Securities and Exchange Commission.

As per Article 62 of the Memorandum of the Company all Directors will be appointed for fixed term and shall retire from office in every subsequent year, one-third of the total number of Directors are to retire by rotation every year and as per Article 64 retired Directors are eligible for re appointment by re-election.

Appointment, eligibility, retirement and reappointment of Independent Directors

As per section 1.2(i) of Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of Bangladesh Securities and Exchange Commission 2 (two) Independent Directors have been appointed by the Board of Directors for a period of 3 (three) years and as per section 1.2(iii) of the same notification the Shareholders in the 18th Annual General Meeting held on Monday, May 27, 2013 approved the appointment of the Independent Directors.

Both the Independent Directors namely Mr. Md. Showkat Hossain, FCA and Mr. A. T. K. M. Ismail are eligible as per section 1.2(i) and 1.3 and Uttara Finance and Investments Limited do hereby declared that none of them;

- i. hold more than one percent (1%) shares of the total paid-up shares of the company;
- ii. not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company:
Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;
- iii. not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;
- iv. not a member, director or officer of any stock exchange;
- v. are not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;
- vi. not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;
- vii. not an independent director in more than 3 (three) listed companies;
- viii. not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFi);
- ix. not been convicted for a criminal offence involving moral turpitude;

The Board of Directors believe that both Independent Directors knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

Mr. A. T. K. M. Ismail, MA (Economics) is a retired Secretary of Bangladesh Government and Mr. Md. Showkat Hossain, FCA is a professional Chartered Accountants. Both of the Independent Directors have more than 12 (twelve) years of corporate management/professional experiences and eligible for reappointment for another period of three years.

Directors' Responsibility

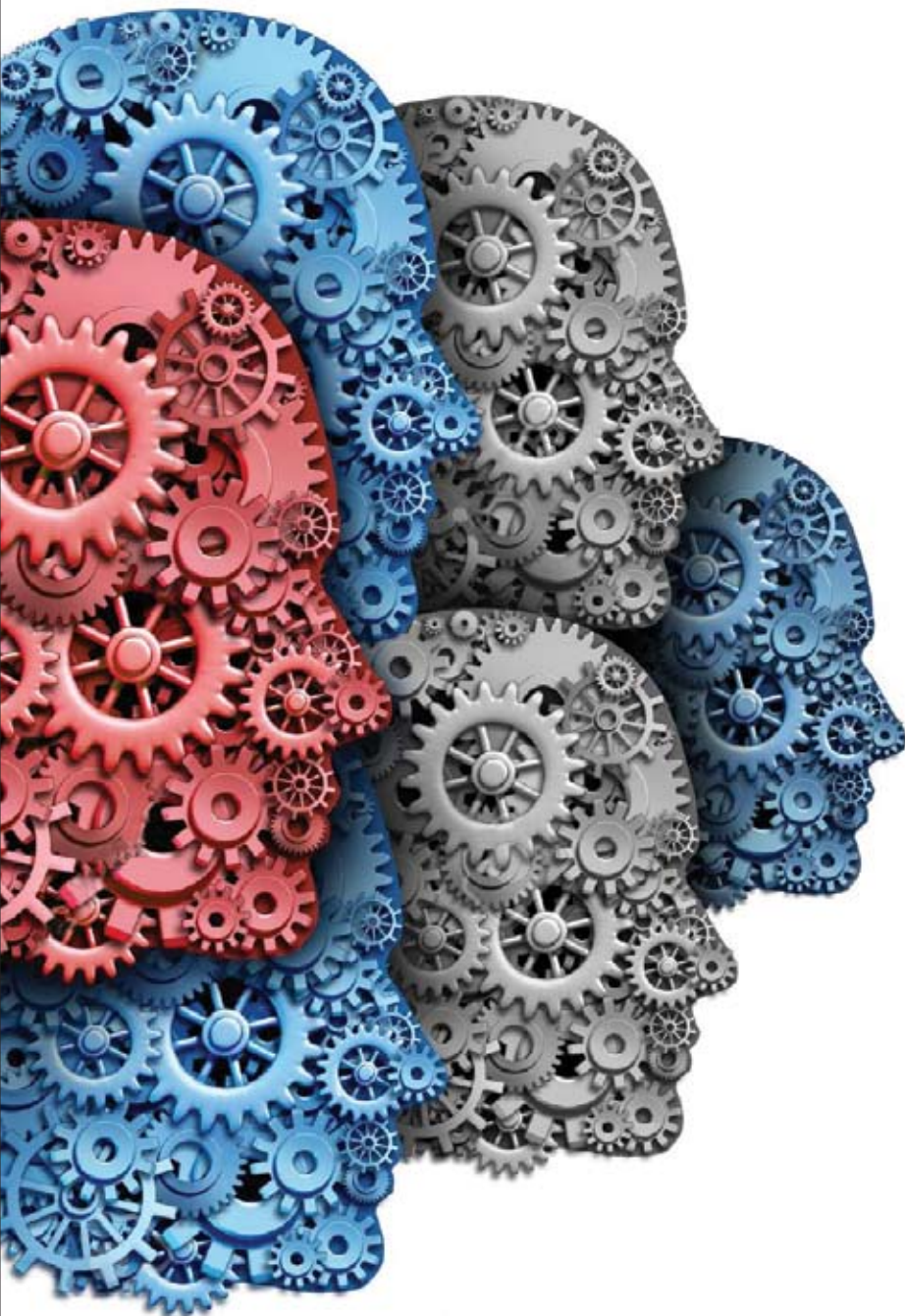
All the Directors are responsible and used to give best efforts to attend the meeting of the Board and the Board Committees to which such Director is a Member for developing and upgrading Company's Governance Principles, Code of Conduct and the Charter of each Committee. Papers relating to business of each meeting are placed before the members of Board and its Committees minimum three days before of the date of meeting. The Board and its committees are not involved with day to day affairs of the Company.

Directors' Fees

Each non executive Directors are entitled to receive fee @ BDT 5,000.00 (Taka Five thousand) only for attending in each meeting. The Managing Director & CEO and Executive Director are not entitled for any fee for attending in the meeting. Other than the fee for attending in the meeting none of shareholding Directors and Independent Directors holds any position of profit and not receives any remuneration.

Meeting

Each of the Board of Directors, the Executive Committee and the Board Audit Committee holds at least four regularly scheduled meetings in a year. In the year 2014 the Board of Directors, the Executive Committee and the Board Audit Committee was met five times, six times and four times respectively to discuss scheduled businesses.



DIFFERENT
COMMITTEES
OF BOARD OF
DIRECTORS
AND
MANAGEMENT

Executive Committee

Chairman

Mujibur Rahman, Director

Members

Mehdadur Rahman, Director

Kazi Imdad Hossain, Director

Tahmina Rahman (Tina), Director

A. T. K. M. Ismail, Independent Director

S. M. Shamsul Arefin, Managing Director

A J Masudul Haque Ahmed, Executive Director

Audit Committee

Chairman

A. T. K. M. Ismail (Independent Director)

Members

Mujibur Rahman, Director

Mehdadur Rahman, Director

Management Committee

S. M. Shamsul Arefin, M. Com., MBA, Managing Director

A J Masudul Haque Ahmed, Executive Director

Anil Chandra Das, Sr. Executive Vice President

Md. Jakir Hossain, FCA, Sr. Executive Vice President
& Company Secretary

Anti Money laundering Committee

Anil Chandra Das, Sr. Executive Vice President

Md. Jakir Hossain, FCA, Sr. Executive Vice President
& Company Secretary

Uttam Kumar Saha, Sr. Vice President

Md. Mainuddin, Sr. Assistant Vice President

Asset Liability Management Committee

S. M. Shamsul Arefin, M. Com., MBA, Managing Director
 Md. Jakir Hossain, FCA, Sr. Executive Vice President
 & Company Secretary
 Uttam Kumar Saha, Sr. Vice President
 Kazi Arifuzzaman, Sr. Assistant Vice President

Portfolio Management Committee

S. M. Shamsul Arefin, M. Com., MBA, Managing Director
 Anil Chandra Das, Sr. Executive Vice President
 Md. Jakir Hossain, FCA, Sr. Executive Vice President
 & Company Secretary
 Uttam Kumar Saha, Sr. Vice President

ICC Committee

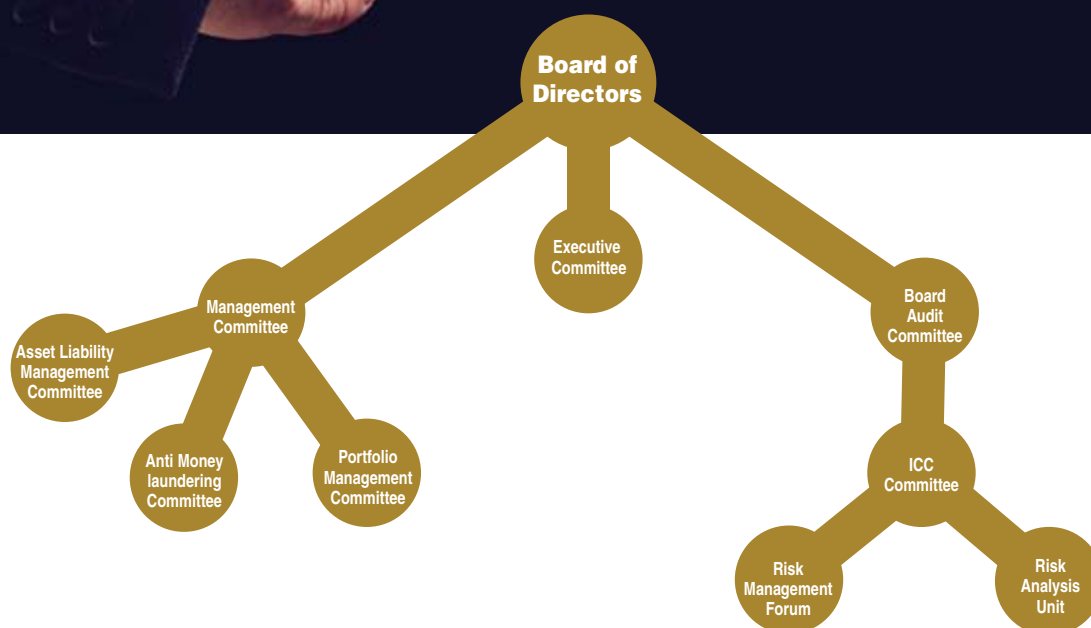
S. M. Shamsul Arefin, M. Com., MBA, Managing Director
 Kazi Arifuzzaman, Sr. Assistant Vice President
 Md. S. M. Kamruzzaman, Sr. Principal Officer
 Md. Kamruzzaman (Ryan), ACA, Principal Officer
 Md. Kamruzzaman Mollah (Baker), Principal Officer

Risk Management Forum

Uttam Kumar Saha, Sr. Vice President
 Kazi Arifuzzaman, Sr. Assistant Vice President
 Md. Mainuddin, Sr. Assistant Vice President
 Md. Mesbah Uddin Mahmud, Sr. Assistant Vice President
 Nizamul Haque, Sr. Principal Officer

Risk Analysis Unit

Md. Aershad Hossain Khan, Principal Officer
 Rajib Kumar Saha, Sr. Officer
 Abu Kawsar, Sr. Officer



CORPORATE PROFILE

DIRECTORS' PROFILE



Rashidul Hasan
CHAIRMAN

Mr. Rashidul Hasan born on December 29, 1937, is a Bangladeshi by birth. He completed Graduation with Honours in Political Science from Dhaka University in 1959 and M. A. in 1960 and obtained Post-Graduate Diploma in Development Administration from Cambridge University, UK in 1970. He is a Fellow of the Economic Development Institute of the World Bank since 1977. He joined the erstwhile Civil Service of Pakistan in 1962 and served till 1985 (voluntarily retired). He was Director General, Department of Industries from 1976 to 1981.

Mr. Hasan was CEO & Managing Director of Industrial Promotion and Development Company of Bangladesh Limited (IPDC), the first joint venture investment and finance company of Bangladesh with IFC of the - World Bank, C.D.C of UK, D.E.G of Germany, AKFED of Switzerland and Government of Bangladesh from 1982 to 1988. He played the pioneering role and helped to set-up the first joint venture leasing company namely IDLC of Bangladesh Limited (present IDLC Finance Limited) and was the founder Chairman of the Company from 1984 to 1988.

At present holding the position of Director in a good number of reputed national and multinational companies like Bata Shoe Company (Bangladesh) Limited, Reckitt and Benckiser Bangladesh Limited, Trustee of Kumudini Welfare Trust of Bangladesh Limited and Chairman of PHULKI, a NGO.

DIRECTORS - PROFILE



Matiur Rahman
VICE CHAIRMAN

Mr. Matiur Rahman son of late Nurul Islam Bhuiyan born on 1st March 1953 is a Bangladeshi by birth. He is a graduate in Commerce and well established renowned businessman of the Country. He is a Sponsor Director of Uttara Finance and Investments Limited being nominated by Uttara Automobiles Limited and Vice Chairman of the Board of Directors of the Company. Mr. Rahman acted as founder President of Japan-Bangladesh Chamber of Commerce and Industry and served from June 2004 to March 2006. He was the past president of Dhaka Chamber of Commerce & Industry, the largest and most vibrant Chamber of the country for two consecutive years covering 2002 & 2003. At present Mr. Rahman is the Advisor of Japan-Bangladesh Chamber of Commerce and Industry and Bangladesh-Thai Chamber of Commerce and Industry.

Mr. Matiur Rahman is the Chairman and Managing Director of different companies of Uttara Group namely Uttara Motors Limited, Uttara Automobiles Limited, Menoka Motors Limited, Uttara Tyre Retreading Co Limited, Uttara Apparels Limited, Hallmark Pharmaceuticals Limited, Uttara Hongkong JVC Ltd., Uttara Services Limited, Uttara Knitting & Dyeing Limited, Uttara Knitwears Limited, Uttara Properties Limited, Uttara Automobile Manufacturers Limited, Uttara Motors Corporation Limited, and also honourable Director of Eastern Insurance Company Limited, National Life Insurance Company Limited, Artisan Ceramic Limited, Uttara Exchange and Securities Limited, UGC Securities Limited, Eastern Securities Limited, Consolidated Tea Plantation Limited, Eastern Motors Limited, Hill Plantation Limited.



Mujibur Rahman
DIRECTOR

Mr. Mujibur Rahman son of late Nurul Islam Bhuiyan born on 12th April 1955 is a Bangladeshi by birth and is a graduate in Arts. He is a Sponsor Director of Uttara Finance and Investments Limited being nominated by Uttara Apparels Limited. He is the Chairman of the Executive Committee and Member of the Board Audit Committee of the Company.

Mr. Mujibur Rahman is the Chairman of Eastern Insurance Company Limited and Deputy Managing Director of different companies of Uttara Group namely Uttara Motors Limited, Uttara Tyre Retreading Company Limited, Uttara Apparels Limited, Hallmark Pharmaceuticals Limited, Uttara Services Limited, Uttara Knitting & Dyeing Limited, Uttara Knitwears Limited, Uttara Automobile Manufacturers Limited, Uttara Motors Corporation Limited.

Mr. Mujibur Rahman is also honourable Director of National Life Insurance Company Limited, Uttara Exchange and Securities Limited, UGC Securities Limited, Eastern Securities Limited, Eastern Motors Limited.



Mehdadur Rahman
DIRECTOR

Mr. Mehdadur Rahman son of late Mukhlesur Rahman, the founder Chairman and Managing Director of Uttara Group & late Mahbuba Khatun born on 13 April 1970 is a Bangladeshi by birth. He is a graduate in International Business Administration. He is a Sponsor Director of Uttara Finance and Investments Limited and also a Member of the Executive Committee and Board Audit Committee of the Company.

Mr. Mehdadur Rahman is Deputy Managing Director of different companies of Uttara Group namely Uttara Motors Limited, Uttara Automobiles Limited, Menoka Motors Limited, Uttara Tyre Retreading Co. Limited, Uttara Apparels Limited, Hallmark Pharmaceuticals Limited, Uttara Services Limited, Uttara Knitting & Dyeing Limited, Uttara Knitwears Limited, Uttara Automobile Manufacturers Limited, Uttara Motors Corporation Limited, and honourable Director of Eastern Insurance Company Limited, National Life Insurance Company Limited, Uttara Exchange and Securities Limited, UGC Securities Limited, Eastern Securities Limited, Uttara Hong Kong JVC Limited, Eastern Motors Limited, Hill Plantation Limited.



N.G. Chin Keong
DIRECTOR

Mr. N.G. Chin Keong born on 31 August 1954 in Singapore. He is a Certified Public Accountant and also a renowned business man of Singapore. Mr. Chin Keong has no other investment in Bangladesh and he is Sponsor Director of Uttara Finance and Investments Limited.



Kazi Imdad Hossain
DIRECTOR

Mr. Kazi Imdad Hossain born on 25 November 1945 is a Bangladeshi by birth. He is a Bachelor of Science and Executive Director of Uttara Motors Limited. He is a Director of Uttara Finance and Investments Limited being nominated by Uttara Motors Limited and Member of the Executive Committee of the Company. Mr. Hossain is also Director of Eastern Insurance Co. Limited and National Life Insurance Co. Limited.



Zakia Rahman
DIRECTOR

Mrs. Zakia Rahman born on 05 July 1958 is a Bangladeshi by birth. She is a graduate in Commerce. Mrs. Zakia Rahman is the Sponsor Director of Uttara Finance and Investments Limited. She is honourable Director of different companies of Uttara Group namely Uttara Motors Limited, Uttara Automobiles Limited, Menoka Motors Limited, Uttara Tyre Retreading Co Limited, Uttara Apparels Limited, Hallmark Pharmaceuticals Limited, Uttara Hongkong JVC Ltd., Uttara Services Limited, Uttara Knitting & Dyeing Limited, Uttara Knitwears Limited, Uttara Properties Limited, Uttara Automobile Manufacturers Limited, Uttara Motors Corporation Limited and Eastern Insurance Co. Limited



Tahmina Rahman (Tina)
DIRECTOR

Mrs. Tahmina Rahman (Tina) born on March 29, 1977 is a Bangladeshi by birth. She is the daughter of late Mukhlesur Rahman, the founder Chairman and Managing Director of Uttara Group & late Mahbuba Khatun. She is a Bachelor of commerce. Mrs. Tahmina Rahman (Tina) is the Sponsor Director of Uttara Finance and Investments Limited and Member of the Executive Committee of the Company. She is also honourable Director of different concerns of Uttara Group namely Uttara Motors Limited, Uttara Automobiles Limited, Menoka Motors Limited, Uttara Tyre Retreading Co Limited, Uttara Apparels Limited, Hallmark Pharmaceuticals Limited, Uttara Hongkong JVC Ltd., Uttara Services Limited, Uttara Knitting & Dyeing Limited, Uttara Knitwears Limited, Uttara Properties Limited, Uttara Automobile Manufacturers Limited, Uttara Motors Corporation Limited,



Md. Showkat Hossain FCA
INDEPENDENT DIRECTOR

Mr. Md. Showkat Hossain, FCA, is a Bangladeshi by birth. He is a professional chartered accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh. Mr. Hossain is the Partner of A. Wahab & Co., Chartered Accountants.

Before starting his journey as partner of A. Wahab & Co., Chartered Accountants he served in Accounts and Finance division in Bangladesh Petroleum Corporation (BPC), Eastern Refinery Limited (ERL), Jamuna Oil Company Limited (JOCL), Dhaka Electric Supply Company Limited (DESCO) and Dhaka Ahsania Mission (DAM). Also worked with Bangladesh Energy Regulatory Commission (BERC) as Member of the Commission and was nominated by the Government to represent Government as Director of Padma Oil Company Limited (POCL) and Jamuna Oil Company Limited (JOCL). He worked for NCR Corporation, USA in its regional offices in Bahrain, Cyprus and Kuwait, in the Accounts Division. He is experienced in audit of world renowned multinational companies like, Unilever, Glaxo, Hoechst, James Finlay, etc. as well as limited companies under Government sector corporations like, Eastern Refinery, Chittagong Steel Mills, R R Jute Mills, Bangladesh Gas Fields, etc.



A. T. K. M. Ismail
INDEPENDENT DIRECTOR

Mr. A. T. K. M. Ismail, born on March 01, 1952 is a Bangladeshi by birth. He is BA (Hons.) MA in Economics from Dhaka University, completed one year Post Graduate Diploma in GIS (Geographic Information System) from the International Institute of Aerospace Survey and Earth Sciences, The Netherlands in 1989 and also completed Post Graduate Diploma in Population Sciences, Dhaka University in 2009. Mr. Ismail is a Retired Secretary of the Government of Bangladesh. He is the Chairman of Board Audit Committee of Uttara Finance and Investments Limited. Mr. Ismail attended Food Administrator's Course at the Canadian International Grains Institute, Winnipeg, Canada, attended Procurement Management training from the International Training Centre of ILO, at Turin, Italy and training on Managing at the Top (MATT) from Birmingham University and the UK Civil service College.

Mr. Ismail is a vastly experienced person in Manpower and Labour sector (Headed the Labour Wing of the Bangladesh Embassy in Kuwait), experienced in Procurement, experienced in Administration of Criminal Justice and also experienced in Environment and Geographic Information System (GIS)



S. M. Shamsul Arefin
CEO & Managing Director

S M Shamsul Arefin, CEO & Managing Director is a B.Com (Hons) & M.Com in Accounting from 'Dhaka University' in 1985. MBA with Major in Finance from 'United Kingdom' in 1987. Associate of 'British Institute of Management (U.K)' in 1987. He was recruited as an Officer by former 'Al Baraka Bank Bangladesh Limited'. After successful completion of theoretical and practical experience he was transferred to various branches of the Bank and finally to Industrial Finance Cell as Financial Analyst.

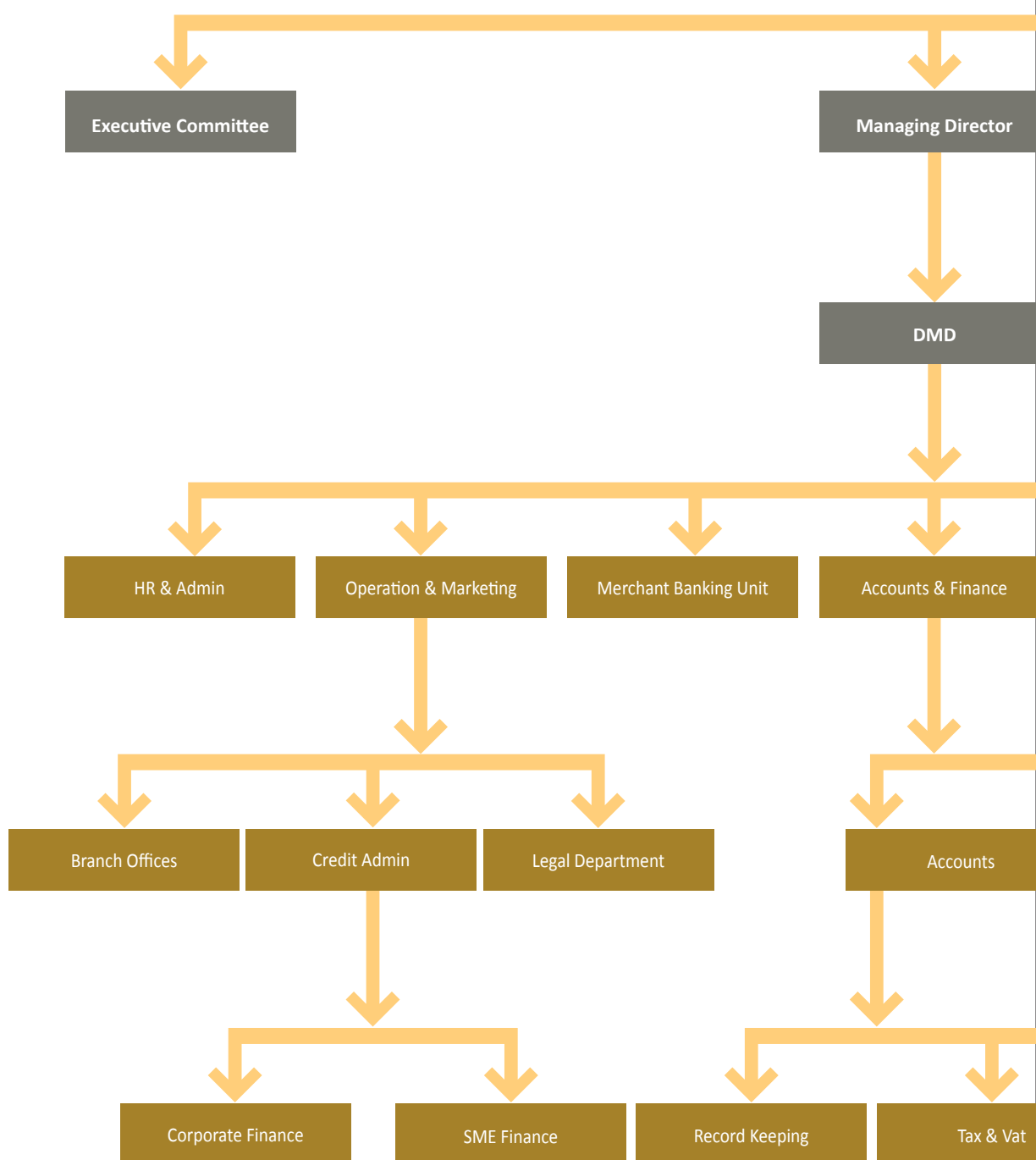
In the year 1996. On 1st of July he joined UFIL's Business Division as Assistant Vice President (AVP). He was promoted as SAVP, VP, SVP & finally EVP in the span of 10 years service. Meanwhile during the last 10 years he worked in various departments and finally worked as 2nd Man of the Company. Lastly in the year 2003 he took up the complete charge of UFIL being promoted as Managing Director. Up to now he worked as M.D. for the last 11 years. During his 30 years service career he attended various conferences which includes ; 3 days 'Securitization' course on Financial Institutions Development Project (FIDP), Bangladesh Bank in 2001. Trade Cash & Finance "making forfeiting work for you" Int'l Chamber and BNP Paribas jointly organized in Paris, France in 2005. Understanding the UCP 600, Organized by International Chamber in Paris, France in 2007. Financial Markets Forum, Organized by Standard Chartered Bank, Dubai, U.A.E in 2012. Bangladesh Investment Summit , Organized by Deutsche Bank & Standard Chartered Bangladesh at Singapore in 2012. World Leasing Convention, Organized by Euromoney Seminars, London, UK at Berlin, Germany in 2013. Leadership & Financial Risk Management, Organized by Standard Chartered Bank at Malaysia in 2014. Besides his performance with UFIL is appreciable for which Board has renewed his service for 3 times.

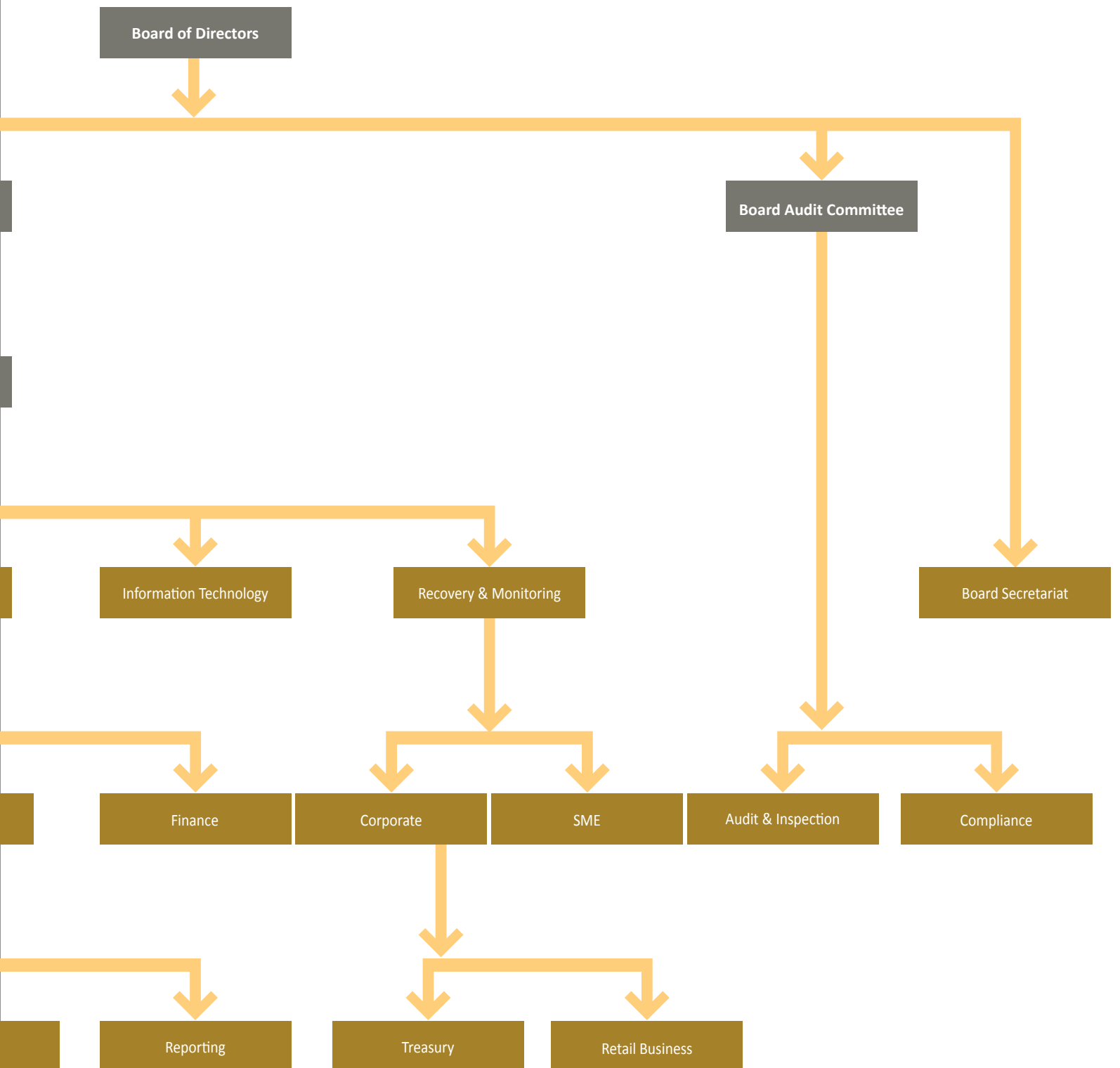


A. J. Masudul Haque Ahmed
EXECUTIVE DIRECTOR

Mr. A. J. Masudul Haque Ahmed is B.A (Hons), M.A & LLB from Dhaka University. He passed both parts of Banking Diploma. He was recruited as an Officer by former State Bank of Pakistan under their official Training Scheme. After successful completion of theoretical and practical courses, he was placed with erstwhile Muslim Commercial Bank Ltd. now Rupali Bank Ltd. After being promoted as General Manager, he was transferred to Agrani Bank, Bangladesh Krishi Bank (BKB) and Sonali Bank. He was promoted as Deputy Managing Director of Agrani Bank. He was promoted as Managing Director of House Building Finance Corporation and then transferred to Bangladesh Krishi Bank (BKB). While proceeding on LPR as Managing Director of Bangladesh Krishi Bank (BKB), he was appointed as founder Managing Director of Karmasangsthan Bank. During his service carrier he attended various trainings and seminars in USA, India, Thailand & Manila. After retirement from Karmasangsthan Bank he was originally appointed by Bangladesh Bank as Adviser of Uttara Finance & Investments Limited (UFIL) and subsequently re-designated as Executive Director.

ORGANOGRAM







MANAGEMENT

The success of Uttara Finance and Investments Limited within such a short time is the result of 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, M. Com., 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

Sr. Executive Vice President
Muhammad Abdul Hamid, FCMA
Head of Chittagong Branch

Sr. Executive Vice President
Anil Chandra Das
Head of Operation, Monitoring and HR

Sr. Executive Vice President
Md. Jakir Hossain, FCA
Company Secretary

Sr. Vice President
Uttam Kumar Saha
Chief Financial Officer

Sr. Asst. Vice President
Kazi Arifuzzaman
Head of ICC

Sr. Asst. Vice President
Md. Mainuddin
Head of Treasury

Sr. Asst. Vice President
Faruk Jamil
Head of Corporate Finance and
Incharge of Gulshan Branch

Sr. Asst. Vice President
Ali Akber Mollah

Sr. Asst. Vice President
Mesbah Uddin Mahmud

Sr. Asst. Vice President
Choudhury Fazla Anwar

Asst. Vice President
Mohammad Shahinur Rahman
Head of Merchant Banking Unit

Asst. Vice President
Monira Ferdous Jahan

Asst. Vice President
Sheikh Md. Ashiqur Rahman

Asst. Vice President
Mithu Kumar Saha

Asst. Vice President
Md. Moshikul Azam

REPORT OF HUMAN RESOURCES

Human Resources

Uttara Finance and Investments Limited's (UFIL) strength is the quality and perseverance of its employees and their shared sagacity of being part of a unique team. Their diverse vantage points and unique abilities create wide range of skills and knowledge that strengthen Company's success in achieving goals. In order to achieve its expected growth and achieving goal, it is essential to train-up and retain its quality up to the mark.

To achieve target in the financial institutions it depends, more than anything else on the know-how, experience, talent and commitment of a Company's human capital. For Uttara Finance and Investments Limited to continue to succeed, the Company must be able to attract, develop and retain highly experienced and qualified human resources.

Uttara Finance and Investments Limited puts importance on keeping employees informed about the Company's vision, mission, strategy, goals and focus. Moreover, the Company provides regular communication to its employees with information relating to the current-affairs of events and achievements.

Recruitment

Being part of an Uttara Finance and Investments Limited member it demands a standard level of meticulousness and commitment. Working in the Company requires individuals of exceptional ability and great efforts have been made in assembling company's current group of employees.

Uttara Finance and Investments Limited believes that having a wide-range of age and experiences in its workforce it helps the Company meeting the wide-ranged needs of its valued clients, agents, etc. This is shown in the structure of the workforce. 89 percent of the Company's employee population is in the 25-45 age range, with the average age of Uttara Finance and Investments Limited employee being 32 years.

Uttara Finance and Investments Limited places a special emphasis on ensuring that new positions are filled by the most skilled and qualified candidates, in terms of their education, experience

and ability.

Recruitment strategy of Uttara Finance and Investments Limited is based on attracting highly qualified candidates through employee networks, selective head-hunting and advertisement. Human Resource Committee is responsible for recruiting the talents. The Human Resource Department is an important partner in achieving these targets.

Career and development

Uttara Finance and Investments Limited comprises a group of enterprising female and male members who are distinguished by their initiatives, diligence, imagination and ambition. The Company's work is driven by a sense of teamwork and solidarity that transcends Company's hierarchy. The people of Uttara Finance and Investments Limited are part of a culture of integrity and leadership, which help their role in creating. They form a community in which people's potential and talents are cultivated with the aim of establishing lifelong careers.

Length of service

The average length of service within the Company is almost 7 years.

Job satisfaction and retention

Uttara Finance and Investments Limited seeks not only to attract the most qualified personnel, but to retain them by creating a superior working environment and attending to their needs. To ensure success for the Company as a whole, employees are encouraged to engage in synergetic teamwork, and every effort is made to facilitate communication and the flow of information. Employees initiative and responsibility are promoted through challenging assignments where rewards are determined by results.

Employee turnover at the Company was at a comparable level to the previous year. The total turnover rate for the company was around zero percent, which is largely dependent on external factors. The real challenge is to keep unwanted turnovers (resignation) at a minimum and we may state that we could meet this challenge with success.



Incentives

By rewarding good results, Uttara Finance and Investments Limited encourages its people to fulfill their potential and in this way support the optimum performance of the Company. The system of profit-sharing in the form of performance bonus exemplifies how the Company works as a community and by the same token, shares the spoils of success as a community. By aligning the interest of employees and shareholders, Uttara Finance and Investments Limited enables its people to play more active role in bringing the success of their own community.

Transport facilities

Uttara Finance and Investments Limited provides

full-time cars to the top Executives. In addition, adequate allowances are provided to senior and mid level Executives. Transport facilities for other employees are provided in the form of pick up and drop.

Cultural and sporting events

Uttara Finance and Investments Limited contributes in annual picnic, celebrates Bengali and English new year and also arrange Iftar party.

Maternity benefits

Female employees are entitled to this benefit.

Insurance scheme

Group Insurance benefits for the employees are arranged by Uttara Finance and Investments Limited.



Human resource strategy

- Ensure maximum employees success – empower the individual, provide an opportunity to show initiative and command independent initiative;
- Maintain a spirit of ambition, efficient decision-making, flexibility and quick responses to changes;
- Attract qualified personnel by creating a motivated workplace;
- Retain competent employees by creating a superior workplace;
- Provide new employees with appropriate training from the outset;
- Encourage employees to maintain professional skills and give them the opportunity to develop and grow;
- Create a strong management team;
- Sustain an environment that supports a balance between work and life;
- Ensure equal opportunities, with regard to employment, work facilities, assignments, training, job development and financial benefits;
- Arrange the interests of employees with the ultimate interests of the Company.

Statement on work force of 2014

Level of employee	No. of employees	percentage (%)
Management cadre	85	51.51%
Non-management cadre	32	19.39%
Support staff	48	29.10%
Total	165	

Male Female ratio

Male	136	82.42%
Female	29	17.58%
Total	165	

Average age of employee

	Years
Management cadre	38
Non-management cadre and Support staff	31

Payment of salary and allowances

	Taka
Total salary	82.28 million
Managing Directors Salary	11.65 million

Employees movement

Total employee as on January 01, 2014	153
Fresh appointment during the year	19
Retirement / resignations	7
Total as on December 31, 2014	165

Training to the employees

During the year of reporting total 31 employees participated in 21 different training programs. For the training programs the employees' of the company were engaged for 24 working days.

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 nine 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
- i) Regulatory Compliance 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 NBFI. 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. 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.

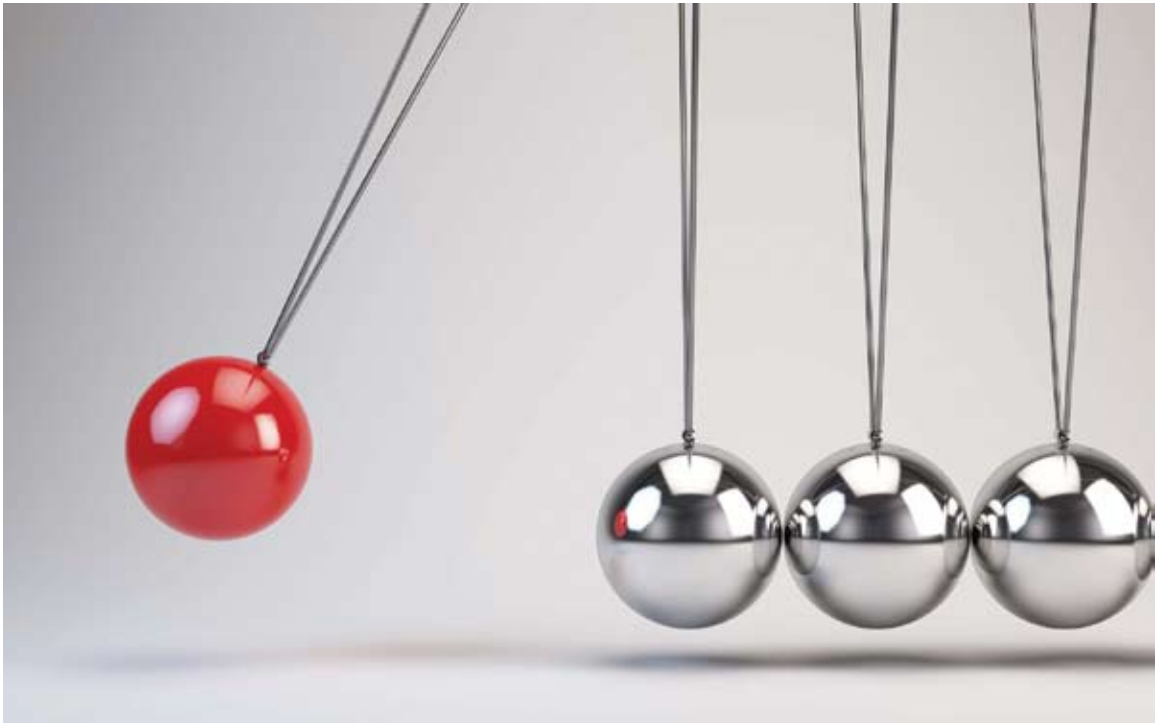
The following factors are behind different kind of risk:

- 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
- Lack of ideal capital market
- Poor legal and regulatory frame work
- Market size & participants
- Money market volatility

Risk Mitigation

Uttara Finance and Investments 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 as advised by the Risk Management committee in the following manner:

Credit Risk	Risks Mitigation Measures
Risk mainly associated with recovery / collection against accorded credit facility etc.	<ul style="list-style-type: none"> • Expert opinion for choosing core business area; • Strong credit analysis to ensure quality; • Price determination on the basis of risk; • Adequacy of collateral and proper securitization; • Diversification to portfolio and transaction; • Using credit risk rating and scoring system; • Monitoring of risk and credit administration; • Mitigating through preventive controls; • Maintain of single borrower exposure limit;
Market Risk	
Risk related with market factors government policy, business environment, political stability etc.	<ul style="list-style-type: none"> • Find out more business sectors for introduction like cost of fund, rate of interest, of new products for future; • Long term business plan; • Monitoring cost of fund and market rate in regular basis; • Taking steps to avoid undue and unfair competition with other institutions; • Risk base pricing; • Taking into consideration of government policy and political situation;
Operational Risk	
Risk associated with operational activities due to inadequate and/or ineffective internal process and systems.	<ul style="list-style-type: none"> • Portfolio Investment Management; • Strong HR policy; • Training and development of staff; • Choose right person in the right place with competitive remuneration package • Strong supervisory controls; • Effort to ensure integrity; • Business diversification;
Liquidity Risk	
Risk related with manages of liquid ensure meeting up payment obligation in time. Asset liability maturity time differences are the main reason of this kind of risk.	<ul style="list-style-type: none"> • Arranging long term loan to avoid the mismatch of asset with cost effective manner to short term borrowing and long term loan; • Different source of funding including own source: • Effective cash flow planning; • Maximum effort for collection within the legal frame work • Searching low cost but long term loan financing from local and foreign sources • Efficient and effective Asset Liability management Committee
Business Volume Risk	<ul style="list-style-type: none"> • Budget preparation carefully • Selection of client carefully
Reputational Risk	<ul style="list-style-type: none"> • Modernization of HR and infrastructure to compete with the leading developed company
Regulatory/compliance Risk	<ul style="list-style-type: none"> • Assign of CCO • Establish compliance culture • Assign sound compliance structure • Ensure the compliance of regulators
Profit Risk	<ul style="list-style-type: none"> • Effort to achieve profit targets • Work whole management together to achieve targets
Informational Technology Risk	<ul style="list-style-type: none"> • Ensure sound MIS • Ensure proper security • Regular backup as per BB guide line • Assign IT expert



Uttara Finance in all respects believes that it's risk management strategy proved very fruitful and effective development work 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



CHAIRMAN'S REPORT

CHAIRMAN'S REPORT

Bismillahir Rahmanir Rahim

Dear Valued Shareholders,

Assalamo Alaikum.

I, on behalf of the Board of Directors have great pleasure to extend a hearty welcome to you all to the twentieth Annual General Meeting of Uttara Finance and investments Limited. I have the pleasure to present before you the Annual Report of 2014 including the audited financial statements and auditor's report thereon. I would take this opportunity to briefly discuss the developments during the year and also some issues following the close of our financial year in December 2014.

In the fiscal year 2012-13 the economy had grown by 6.30 per cent based on strong export growth with agriculture, industry and service sectors all performing well. During the fiscal year 2013-14, Bangladesh economy has been adversely affected mainly due to prolonged political disturbances which affected the economy including imports, exports as well as production in the industrialized manufacturing sectors. The Finance Minister had declared to have attained a GDP growth of 6.2 per cent during the year. The ADB had however cautiously mentioned a growth of 6.00 per cent during that fiscal year. As per report of Bangladesh Bank exports grew by over 18 per cent, imports by only 8.5 per cent and remittances nearly 10 per cent which resulted in Bangladesh having a foreign exchange reserve of over \$ 18.00 billion at the end of the year 2013. The Central Bank is now having a foreign exchange reserve of \$ 24.00 billion which is more than sufficient to meet country's import requirement of six months. As is evident, some restrictive measures adopted by the Central Bank have started yielding results and imports have started to fall. In the international trade the prices of petroleum products showed a marked decline of nearly 50 per cent due to sufficient products being available. Though the government had made substantial gain from such lower prices in the international markets, the benefits were not passed on to ultimate consumers for unknown reasons.

The positive development in the securities market has been the demutualization of both Dhaka and Chittagong Stock Exchanges as was decided earlier by the Government. The elections were held in a peaceful manner and now both the bourses are headed by qualified persons. The political problems facing the country during the current year have not helped the situation in the stock market and there were continued fluctuations in the market and large numbers of investors remained shy to invest in such a situation. However the expectation is very high now as Bangladesh Securities and Exchange Commission is taking a number of measures to make the transactions in the Stock Exchanges more transparent. Some software has been installed to detect any foul play during the trading hours as well as any unusual price hike. Steps have also been taken to streamline the IPO application process and reduce the time as well as hassles for the investors.

During the current year the country is experiencing some disruptive developments in the economic front for political unrest. The government has targeted GDP to grow at 7.3 per cent during the current financial year. According to preliminary estimation Bangladesh economy grew at 6.1 per cent in the last FY14 against a higher target of 7.2 per cent. The growth is likely to be supported by continued robust remittances and recovery in the private consumption demand if political stability is sustained in 2015. The IMF has identified several areas as a recipe for the Government to fuel the growth of the country's gross domestic product which has been stuck at around 6 for a decade now. As per suggestion of IMF Bangladesh needs to prioritise major infrastructure projects, make available lands for investors and reform the financial sector as a part of its measures to boost economic growth. Bangladesh is also labeled as one of the expected drivers of growth in emerging markets in near terms for the steady growth and improvement in social indicators. Bangladesh is grouped with four other developing countries all having a population of 100 million each. The four other countries are Indonesia, Pakistan, Nigeria and Mexico.

In spite of receiving sufficient time, some of the leasing companies could not raise their paid up capital to Tk. 100.00 crore as required under Basel II. The prayers for extension of time has been granted to a number of them but since the time due to political problems has not been very conducive many of the Leasing Companies were looking for a favourable situation and innovative ideas to increase their capital and penetrate the competitive market.

In spite of a difficult year mainly due to prolonged political problems and law and order situation we are in a position to give you a result which is indeed a remarkable achievement and are likely to please all of you as shareholders of the Company. During the year under review, we reached a milestone of projects sanctioned and amount disbursed during the year and finally showed a post tax profit of Tk. 17.65 crore. This milestone was achieved with hard work, dedication of all the employee and considerable support and guidance of the Members of the esteemed Board of Directors. We wish to assure you all that your Company will continue to look for opportunities to diversify and bring new products into the market for further development and progress and we will make every effort to give you higher profits on your investments. We are

deeply grateful to you for your confidence in our efforts. You have been the most receptive, cooperative and patient shareholders and In sha Allah we will not disappoint you.

I also wish to express my grateful thanks to the esteemed members of the Board of Directors for their excellent cooperation, suggestion and advice throughout the year. They have been forward looking, most thoughtful and kind.

The management of the Company has been very dynamic and innovative to meet day-to-day situation effectively during the days of political turmoil filled with grim uncertainty. The entire management team performed admirably and in unison in a praiseworthy manner to produce a remarkable result under the leadership of the Chief Executive of the Company. I seek your blessings for the management staff of Uttara Finance so that their hard work and brilliant efforts may continue in 2015 heralding a brighter future for the Company.

Thank you once again for attending the AGM and I wish to assure you that we value your suggestions received from time to time.

May Almighty Allah's blessings be on you all.

Allah Hafez



Rashidul Hasan

MESSAGE FROM MANAGING DIRECTOR & CEO



Dear Shareholders, valued clients and well wishers,

Assalamu Alaikum,

I am grateful to Almighty Allah SWT that we have been successful to arrange the Annual General Meeting and presenting Annual Report and Accounts for 2014 and also express my thanks to all of you for attending the meeting.

Living in a country of about 170 million population in a small area of 55,598 square miles (143,994 square kilometers), we are surrounded everyday by individuals in pursuit of a better and more prosperous life, whether in the affluent city or in the remote countryside. Such aspirations have translated into a remarkable set of macroeconomic data : GDP, total resident consumption, resident savings and per capita income, etc. Uttara Finance as a family do not fear challenges and keen to innovate and explore. We will fully capitalize on growth opportunities in our time and will create the momentum to stay ahead of the market and promote innovative development.

It is my proud privilege to inform you that we had already achieved a successful position in the Financial Market as we had been rated AA- and has also been awarded a certificate by The Institute of Chartered Accountants of Bangladesh (ICAB) 14th ICAB National Award for best presented Annual Reports 2013. This certificate signifies the transparency of our Company.

The Company has completed another innovative year of its operations because we do accept responsibility, accept challenge. As a result it has sustained and maintained its leadership position in the industry. The business volumes were higher by 14.01 % this year at Tk. 14,489.30 million as against Tk.12,708.70 million during the previous year. Our key indicators such as total assets, net assets and net profit recorded stable growth. As at December 31, 2014, the Company has total assets of Tk. 28,275.04 million, representing an increase of 21.05 % compared to the end of last year.

Intense competition, excess liquidity problem in the financial market, downtrend in capital market have created a challenging environment. However, our fundamental economic drivers remain strong, and there have been some positive developments in recent months, including moderation in inflation and easing of monetary policy. In addition to rising urban demand, the increase in rural income levels and the continued focus on new investment are expected to support moderate growth in this sector in the years to come.

Faster and good client Service is our motto and we

are working hard to further improve this services gradually to the apex of excellence by maintaining the criteria and guidelines of our Regulators. Our object is that Good Governance in Corporate Sector includes transparency, accountability, fairness and responsibility. We believe in true and effective Corporate Governance for the growth and Governance are continuously receiving priority and keen attention in all aspects of the Company's Management.

Finally, I thank the honourable members of the Board of Directors for their diligence and valuable advices to and support for the Management Team during a year of transition.

In fine, I believe that there is no easy walk-over to success anywhere, and many of us will have to pass through the valley of shadow again and again before we reach the mountain top of our desire.

We are hopeful that in the years to come, our valued shareholders, clients and well wishers will continue extending their esteemed love, affection and helping hands and will thus make the pavement of the better future where we will be at the highest pick of Financial Institutions in Bangladesh.

Best regards,



S. M. Shamsul Arefin
Managing Director & CEO



REPORT OF THE BOARD OF DIRECTORS

Bismillahir Rahmanir Rahim

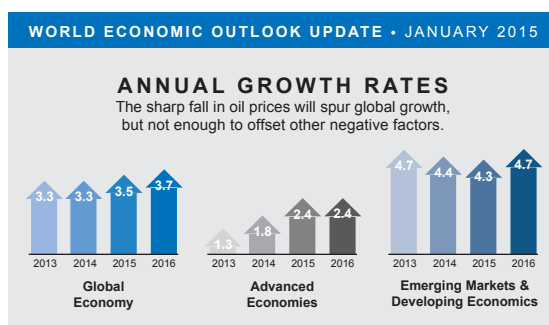
Dear Shareholders

Assalamu Alaikum

I, on behalf of the Board of Directors of Uttara Finance and Investments Limited take this opportunity to extend a hearty welcome to all of you at the 20th Annual General Meeting of the Company. I also take this opportunity to present before you the twentieth Annual Report of the Company along with the Financial Statements and Auditor's Report thereon for the year ended December 31, 2014 for your kind perusal.

Economic scenario worldwide

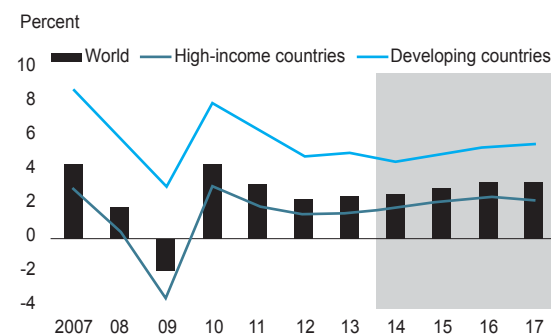
The global economy is still struggling to gain momentum. After the global financial crisis many of the high-income countries have been making



GDP growth: Actual and Projected
Sources: World Bank, Bloomberg.

desperate efforts to recover and emerging economies are less dynamic than in the past. As per World Bank report Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing returns over the past several years. In 2014 global growth picked up only 2.6 percent as against 2.5 percent of 2013. Growth in high-income country during the year 2014 was around 1.8% against forecast of 1.4 percent. Growth in major economies has shown divergent results, as the recovery in the United States and the United Kingdom gains momentum whereas the Euro area and Japan lag behind. Due to improvements in the labor markets and extremely accommodative monetary policy the activities of the United States and the United Kingdom have gathered force but financial crisis have been lingering due to slow recovery. The recovery has been weaker than anticipated in June 2014 partly for disappointing growth outturns in the Euro Area, Japan, Russia and Latin America. The Euro Area

and Japan accounted for more than half of the downward revisions to global growth in 2014. China is undergoing a carefully managed slowdown but continues on a path of gradual deceleration.



GDP of world Economy, Source IMF

Growth of the developing countries also has slowed down compared to the pre-crisis period. Natural disaster, political and social unrest, dependence on developed countries, lack of infrastructure etc. are the barriers for developing countries to have the expected growth. Disappointing growth reflected in other developing, middle and low-income countries not only for weak external demand but also domestic policy tightening, political uncertainties and supply-side constraints. Some low income countries are struggling due to lack of adequate public health care services has facilitated the spread of Ebola. This has taken a heavy human toll, disrupted activity and trade and shaved 1-3 percentages off growth.

As per report of IMF in the year 2014 the world GDP at current price after 4.04 percent growth stands at \$77.805 billion whereas GDP of EURO area is \$12,957.94 billion showing growth 1.067 percent. The European Central Bank (ECB) declared a package of equivalent USD 1.20 billion for economic recovery and to increase of growth of this area by quantitative easing, a monetary policy to increase the flow of money to the economy for control of deflation. The GDP of Major advanced economies (G7) stands at \$35,285.20 billion, Other Advanced Economies (Excluding G7 and Euro zone at \$6,912.71 billion, European Union \$17,597.66 billion, Emerging and Developing Economies \$31,215.72 billion and Developing Asia \$14,816.54 billion showing growth 1.263 percent, 3.37 percent, 1.282 percent, 5.716 percent and 7.349 percent respectively. Growth of two large economies in Europe, Germany and France, reported 1.455 percent and 0.882 percent in the year 2014. The GDP of new G7 (BRICS-Brazil,

Russia, India, China and South Africa) and three so called three mint economics-Mexico, Indonesia and Turkey is USD 37.8 trillion as against old G7 (US, UK, Canada, Germany, French, Italy and Japan) GDP USD 34.5 trillion whereas China became the World's largest economy. The BRICS GDP is 25 percent of the world.

In the year 2014 the growth recorded in African Economies is 4.8 percent. South Africa and Egypt are the main two hub of this area's economy. For the year 2015 the forecasted growth rate of this area is 4.9 percent which is slightly higher than the achievement of 2014. The big South Africa's economy posted growth of 1.4 percent in 2014, low from 2.2% in 2013. Though a good number of challenges like armed conflicts, spread of Ebola, insufficient efforts for poverty reduction and education exist in this area, high rate of growth of income per capita continued due to strong performance of oil-exporting countries.

In the year 2014 the combined GDP growth of developing economics is around 4.4 percent against 4.7 percent of past year. A good number of measures have already been taken by the affected developed and developing countries to maintain the growth rate which is expected to be 5.5 percent in the year 2015. High unemployment, fiscal consolidation, and a narrow business confidence are expected to be continued in the year 2015 in developed high-income countries and growth in USA and Europe may not reach the growth rate of pre-crisis period.

The growth of Emerging and developing Asian regional economy is 6.5 percent also failed to achieve the expected level in the year 2014 which is less than the expected growth rate. The growth rate of ASEAN 5 in the year 2014 is 4.5 percent whereas growth rate of developing Asia recorded 6.5 percent. The largest economies of this region India and China, leads the growth rate of Asia Region by achieving 5.8 percent and 7.4 percent respectively whereas both Korea and developing countries like Pakistan, Bangladesh and Sri Lanka followed the two big economies. Since the largest export market of South Asian countries had severely been affected by the debt crisis in the previous years, bank lending and foreign direct investment (FDI) in this area declined in 2014.

As reported by Bureau of Labor Statistics unemployment levels have been decreasing across the world and present unemployment rate is 5.5 which was 6.7 at the end of 2013. The jobless rate of USA, world largest economy, fell to 5.5 percent from 6.6 percent showing gain than the most-pessimistic forecast. The share of the

working-age population in the labor force, known as the labor force participation rate was 63.3 percent at the end of March 2013 fell to 62.7 percent in February 2015, the lowest since May 1979. The average number of hours worked for all employees increased while earnings†stagnated. To recover, different austerity measures have already been taken and some areas have shown marked improvements. Trading on the stock and bond markets has improved and stock indexes have risen across Europe. Experts opined that uncertainty created by the debt crisis will gradually fade away.

During the last one decade the number of countries classified as 'low-income' (according to the World Bank definition) has fallen to 34 from 65 in 2001. Graduated countries are experiencing faster, more stable, growth. Half of the countries that attained middle-income status over this period from Sub-Saharan Africa and East Asia for new discoveries or intensified exploitation of metal and oil reserves and several other countries graduation followed the post recessions rebound, implementation of structural and political reforms.

Growth of low income countries remained robust in 2014 but macroeconomic imbalances are emerging in some countries. Activity in low-income countries has been supported by robust domestic demand, underpinned by investment, good harvests, and robust remittances. Low income countries are mainly small, heavily reliant on agriculture and remittances and also tend to have weak institutions. On average, agriculture accounts for about 25 percent of GDP in low-income countries. In many cases, exports are dominated by agricultural commodities. Many low-income countries are also heavily dependent on remittances to support consumption and investment. On average, remittances accounted for almost 6 percent of GDP in low-income countries in 2014, much more than FDI. However, in contrast to middle-income countries, economic activity in low-income countries strengthened in 2014 on the back of rising public investment, significant expansion of service sectors, solid harvests, and substantial capital inflows. Growth in low-income countries is expected to remain strong in 2015–17.

World economy forecast

Year 2015 is going to be very crucial for the world economy. Despite different tribulations World Economic Outlook of IMF in January 2015 issue is hopeful to record 3.5 percent growth of the world economy in the year 2015 compared to 3.3 percent in 2014 and 3.7 percent for the year of 2016. Advanced economies are likely to see growth of

2.4 percent and other High-income countries are likely to grow at 3.0 in 2015, up from 1.8 percent in 2014, on the back of gradually recovering labor markets, ebbing fiscal consolidation, and still-low financing costs. In developing countries of Asia, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthens, growth is projected to gradually accelerate, rising from 4.4 percent in 2014 to 6.4 percent by 2017.

It is very much expected that lower prices of oil will contribute to diverging prospects for oil-exporting and importing countries, particularly in 2015. The oil importers will be benefited from use of imported oil for which it is very much expected that world GDP will increase by 0.4 to 0.7 percent in 2015. In case of China the growth rate will increase by 0.2 and 0.5 percent in the United States. On the other hand real income and profit of oil exporters have been decreasing gradually. Due to unexpected fall of demand in emerging market economics oil prices have declined by about 55 percent since September 2014. As per World Economic Outlook in January 2015 issue report that – “Global growth will receive a boost from lower oil prices, which reflect to an important extent higher supply. But this boost is projected to be more than offset by negative factors, including investment weakness as adjustment to diminished expectations about medium-term growth continues in many advanced and emerging market.”

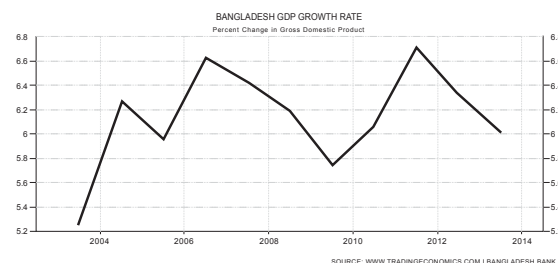
Losses from lower oil exports should sap up to USD 300 billion from economies in the Middle East and Central Asia this year as countries in the region adjust to falling crude oil prices. Economies that are particularly dependent on oil exports will be hit hardest by more than 50 percent decline in petroleum prices. The price of oil has plunged more than 55 percent to under USD 50 per barrel since June 2014 due to demand and supply gap mostly for United States domestic production which doubled over the last six years. This is the lowest price after 2009 recession. As per IMF statement falling crude prices will not translate immediately into major gains for oil importers in the Middle East and Central Asia, which have been hurt by the slowing growth prospects of key trading partners in the Euro zone and Russia. The IMF advised advanced economies to maintain accommodative monetary policy to avoid increases in real interest rates as cheaper oil increases the risk of deflation.

Risks to this slow-moving global recovery are significant and tilted to the downside. Financial market volatility could sharply raise developing countries' borrowing costs, an unwelcome development after several years of heavy capital market issuance by some developing countries. Intensifying geopolitical tensions, bouts of volatility in commodity markets, or financial stress in a major

emerging market could lead to a reassessment of risk assets. If the Euro Area or Japan slips into a prolonged period of stagnation or deflation, global trade could weaken even further. Although it is a low-probability event given China's substantial policy buffers, a sharper decline in growth could trigger a disorderly unwinding of financial vulnerabilities and would have considerable implications for the global economy.

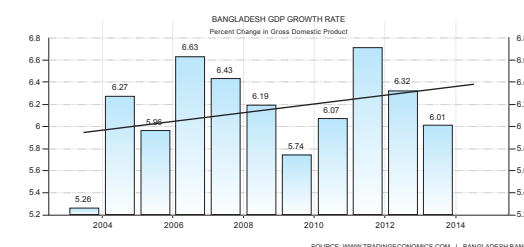
Bangladesh economy

In spite of lot of political, social and structural limitations, street violence, frequent nationwide work stoppage in the country and uncertainty in the global economy, the economy of Bangladesh, over the last ten years has been maintaining its Gross Domestic Product (GDP) growth of nearly 6 percent.

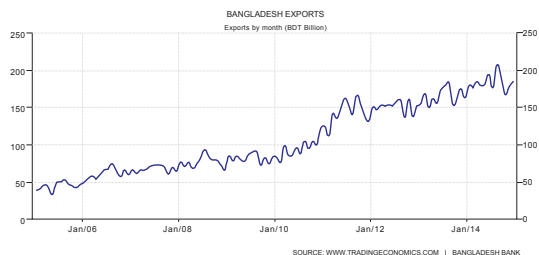


10 years GDP growth pattern

Growth pattern of last one decade proves Bangladesh economy has been on a stable and positive growth path. In the fiscal year 2013-2014 in spite of the political unrest and disturbances the GDP growth of the country recorded around 6.1 percent which was 6.3 percent in the fiscal year 2012-2013. The International Monetary Fund (IMF) recently stated that “the fresh flare-up of unrest in Bangladesh in early January had been taking its toll on the country's economy” and IMF expects the real GDP for the year 2014-2015 will be around 6.00 percent against the government target of 7.3 percent which means forecasted GDP may not to be achieved. In this fiscal the economy is expected to grow at respectable pace but not nearly as high as planned. The Finance minister already admitted that due to long period of political unrest the economic growth might shrink slightly. The IMF mission Chief expected 6.5 percent growth in the next fiscal.

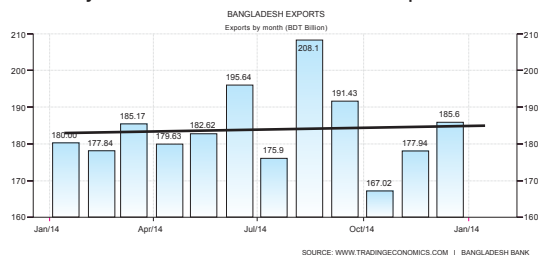


10 years GDP growth trend



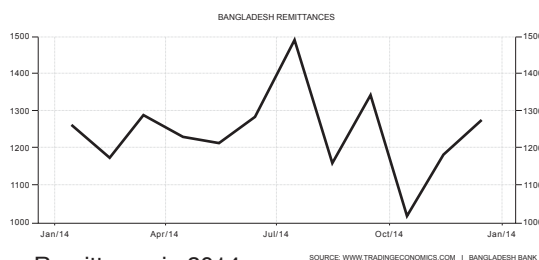
Export growth pattern

In spite of the various limitations and hindrances, as well as road block, hartal, shortage of power and gas, workers' unrest and worldwide concern for death of more than thousand of garment workers due to Rana Plaza tragedy, the RMG sector witnessed 13 percent growth in 2013-2014 fiscal. For having different advantage and 30 years experience as per survey report of the McKinsey & Co., Bangladesh remains at the top of the list of apparel-sourcing markets. But after Rana Plaza tragedy due to failure to comply with safety issues 29 factories were shut down following inspection by Accord and Alliance and there are 238 units of RMG factories including Hamim Sportswear, five factories of Tuba group have been shut down during the last two years for lack of work orders and workers agitation demanding higher wages and arrear pay. Besides the Generalized System of Preference (GSP) facility in USA still remains suspended due to lack of fulfillment of different conditions including workers safety, labor rights during the first half of 2014-2015 fiscal year. This sector shows no growth and Bangladesh does not have any choice but to overcome. Despite the



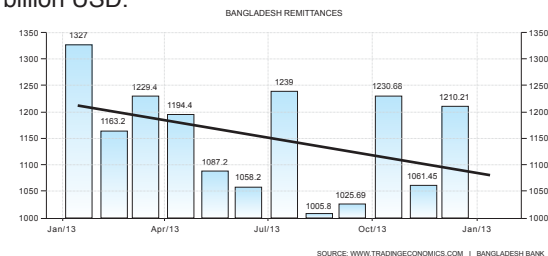
Monthly Exports of 2014

recent tragedies, Bangladesh is still regarded as a popular sourcing destination with growth potential, forecasted by US Fashion Industry Association (USFIA). However, in August 2014 the Exports of Bangladesh shown an all time monthly high of BDT 208.10 million. Bangladesh exports mainly Readymade Garments including knit wear and



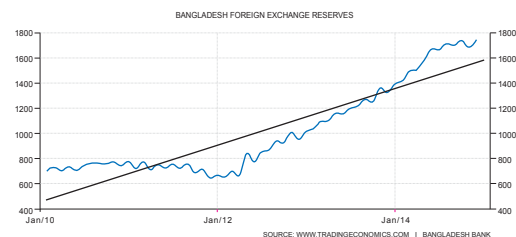
Remittance in 2014

hosiery which is 80% of exports revenue and it is very much anticipated that by the end of 2020 the amount of export of this sector will reach around 45 billion USD.



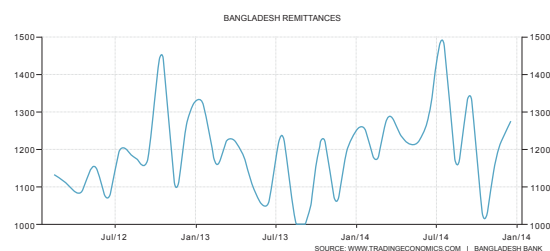
Pattern of monthly remittance flow 2013-2014

Due to slump in the overseas employment sector in the year 2013 remittance inflow has been on a gradual decline but according to Bangladesh bank statistics during the year 2014 remittance inflow has been increased by 7.91 percent to reach USD 14,926.93 million against USD 13,832.23 million of 2013. Manpower export also dropped in the last calendar year due to unrest in the Middle East and legal status problems of the migrant workers in Gulf countries. Many of our friendly countries like Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, Oman Libya and Malaysia considered as traditional destinations to Bangladeshi workers are gradually opening their closed doors. As per report of Bureau of Manpower, Employment and Training (BMET) country's manpower export dropped significantly.

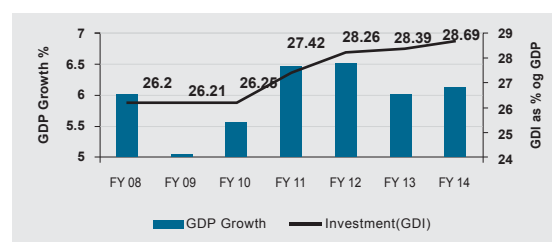
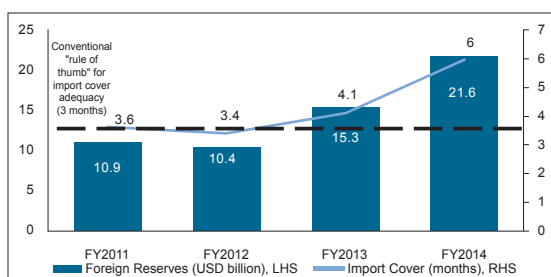


Foreign Currency reserve 2010-2014

Though there have been several negative activities of foreign currency earnings the foreign exchange reserves of Bangladesh Bank at the end of 2014 is USD 18 billion and at the end of February 2015 have reached to record USD 22 billion which is the second highest in South Asia and almost equivalent of six months import coverage of the country which is comparable to many East Asian economies like South Korea, Singapore,



Flow of remittance pattern of last 2012-2014



GDP and Investment

Hong Kong, Indonesia and Malaysia. External sector performance has improved markedly with strong external current account position and much larger capital and financial account inflows, leading to a rapid reserve buildup. This positive and welcoming development however has happened in an environment when Bangladesh is passing through a challenging time though some analyst opined it as weakness of the economy to use available resources for domestic investment.

Agriculture and food sectors are expected to be nearly self-sufficient. Due to fuel price hike several times in the past years the Furnace oil based power sector was affected seriously. The rental power policy that had power output enlarged significantly and import from India increased the power supply to the national grid to 10,000 MW electricity but yet to match with the ever-increasing demand of the country. Fuel and power price hike affected agriculture and other social sectors and hurt marginalized individuals through hikes in prices of essential products and taking into consideration the ever lowest price of fuel in international market it is very much expected that the government shall adjust the fuel price.

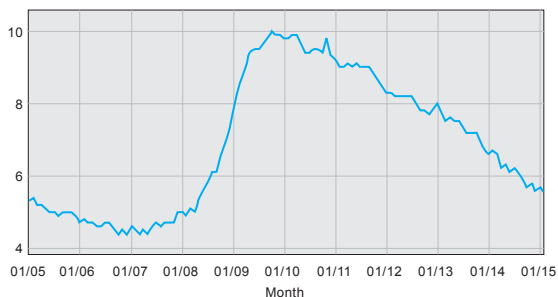
During the first 6 months of fiscal year 2014 – 2015 implementation of ADP has slowed down significantly. This raised serious doubts about

whether the government would be able to maintain implementation achievement rate of last five years. Only 25 percent of ADP has been implemented during the 1st half and it is very much unlikely that ADP implementation can go above 70 percent at the end of the year if the present trend continues. Considering the fact the government approved revised ADP for BDT 750 billion, 6.62 % lower of initial budget of BDT 803.15 billion which is 33.60 percent higher than previous year. The sectoral allocation of ADP for the year 2015 shows that greater emphasis given on transport sector 26 percent followed by education and power 15 percent each. The main risk to implement ADP is collection of revenue which is expected to be BDT 1,360.9 billion against budgeted amount BDT 1,674.59 billion. Local experts opined that VAT and Tax collection may be hit hard due to antigovernment movement like road blockade, hartal for a period of three months by 20 party alliance. During the 1st seven months of this fiscal only 42% i.e. BDT 698.48 billion revenue has been collected by NBR and rest 58% i.e. BDT 971.26 billion has to be collected in remaining five months. The assurance from development partners fell sharply in the current fiscal year compared to the previous year and fund flow is unlikely to increase in the remaining period of the year as the development partners have already expressed their dissatisfaction over January 05 election.

Trend in ADP Allocations (% of total ADP)

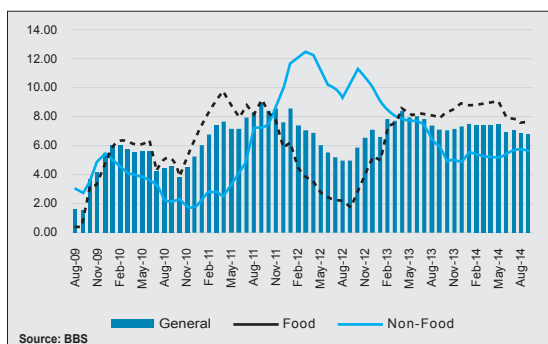
	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Agriculture	5	6	6	6	4	4	7
Power	10	9	16	16	14	15	12
Energy and Mineral	1	4	3	2	3	4	3
Transportation	10	12	14	14	16	26	24
Education	13	15	13	10	14	15	15
Health	11	10	8	7	7	7	5
Social Works	1	1	3	4	5	4	5

Source: IMED



Rate of unemployment of last 10 years

Reducing poverty by controlling inflation and creating employment opportunity is the main challenge of Bangladesh Government. The unemployment rate of the country at the end of 2014 is 5.5 percent though per capita income is all time high of USD 1,010 (GNI nominal). The increase of price of daily necessities increased the poverty level which is now more or less 40% of the total population. The inflation rate in 2014 after reducing by 1 percent now came down to around 6.6 percent whereas inflation of food and essentials is 7.16 percent and non food inflation is 5.7 percent. To keep the inflation in control the Central Bank has tightened its monetary policy stance in part by restraining growth of private credit and larger component of domestic credit.



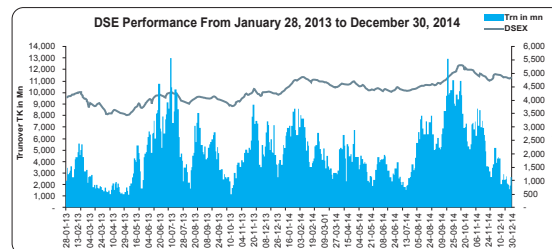
Inflation 2009-2014

Creation of employment opportunity is the first priority of the Government to reduce poverty and poverty reduction strategy paper – II outlined that SME is a vital element of the Strategic Block for pro-poor growth and as underlying in the sixth five year plan 2011 – 2015, Bangladesh Bank has given high importance to channeling funds to this sector to gear up the pace of pro poor growth rate. The Government of Bangladesh has been making outlines of the strategies to achieve a healthy economic growth. Experts from different segments of the society opined that besides SME development, labor intensive industrialization is the only way to achieve higher GDP growth. Infrastructural facility, electricity and gas supply are not sufficient and therefore investment in the productive sectors has come to a standstill for which growth of this sector is not satisfactory.

As anticipated in the year 2014 from the beginning of second year of the present government the political unrest was started from January 05, 2015 on the issue of caretaker government and new parliamentary election. The country had faced same type of unrest during the last year of five years term of the previous elected government on the issue of caretaker government for the parliamentary election and trial of war criminals. After re elected in the January 05, 2014 election where 20 parties' alliance did not participate, the 14 parties' alliance government has passed its first year of second consecutive term. However, different analysts know that the coming days are very crucial and hoping political unrest will be gone forever for the betterment of the country.

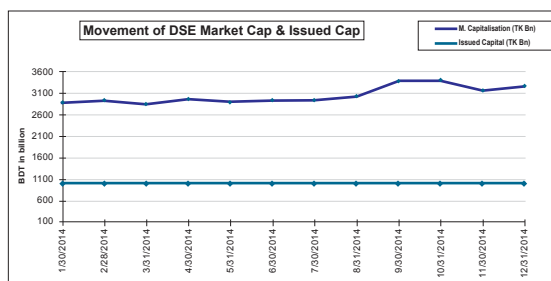
Capital market of Bangladesh

After 2010 the position of stock markets has been deteriorating day by day and the market was not in good shape in the year 2014 like 2011 - 2013. During the last 4 years the regulatory bodies, Stock Exchanges, all investors, Merchant Bankers, Brokers experienced biggest ever fall of share prices. Capital market has now lost its inherent strength due to negative equity created from margin loan after fall of value of securities.



DSE Market Capitalization and Issued Capital, Source DSE

Though a lot of reform works and different measures have been taken by the government and regulatory bodies already appeared as ineffective in the last four years but expected to prove good in the long term. Experts opined that poor involvement of banks, FIs and their Merchant Banks for exposure barrier by Bangladesh Bank, inactiveness of other large institutional investors, lack of confidence of individual investors, unstable money market, higher interest rate on deposit, fall of foreign investment, absence of justice of different cases and last but not the least political instability is the reason of failure to boost up the markets. Investors who have sold out their stocks in the very early stage of market crash and capable to re-invest in the share market are now very choosy to invest further. Those who have been involved in share market during last 4 years have lost their confidence to a great extent and shifting their money to invest in fixed income bearing instruments.



DSE Turnover and Index 2014, Source DSE

For providing relief to the large number of small investors who suffered monetary losses the government has unveiled a stimulus package for the investors. As a part of implementation of stock market rejuvenation package for the affected small investors whose investment was BDT 10 lac or below BDT 4.44 billion had already been disbursed as refinance to 18,658 nos. investors through merchant bank and stock broker. The rest amount of government approved fund BDT 9 billion will be disbursed shortly. Different units of Investment Corporation of Bangladesh (ICB) are the key player of this disbursement and only very small number of merchant banks and brokerage houses has applied for this facility. By availing this refinance small investors have benefited but not up to the mark because impact of this fund to improve the overall market is not effective. After January 5, 2014 election different bodies of stock market are trying their level best to make the market attractive and also to recover the confidence of the investors. Investors, who are still active in the market after suffering huge loss now very careful to act in the market and yet careful about issuer's fundamentals. Investors want to earn profit within the shortest possible time and therefore most of them run after rumor and fall in the trap of gamblers. Besides Initial Public Offering (IPO) and Right Issue are main two tonics to attract new and as well as old investors in the market. But issuer companies did not show interest as they fear that they would not get expected price. In the year 2014 total 17 issues have come to market as against 11 issue of 2013 and 17 issue of 2012. Experts and Merchant Bankers opined that the number of issue could have been higher if the market remained stable.

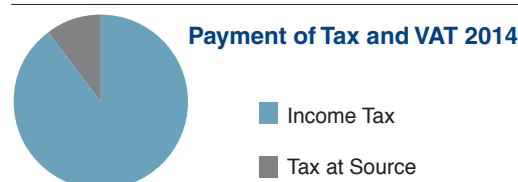
After collapse of stock market, issue of reform measures of stock exchanges comes to the fore front. Revised index has started in the main bourses at the beginning of 2013. Taking into consideration the global trend, demutualization of both the exchanges have already been made like most of the stock exchanges in the developed and developing countries. Demutualization ensures the operational transparency and enhances investor's confidence regarding fair trading but is not the ultimate remedy of all problems of the market. Surveillance Software has been procured and installed by Bangladesh Securities and Exchange Commission (BSEC) to

identify the transaction manipulation. Effective financial safeguards like corporate governance, adoption of International Financial Reporting Standards (IFRS), special tribunal for the market, political stability, lower rate of bank interest, active participation of institutional investors like different banks, mutual funds, merchant banks, insurance companies and some brokerage houses may pull the market to improve the confidence of the small investors to inject further fund into the market. Mutual funds which only securities to invest should prove itself as a dependable place of managing funds of the small investors.

The stock market of Bangladesh is a frontier in the global prospective and long way to go to attain the international standards. Bangladesh Securities and Exchange Commission is yet to be made truly independent. This regulatory body should have certified Chartered Accountants for analysis of different financial statements. The main two share markets should take more training programs even through electronic media for the grassroot investors who do not have enough knowledge but active in the market to invest blindly without knowing the fact and giving importance to rumor and put their feet into the manipulators trap. For correct decision investors should have knowledge about different common items like price index, market capitalization, sectors, face value of shares, EPS, PE ratio, NAV, prospected growth, industry average, risk of the market, impact of cash dividend, stock dividend, right shares etc. The importance of Bangladesh bank is equally important who should ensure sustainability of a sound banking system inside the money market and strengthening its coordination with the stock market regulator.

Payment of tax

Uttara Finance and Investments Limited deposits taxes regularly to the National Exchequer by way of collection of income taxes and VAT at sources from various payments and also deposits income taxes of the Company's income. During the year of reporting the company directly contributed to the national economy by way of payment to the government exchequer BDT 742.70 million as income tax, BDT 85.62 million as against tax deduction at source and deducted value added tax BDT 3.42 million which was BDT 491.90 million, BDT 100.31 million and BDT 2.83 million respectively in the year 2013.



Industry outlook for 2015

All of the non banking financial institutions of Bangladesh have passed a very challenging year along with other related industries of Bangladesh due to high interest rate, less investment opportunity due to political unrest, road blockade and hartal, anti government movement, poor infrastructure, fall in stock prices, etc. Most of the business men who run their business taking finance from different banks and FIs are forced to become defaulters and this leads to increase the numbers. As reported by Bangladesh Leasing and Finance Companies Association (BLFCA) in its year book 2013 non performing loan of the industry have increased to BDT 16,982.98 million in 2013 which was BDT 12,197.36 million in 2012 means increase by 39.25 percent whereas investment have increased by 24.22 percent and the cumulative investment of 2013 is BDT 291,693 million which was BDT 234,772 million in 2012. The percentage of nonperforming loan at the end of 2013 was 6% which was 5 percent in the year 2012. Applications for rescheduling the loans have been received by the banks and FIs. However, the amount of deposit in NBFIs have increased to BDT 193,761 million in 2013 which was BDT 139,956 million in 2012 means growth rate of 38.44 percent. After January 05 election, as was expected, the political unrest and uncertainty, hartal, road blockade and anti government movement have been started on one point demand for fresh election under caretaker government.

Besides state owned and private banks Non Banking Financial Institutions of Bangladesh are now one of the major financial intermediaries and have been playing very vital role as one of the key segments of the financial system of the Country through investment in different sectors through finance and leasing activities to ensure economic development.

Bangladesh Bank, the Central Bank of Bangladesh, is the prime authority of monetary policy might continue with tight credit policy to control the inflation. The construction of Padma Bridge has already been started by the government. The revenue collection of current fiscal is not up to the mark and expected that the deficit of revenue collection will exceed BDT 300 billion. Thus it is very much clear that government borrowing from different commercial banks will increase to meet up with more development expenditures. The stability of money market is likely to be uncertain thus interest rate in the money market is likely to be increased further for tight monetary policy and the

economy may see a slowdown in terms of business activity. The non banking financial institutions have to face more challenges to maintain their growth and recover investments in the coming days as the economic activities slowed down for political unrest.

Principal activities of the company

Principal activities of the Company is to extend credit facility for the industrial development of the country through operating lease, finance lease, sale and lease back, term finance, documentary credit, bridge finance, syndicated finance, working capital finance, SME, auto loan etc. The Company through its merchant banking unit provides different services like underwriting, portfolio management, issue management, asset management, corporate advisory service and also provides margin loan through investors' account. To encourage the savings behaviour and also to help form capital of the nation the Company is offering term deposit with attractive interest rate and different flexible features. Shareholders may kindly note that there were no significant changes in the nature of principal activities of the Company and the group during the financial year under review.

Taking into consideration all of the above factors, Uttara Finance and Investments Limited has prepared its business plan for the year 2015. The Management of the Company has been making all out efforts to achieve the business target.

Operational performance of Uttara Finance

In spite of different hurdles in the year 2014 the achievement of Uttara Finance and Investments Limited was remarkable. By the grace of the Almighty Allah and by maintaining a prudent operating policy the company has maintained a steady growth in all of the growth indicators. During the year of reporting the business growth was substantially higher over the figures of 2013. Total business contracts processed in 2014 increased to BDT 1,453.71 crore against targets of BDT 1,400 crore. The growth is 12.06 percent over the last year achievement of BDT 1,297.26 crore. In 2014 disbursement has been made for BDT 1,269.71 crore which is 10.03 percent higher than the disbursement of 2013 of BDT 1,153.92 crore. In the year 2014 Uttara Finance has achieved operational revenue growth of 1.90 percent. This trend is likely to be maintained in spite of difficulties presently faced in the leasing and finance sectors and InshaAllah the shareholders will be presented a good result at the end of the year. The business achievement in 2014 and growth percentage over the last year are as given below:

	Amount in crore		% of growth over last year
	2014	2013	
Business Performances			
Contract Processed	1,453.71	1,297.26	12.06%
Contract disbursed	1,269.71	1,153.92	10.03%
Financial performances			
Operational Revenues	348.83	342.34	1.90%
Profit before provision and Tax	102.82	86.96	18.24%
Net profit after tax	17.65	5.97	195.64%
Income from operation	110.73	102.67	7.85%
Profit from MBU	24.79	18.99	30.54%
Fixed assets	14.87	15.37	(3.25)%
Investment in lease	1,067.69	911.26	17.17%
Investment in term finance	848.65	736.27	15.26%
Investment in margin loan	176.16	158.68	11.02%
Investment in shares	99.93	59.26	68.63%
Shareholder's equity	491.85	508.35	(3.25)%

The Management ensured that a healthy balance was maintained in manufacturing, power generation, agriculture, information technology, 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.

Branch operation

For ensuring greater participation in the economy as well as financial sector, the Company has been expanding its operational network by opening new branches. During the year of reporting Uttara Finance has made its business through three of its branches located in Chittagong, Bogra and Gulshan besides its two corporate offices located one in Dilkusha and another in Tejgaon area of Dhaka. The Company has the plan to open more branches in the coming days.

Information technology

To ensure the best and quality service to its customer, generate and deliver instant error free report for internal and external use Uttara Finance and Investments Limited has been using integrated software which is exclusively designed and developed for non banking financial institutions. For smooth IT operations the Company established a strong IT department headed by a Chartered Accountant as Department Head consisting of qualified professional personnel. IT Personnel are involved with development of software, database integration and migration, hardware procurement, installation and maintenance, network infrastructure development to ensure trouble free links, troubleshooting of different network, pc devices etc. Besides IT department is also responsible for backup of data, backup power, antivirus, terminal server, new branches connectivity, internet and intranet connections.

Financial result

The accounts for the year ended 31 December 2014 have been audited by M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants, a renowned audit firm, for the 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.

As per the audited Financial Statements for the year ended 31 December 2014 the gross profit and net profit margin of the Company is 31.74 percent and 4.90 percent which were 29.99 percent and 1.74 percent respectively in the year 2013. During the year of reporting there was no extraordinary gain or loss in the reported profit. The operational results of 2013 have been restated. The year end results of 2014 with comparative figures of 2013 restated) are as under:

Description	2014		2013	
	Taka	(%)	Taka	(%)
Operational Revenues	3,488,301,511		3,423,420,975	
Interest expenses	2,380,997,046	67.26	2,396,689,432	70.01
Gross profit	1,107,304,465	31.74	1,026,731,543	29.99
Operational Expenses	192,926,587	5.53	166,070,162	4.85
Non Operational income	113,832,706	3.16	8,922,587	0.26
Profit before Provision and Tax	1,028,210,584	29.48	869,583,968	25.40
Tax Expenses	360,000,000	10.31	140,000,000	4.09
Provisions	491,695,892	14.09	669,842,543	19.57
Profit after Tax	176,514,692	5.06	59,741,425	1.74
Earning Per Share		1.55		0.52

Significant deviation of operating results'

As per the audited financial statements for the year ended 31 December 2014 net profit earned is BDT 176.51 million which after restated stands at BDT 59.74 million in the year 2013 (before restated amount BDT 852.83 million) means there are some deviation in before restated profit earning of 2013 and 2014. Restated profit of 2013 and profit of 2014 reduced substantially due to revised amount of provision charged in the year 2013 and again a large amount of provision on investment made in the year 2014. A detailed statement of prior year adjustment given in the note no. 39 of audited financial statements for the year 2014. Taking into consideration the classification status of clients, diminution in the value of investment and equity position of Margin Loan, substantial provision have been made by the Company for classified loan, leases and other investments. Provision charged BDT 491.70 million in 2014 which was BDT 669.84 million (revised) in 2013. Lease investment increased by 17.16 percent than 2013 due to significant increase of investment in lease during 2014. Balance with banks and financial institution is showing increase by 95 percent.

In the year 2014 net profit earned is BDT 251.49 million in first quarter (Q1), BDT 515.60 million at

half year end and BDT 805.32 million at end of third quarter (Q3) which was BDT 215.20 million, BDT 458.32 million and BDT 705.38 million respectively in the year 2013 which means no significant deviation occurred between quarterly financial performances.

This profit mainly derived from the core business of the company.

Related party transaction

In terms of Bangladesh Accounting Standard – 24 namely “Related party disclosures” the Company discloses the transactions in notes to the financial statements under the head “Related party transactions” mentioning the basis of finding out related parties and their transactions. Descriptions of transactions as recorded by the Company related with its Directors are given in the note 38 to the financial statements.

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 20% Cash dividend and 10% stock dividend to the Shareholders of the Company.

Current year's net profit is now recommended to be appropriated as under:

Description	2014	2013
	Taka	Taka
Statutory Reserve @ 20% of net profit	35,302,938	170,565,887
Dividend @ 30% (dividend @ 30% – 2013)	341,510,400	341,510,400
General Reserve	200,000,000	200,000,000
Dividend Equalization Fund	100,000,000	100,000,000
Retained Earnings for the year	(500,298,376)	(752,334,862)

Dividend

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

Plan for utilization of undistributed profits

At the end of the year 2014 the amount of undistributed profit of the Company is BDT 2,155.43 million which was BDT 2,355.73 million at

the end of 2013 maintained in the name of general reserve, dividend equalization fund and retained earnings excluding the statutory reserve BDT 1,096.73 million and 1,061.43 million respectively. This strong base of equity enables the company to show healthy NAV and has been helping the Company to carry out its regular business operation. This undistributed profit already had been invested through disbursement against lending for profit maximization.

In the coming years, if needed, this fund is to be distributed to the Shareholders in the form of Dividend and/or to meet contingencies in future as authorized under Article 100 of the Schedule I of the Companies Act 1994. Additionally with this retention, a reasonable debt equity ratio is maintained for having the borrowing power.

Key operating and financial data

Key operating and financial data for last five years is given in the page no. 28 under the head historical database.

Utilization of amount received from public issue, right issue etc.

In the year 2014 the Company has not collected any fund through public issue or right issue or repeat public offering or direct listing or through any other instrument except issuing of term deposit receipts. The detailed movement of term deposit receipts is given in the note no 11 of the financial statements.

Directors

The Board of Directors of the Company consists of 8 Members excluding Managing Director, two independent Directors and one Executive 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, Ms. Zakia Rahman and Ms. 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 2014 the Board of Directors met 5 times. Most of the Directors were present in all the meetings. During the year 2014 average presence of the Board Members was 78.33 percent. The Company Secretary and Chief Financial Officer were also present in all the meetings. Attendance detail of each Director is appended below:

Sl. No.	Name of Directors	Position in the Board	No. of Total Meeting	Meetings Attended
01	Mr. Rashidul Hasan (Nominee 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	3
05	Mr. Kazi Imdad Hossain (Nominee Director)	Director	5	4
06	Ms. Zakia Rahman	Director	5	5
07	Ms. Tahmina Rahman (Tina)	Director	5	3
08	Mr. N. G. Chin Keong	Director	5	-
09	Mr. Md. Showkat Hossain, FCA	Independent Director	5	4
10	Mr. A. T. K. M. Ismail	Independent Director	5	5
11	Mr. A J Masudul Haque Ahmed	Executive Director	5	5
12	Mr. S. M. Shamsul Arefin	Managing Director	5	5

Directors' remuneration

Other than fees for attending the Board meetings and Executive Committee meetings, the Directors including the Independent Directors are not entitled to any other remuneration. As per DFIM circular letter no. 03 dated 24 February 2010 the company has paid @ Taka 5,000 to the non executive Directors for attending each Board of Directors meeting and Executive Committees meeting. During the year of reporting a sum of BDT 315,000 was paid to the Directors for their attendance in the meetings which was BDT 290,000 in 2013. Details of directors' emoluments paid during the year are given in notes 30 to the financial statements.

Pattern of shareholdings

As on December 31, 2014 the paid-up Capital of Uttara Finance and Investments Limited is BDT 1,138,368,000 and the Authorized Capital is BDT 5,000,000,000 where the nominal value per share is BDT 10 each. As per Clause 2(k) of SEC Notification No. SEC/CMRRCD/2006 158/Admin/02-08 dated February 20, 2006 pattern of Shareholdings of Related parties, Directors, CEO, Executives, Head of Internal Audit, Company Secretary & CFO including their spouses and minor children, other top five employee and Shareholders having 10% or more voting interest are given below. Details of shareholdings at end of 2014 are given in the note no.

Sl. No.	Name of Shareholders	Status of Shareholder	No. of Shareholding
1.	Uttara Motors Limited	Sponsor	5,811,516
2.	Uttara Automobiles Limited	Sponsor	8,897,090
3.	Uttara Apparels Limited	Sponsor	9,960,720
4.	Mr. Rashidul Hasan	Chairman	449,764
5.	Ms. Chin Keong	Sponsor (retired)	4,446,750
6.	Mr. Matiur Rahman	Nominee Director	553,665
7.	Mr. Mujibur Rahman	Nominee Director	284,588
8.	Mr. Mehdadur Rahman	Sponsor	2,279,196
9.	Mr. Kazi Imdad Hossain	Nominee Director	123,540
10.	Ms. Zakia Rahman	Sponsor	2,279,196
11.	Ms. Tahmina Rahman (Tina)	Sponsor	2,279,196
12.	Mr. NG Chin Keong	Sponsor	4,446,750
13.	Uttara Automobiles Manufac. Ltd	Director	13,371,942
14.	Mr. Md. Showkat Hossain, FCA	Independent Director	nil
15.	Mr. A.T. K. M. Ismail	Independent Director	1,450
16.	Mr. S. M. Shamsul Arefin	CEO	nil
17.	Mr. Md. Jakir Hossain, FCA	SEVP & Company Secretary	1,337
18.	Mr. A J Masudul Haque Ahmed	Executive Director	33,305
19.	Mr. Muhammad Abdul Hamid, FCMA	SEVP	nil
20.	Mr. Anil Chandra Das	SEVP	nil
21.	Mr. Uttam Kumar Saha	SVP	nil
22.	Mr. Ali Akbar Mollah	SAVP	1,148
23.	Mr. Faruk Jamil	SAVP	nil
24.	Mr. Mesbah Uddin Ahmed	SAVP	nil
25.	Mr. Mainuddin	SAVP	nil
26.	Mr. Chowdhury Fazla Anwar	SAVP	nil
27.	Mr. Kazi Arifuzzaman	SAVP	376

Independent Directors

As per Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of Bangladesh Securities and Exchange Commission, the appointment of Independent Director should be approved by the Shareholders in the Annual General Meeting. In compliance with the section 1.2(i) of the above said notification 2 (two) new Independent Directors namely Mr. Md. Showkat Hossain, FCA and Mr. A. T. K. M. Ismail have been appointed by the Board of Directors for a period of 3 (three) years and as per section 1.2(iii) of the same notification the Shareholders in the 18th Annual General Meeting held on Monday, May 27, 2013 approved the appointment of the Independent Directors.

Recognition of annual report 2013

In the year 2013 Uttara Finance and Investments Limited was awarded "Certificate of Merit" for the best published Annual Reports 2013 given by the Institute of Chartered Accountants of Bangladesh (ICAB) in Non-Banking Financial Services Sector. The company was also awarded "Third Position" for the best published Annual Reports 2013 given by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) in Non-Banking Financial Institution Sector. The Board believes this kind of achievement is

possible only due to relentless combined efforts of all officers and staff of the company and also for the best corporate practices and financial reporting.

Auditors

M/S Hoda Vasi Chowdhury & Co., Chartered Accountants a representing firm of Deloitte & Touche Tohmatsu one of the leading Chartered Accountants firms in Bangladesh has carried out the audit of the Company for the year 2014 and has completed first year of audit of their term. The Financial Institutions Act, 1993 stipulated that an auditor of a Financial Institution cannot be appointed for more than three consecutive years. In compliance with the same M/S Hoda Vasi Chowdhury & Co., Chartered Accountants being eligible for audit for consecutive second year expressed their willingness to continue as Auditor for the consecutive second year.

The Board of Directors considering the willingness and proposal of Board Audit Committee recommended for appointment of M/S K. M. Hasan & Co., Chartered Accountants to be the Auditor for the year 2015 to hold office from the conclusion of the 20th Annual General Meeting until the conclusion of the next 21st Annual General Meeting of Uttara Finance and Investments Limited.

Internal control

Internal controls are integral part of sound management. Reviewing the effectiveness of internal control is an essential part of the Board's responsibilities while management is accountable to the Board for developing, operating and monitoring the system of internal control and for providing assurance to the Board that it has done so. The Board of Directors of Uttara Finance and Investments Limited have delegated the review work to the Executive Committee, Audit Committee and other appropriate Committees of the Company. System of internal control and implementation thereof throughout the company has been delegated by the Board to the Management and to the department of ICC. However, the guidance asserts that the Board cannot rely solely on such an embedded process, but should regularly receive and review reports on internal control from the management.

All internal control systems have some limitations. Further, because of changes in conditions, situations etc. effectiveness may vary over time. Managing Director, Chief Financial Officer and Chief of Internal Control & Compliance of Uttara Finance and Investments Limited are responsible for evaluation of the effectiveness of Internal Control system of the company. This control assists the Board to meet its responsibilities for the integrity and accuracy of the company's accounting records from which financial statements are prepared after complying with required laws and standards. The Board of Directors is satisfied with the effectiveness of the system of the internal control for the year under review.

Going concern

Going Concern is an assumption that a company will not go out of business and liquidate its assets and therefore, the company must be able to generate and/or raise enough resources to stay operational. For preparing financial statements going concern assumption is taken into consideration. Bangladesh Accounting Standards require Directors of Companies' to consider whether there are material uncertainties that would lead to significant doubt about a company's ability to continue business for a foreseeable period. Companies have to make adequate disclosures about the going concern and financial statements also have to be prepared on going concern basis.

The Directors of Uttara Finance and Investments Limited have considered the future profitability, cash flows, quality of asset & liability, current ratio, renewal and repayment of debt, nature of borrowing, creditors repayment credibility, investment portfolio, equity, employees turnover etc. in making their assessment and after due assessment, the Directors are satisfied that the

Company has adequate resources to continue its operation for the foreseeable future.

Status of corporate governance

Status of compliance of corporate governance as per Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 of Bangladesh Securities and Exchange Commission and DFIM Circular No. 07 dated September 25, 2007 of Bangladesh Bank are given hereafter in page no. 100 and 109 as 'Annexure-I' and 'Annexure-II' respectively.

Professional certificate on status of compliance of corporate governance also given in the page no. 99

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 has indeed been 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

Reference:
 • World bank report
 • IMF report
 • Bangladesh Bureau of Statistics
 • Bangladesh Bank
 • The Financial Express
 • First News
 • BLFCA Year Book 2013

REPORT OF THE AUDIT COMMITTEE

The audit committee of Uttara Finance and Investments Limited is a Sub-Committee of the Board of Directors. As per corporate governance guidelines issued by Bangladesh Securities and Exchange Commission vide their notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2013, Internal Control & Compliance (ICC) guidelines of Bangladesh Bank through DFIM circular no. 13, dated October 26, 2011 stated that the Committee is responsible for submitting their report to the Board whether the financial statements of the company reflects true and fair view of the states of affairs. The Committee is also responsible for ensuring a good monitoring system. These responsibilities and compliance along with appropriate governance are incorporated in the Committee Charter.

Members of Audit Committee

As per the guidelines issued by Bangladesh Securities and Exchange Commission the audit Committee should be formed with at least three Members of the Board including one Independent Director and Chairman of the Committee must be an Independent Director. Therefore, all the non-executive Directors of the Company are eligible to serve on the Audit Committee. The Members of the Committee should be financially literate.

The Audit Committee of the Company has three Members including one Independent Director who is the Chairman of the Committee where Company Secretary of the Company is the Secretary of the Committee. During the year of reporting the Committee comprises of the following Members:

Sl. No.	Name	Position in the Board	Position in the Audit Committee
1.	Mr. A. T. K. M. Ismail	Independent Director	Chairman
2.	Mr. Mujibur Rahman	Director	Member
3.	Mr. Mehdadur Rahman	Director	Member
4.	Mr. Md. Jakir Hossain FCA	Company Secretary	Secretary

Besides the Chairman, Members and Secretary of the Committee, the Chief Executive Officer, Chief Financial Officer, Chief of Internal Control & Compliance (ICC), the External Auditors are eligible to attend the Committee Meetings.

Scope of work of Audit Committee

The Audit Committee of Uttara Finance and Investments Limited is officially authorized for the following activities:

- Stuffing and set out duties, responsibilities, performance, objectivity etc. of internal audit Department;
- Review the functions of the internal audit department;
- Analysis of internal audit report;
- Requesting the Board of Directors for kind action as per recommendation of the internal audit department;
- Review of the Advice of the Board of Directors regarding appointment of External auditor;
- Review the External auditor's report, advice and recommendation and financial reporting process;
- Review of the internal control and internal checking policy as well as effectiveness of internal control system;
- Review of compliance of various regulatory bodies requirement, laws, rules, regulations, guidelines and internal code of conducts;
- Review of matter which may have adverse effect;
- Review of the accounting policy matter;
- Ensure proper use of Company's assets;
- Report to the Board of Directors;
- Investigate any matter and access to all documents & information of the company;
- Seek information from any director or employee;

Responsibilities and functions of the Audit Committee

The Audit Committee is responsible for:

- Review the monthly, quarterly, half yearly and annual financial statements;
- Review the implementation of accounting policies;
- Ensure the implementation of the internal control systems and its adequacy;
- Assist the Board of Directors in its evaluation of internal control systems;
- Review the activities, resources and organizational structure of Internal Audit
- Review the internal auditors' reports;
- Review the overdue status of the Company's portfolio and non-performing clients
- Review the report of Management on business operations;
- Assist the Board of Directors in its understanding of accounting practices;
- Assist the Board of Directors in its understanding of Management Information System;
- Assist the Board in its understanding of internal and external auditing processes;
- Review the terms of engagement and independence of the external auditors;
- Review scope of work and access to information of external auditors;
- Discuss with external auditors regarding financial reporting, accounting policies, principles, assumptions, related party disclosures, post balance sheet events, risk management process, adjustments on external audit queries;
- Discuss with the external auditors, the Chief Executive Officer and the Chief Financial Officer about audited annual financial statements included in this annual report;
- Review and approve the Annual Audit Report;
- Review Management reports issued by external auditors' and Management's response thereon;
- Oversee the annual reporting process and review the annual report before its publication;
- Review of auditors' appointment proposal and to recommend the same to the Board;
- Review the annual budget of the Company;
- Review the compliance of rules, regulations, orders, notifications, circulars etc. issued by different regulatory bodies;
- Review of Bangladesh Bank's inspection report and Management responses thereon;

For the year ended 31 December 2014 the Audit Committee after considering, analyzing and reviewing information provided by Management, internal audit and external audit states that:

1. The internal control system of the Company is adequate and effective;
2. The control system have ensured that the Company's assets have been safeguarded;
3. Accounting records have been maintained properly;
4. The external auditors performed their audit independently;
5. Audited financial statements recommended for approval by the Board to place before the Shareholders in the 20th AGM of the Company;
6. Responses of Management on management report submitted by external auditors appeared as satisfactory;
7. Responses of Management on inspection report submitted by Bangladesh Bank appeared as satisfactory;
8. There are no material deviations on compliance rules, regulations, orders, notifications, circulars etc. issued by different regulatory bodies;
9. Available resources of the Company have been utilized efficiently;
10. Considering the eligibility the external auditors are recommended for appointment for the year 2015;

sd/-
Chairman
Audit Committee
March 01, 2015

REPORT ON FUND MANAGEMENT

In a financial institution, fund management function is traditionally known as treasury activities. The management of the cash flow of a financial institution is more important than its other activities. The fund manager ensures that the maturity schedules of the deposits and credit line coincide with the demand for loans. To do this, the manager looks at both the liabilities and the assets which influence the institutions' ability to issue credit.

Funding and transaction processing are the key activities of treasury department and therefore, it is known as the heart of the Company and equally important for both internal & external stake-holders. In Bangladesh where money market is very volatile, a fund manager must also pay close attention to cost and risk in order to really capitalize on the cash flow opportunities. A financial institution runs on the ability to offer credit to customers. Ensuring the proper liquidity of the funds is a crucial aspect of the fund manager's position. Funds management can also refer to the management of fund assets mainly focused on:

- a) Improving the rates of interest
- b) Access to funds on same day
- c) Diversifying bank credit risk

Money Market Scenario of Bangladesh for financial institutions

The Bangladesh economy is within the mainstream of the continuously changing global financial system. Financial system has developed here consisting mainly of the capital and the money market. Capital markets are essentially about matching the needs of investors with those that need capital for development. The money market currently existing has also developed due to certain needs. In general, these needs can be termed as need for short term liquidity within our financial system, to carry out the day to day economic activities and obviously to meet and match need for short term lending and borrowing of the participants within the financial system. T-bill market is by far the largest component of the money market in Bangladesh. At present, main fixed income financial products are bank deposits, bank loans, government savings certificates, term loans, treasury bills and government bonds.

Treasury Functions of Uttara Finance

The treasury department of Uttara Finance ensures liquidity at an optimum cost and also explores new funding avenues to minimize the Cost of Funds (COF). Through management of liquidity, bank credit line operations and relevant risk, the treasury department of Uttara Finance puts its emphasis on the following attributes:

- Forecasting of fund demand
- Raising of fund through diversified channel
- Projection analysis
- Day to day fund management
- Processing of transactions
- Planning about contingent liquidity
- Conducting monthly ALCO meeting
- Asset-liability risk analysis
- Interest rate risk analysis

Year 2014 was comparatively stable than 2013. The commercial banks came out from liquidity crisis which was seen throughout the year 2013. Interest rates on all types of deposits and borrowings-lending came down from the beginning of 2014. The call money rate also moved down further.

Taking lesson from market volatility due to huge borrowings by the government for meeting different development expenditures following steps have already been taken:

- Ensure sufficient liquidity
- Maintain minimum dependency on call money
- Contain cost of funds within tolerable limits, and
- Ensure strong Asset Liability Management

Liquidity Management

In Uttara Finance liquidity management involves forecasting of fund requirements, maintaining sufficient capacity to meet the financial needs and accommodating fluctuations in asset and liability levels which are required to ensure sufficient funds to meet all financial commitments in time and in a cost effective manner.

In the year 2014 Uttara Finance managed its fund in a very effective manner to meet its funding objectives and enhanced its liquidity position to ensure adequate liquidity in an adverse market scenario. The disbursement requirement, maturity of credit line instalments, term deposit maturity, and other payment obligations of the Company regularly monitored by the ALCO and accordingly strategized well poised plans to meet the liquidity requirements from dependable funding avenues in desired time buckets.

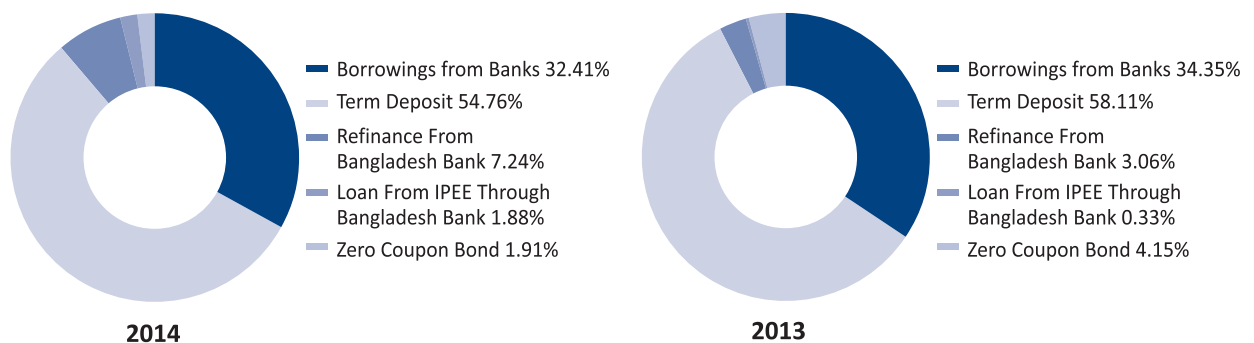
Sources of borrowed fund

The prime funding source of Uttara Finance has been term deposit for the last couple of years, increasing day by day due to investors' confidence on the company. As of December 31, 2014 total term deposit amount was BDT 10,369.94 million which was BDT 9,228.10 million in the year 2013 which means the growth rate of deposit is 12.36 percent. During the year of reporting BDT 8,388.75 million deposits received as against BDT 10,184.20 million in 2013 whereas BDT 7,247.91 million paid on maturity which was BDT 7,607.48 million in the previous year.

The treasury department of the Company has been trying to reduce reliance on conventional borrowing from the commercial banks. In the year 2014 the deposit borrowing ratio was 59.03:40.97 while deposits contributed 44.74 percent funding portfolio which was 45.49 percent in earlier year.

Besides deposits and bank borrowings strong focus was laid on utilization of Bangladesh Bank's (BB) refinancing windows and loan from IPPF through Bangladesh Bank which is the lowest cost funding avenue of the Company. Uttara Finance is currently participating in Small and Medium Enterprise (SME) refinancing schemes, women entrepreneur refinance scheme and Agro refinancing scheme of Bangladesh Bank. At the end of 2014 balance of Bangladesh Bank refinance scheme was BDT 355.88 million and balance of loan through IPPF was 362.54 million against BDT 486.14 million and BDT 51.99 million of 2013 respectively. The company also issued Zero Coupon Bond balance of which at the end of 2014 was BDT 1,370.00 million against 660.00 million of 2013. A schedule of different sources of fund is given below:

Source of Fund	Balance as on 31 December 2014		Balance as on 31 December 2013	
	Amount	%	Amount	%
Borrowings from Banks and FIs	6,477,261,015	32.41	5,454,861,739	34.35
Term Deposit Refinance From	10,368,944,199	54.76	9,228,098,424	58.11
Bangladesh Bank Loan From IPPF Through	355,884,817	7.24	486,142,640	3.06
Bangladesh Bank	362,540,008	1.88	51,993,340	0.33
Zero Coupon Bond	1,370,000,000	1.91	660,000,000	4.15
	18,934,630,083	100.00	15,881,096,143	100



Cost of borrowings (COB)

During the year most of the Banks and NBFIs paid comparatively higher amount of interest due to increased rate of interest of borrowings and deposits in the year 2014 whereas the rate of interest of 2015 was comparatively lower than the previous year. During the year the company charged total financial cost BDT 2,380,997,046 which was BDT 2,396,689,432 in the year 2013. The average cost of borrowings for the year 2014 was 9.03 percent against 11.61 percent of 2013.

Taking into consideration of very limited sources of fund and absence of low cost funds like banks, Uttara Finance performed well in managing its cost of borrowings (COB) as well as funds (COF). A number of policy measures have already been adopted by ALCO to manage the cost of funds throughout the year.

Asset–Liability Management

Among different risks, liquidity risks and interest rate risks are major two risks of financial institutions for which a system is required to detect them to ensure sustainability of the organization in the long run. The Asset Liability Committee (ALCO) comprised of Senior Management of the organization is responsible to establish approved Asset Liability Management (ALM) Policy. Key responsibility of the committee is to review and manage potential liquidity risks and interest rate risks which may arise from market movements, regulatory changes and/or changes in economic/political environment and to ensure compliance with the regulations of Bangladesh Bank in respect of statutory obligations. The

committee also reviews and set deposit-pricing and asset-pricing strategy and determine deposits and assets growth for better Asset Liability Management (ALM) of the Company.

Conclusion

Due to prolonged political unrest, Bangladesh economy had passed very difficult time particularly in the 2nd half of the year 2014. The cautious fiscal and monetary policy adjustments adopted by the government in the course of 2014 had contributed to the restoration of macroeconomic stability to some extent. After January 05 general election the newly elected Government and Bangladesh Bank jointly started the journey with very cautious approach to stage a come back. Considering last two months position of liquidity of different banks and interest rate scenario it is likely that interest rates may not increase in the coming days. The situation may be change if the Government started to borrow from banks for meeting up development cost and to control inflation Bangladesh Bank takes steps to tighten the money supply. Any prolonged uncertainty in this context may have serious implications for the performance of the financial sector.

Cost of borrowings (COB)

During the year most of the Banks and NBFIs paid comparatively higher amount of interest due to increased rate of interest of borrowings and deposits in the year 2014 whereas the rate of interest of 2015 was comparatively lower than the previous year. During the year the company charged total financial cost BDT 2,380,997,046 which was BDT 2,396,689,432 in the year 2013.

INTERNAL CONTROL REPORT ON RESPONSIBILITIES OF BOARD OF DIRECTORS AND MANAGEMENT

Internal control is a system to provide reasonable but not absolute assurance to manage risks related with material misstatement, loss or fraud. Total elimination of risks is not possible, but can minimize through effective and sound internal control system.

To ensure good corporate governance as well as to safeguard Shareholders' investments and the Company's assets internal control system is very effective tool. Internal control system is essential to operate business in efficient and effective manner, ensures sound financial reporting and control procedures as well as compliance with the relevant laws and regulations.

Uttara Finance and Investments limited as a listed company enclosed hereunder a statement prepared in accordance with the regulatory requirements on internal control of the Company.

Responsibility

The Board is responsible for company's internal control system that covers not only financial matters but also good governance, operations, risk management and compliance with applicable laws, regulations, rules, directives, guidelines as well as internal policies, processes, procedures and also for reviewing the adequacy and integrity thereof. Therefore, an ongoing process has been established by the Board for identifying, evaluating, managing and reporting the significant risks. The Management is responsible to assist the Board by implementation of approved policies and procedures and development thereof to meet the changing financial environment. The Board delegates responsibilities to the relevant Board Committees namely the Board Audit Committee and the Executive Committee. These Committees examine and consider all matters within their scope of responsibilities and make recommendations to the Board for approval, if required.

As per section 184 of Companies Act, 1994 (Act no. XVIII of 1994) the Board of Directors is responsible for preparation of Board of Directors Report and the report to be prepared following corporate governance guidelines given by Bangladesh Securities and Exchange Commission vide their notification no.

SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2013 to include in annual report for presenting before the Shareholders in the Annual General Meeting.

The Management is responsible for preparing the Financial Statements for each accounting year in accordance with International Financial Reporting Standards (IFRSs) as adopted by the ICAB, Bangladesh Securities and Exchange Rules 1987, the Listing Regulations of the Stock Exchanges and applicable other laws and regulations which to give a true and fair view of the state of affairs.

The Board established Internal Control System which includes Risk Management Process that regularly reviewed through its Risk Management Committee. Risk exposures are adequately managed so that the expected returns compensate the risks taken. To mitigate any identified weaknesses in the control environment the board takes appropriate measures for proper management of risks. Assets & Liabilities Management Committee (ALCO), Credit Committee and Basel II Implementation Committee are the Risk Management Committees of the Company for overall risk management.

Internal Audit

Internal Audit department performs regular audit of the Company's day to day operational activities and report to the Audit Committee. The department reviews the system of internal controls and audit plans regularly.

the same are reviewed in regular meetings of Audit Committee. Details of the activities of Audit Committee of the Company are given in the Audit Committee Report.

Compliance

Compliance with laws, regulations and internal policies and procedures are carefully monitored by Risk Management Committee and if any deviation found the Committee reports immediately to the senior Management to take proper action and precautionary measures for non-compliance.

Management Committee (MC)

The Management Committee where key Management personnel are the Members and Managing Director as the Chief Executive Officer is the Chairman manages the strategic direction and provides strategic guidance to the Functional Units. The Management Committee meets regularly to discuss about strategic and operational matters.

Internal Policies and Procedures

Documented Policies, procedures and processes are made available to employees and the same are reviewed and updated as and when it required to ensure appropriate controls to manage operational risks. There is clear procedure for investment appraisals and expenditure.

Business plan

At the beginning of the year the Management prepares budgets and makes business plans for the year and the same is placed before the Board meeting for kind review and approval by the Board. The budget and business plan are discussed by the Senior Management and the Board before approval. The Board taking into consideration the six months achievements and other relevant matters, if required, revise the budget. The

Management at the end of each year submits a detailed report to the Board on achievements against the approved budget and variances thereof.

Review of Performances

Company's financial performances are reviewed by the Management on regular basis. The Management Committee reviews the monthly accounts at their monthly meetings. Quarterly, half yearly and annual reports are reviewed by the Board Audit Committee before submission to the Board for approval to Communicate to the Stakeholders and regulatory bodies.

Opinion of the external auditors

Hoda Vasi Chowdhury & Co., Chartered Accountants, carried out annual audits for the year ended 31 December 2014 and submitted their reports along with the audited financial statements. In their report the auditors clearly states how they reviewed the system of internal controls, accounting policies, assumptions, estimates etc. to report. They believe that the audit evidence they have obtained is sufficient and appropriate to provide a basis for our audit opinion. They have also examined the financial statements of the Company together with all the financial records and opined that the financial statements prepared in accordance with Bangladesh Accounting Standards /Bangladesh Financial reporting Standards, gives a true and fair view of the state of affairs of the Company as at 31 December 2014 and the results of its operations and its cash flows for the year then ended and comply with the requirements of Companies Act, 1994, the Financial institutions Act 1993, the Securities and Exchange Rules 1987, the rules and regulations issued by the Bangladesh bank and other applicable laws and regulations.

REPORT ON ABILITY TO CONTINUE AS GOING CONCERN

Going concern is a fundamental accounting concept and assumption in the preparation of financial statements. As per Bangladesh Accounting Standard (BAS) 1, financial statements of a Company are required to be prepared on the basis of going concern concept. Under going concern concept it is assumed that the Company will continue its business indefinitely and will not cease trading or liquidate and therefore, the Company must be able to generate and/or raise enough resources to stay operational.

Since preparation of financial statements is Management's responsibility, it has to make an assessment of an entity's ability to continue as a going concern. As per Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 regarding corporate governance issued by Bangladesh Securities and Exchange Commission, the Board of Directors are to report on going concern.

Every year the management of Uttara Finance and Investments Limited made assessment to find out material uncertainties that may raise reasonable doubt about the Company's ability to continue as going concern. The assessment was made by the management on the basis of financial results for the year ended December 31, 2014, relating events after the Balance Sheet date, creditors' behavior, business plan, future expected outcome and inherent risk involved in business. Management has considered following factors to judge whether the Company is running as going concern and also to prepare financial statements for the year ended 31 December 2014 based on going concern assumption:

Financial Factors

Current Assets

The amount of current assets and current liabilities of Uttara Finance and Investments Limited as on 31 December 2014 is Tk. 11,733.65 million and Tk. 11,075.70 million means net current assets Tk. 657.86 million and the same was Tk. 3,016.02 million in 2013. Positive current assets represents the ability to meet its short-term obligations from its short-term assets.

Fixed Term Deposits with excellent repayment records

During the year ended 31 December 2014 the

Company received fixed term deposits Tk. 8,388.75 million and on maturity repaid amount was Tk. 7,247.91 million. At the end of 2014 outstanding balance of fixed term deposit amount of the Company was Tk. 10,368.94 million (2013-Tk. 9,228.10 million) which is yet to mature for payment to the depositors on due date and based on past experience it may be assured that major part of the present outstanding amount would be renewed further due to lenders confidence on the Company.

Short Term Borrowings

The short term borrowings of the Company as on 31 December 2014 indicates company's less dependency on short term borrowings.

Consistent support by lenders

Borrowings from different banks are the main source of funds of the Company and it has excellent track record in repayment of instalments/matured amount. During the year 2014 the Company received against credit facility Tk. 6,423.96 million and repaid Tk. 5,221.27 million. Outstanding balance of borrowed amount as on 31 December 2014 was Tk. 7,195.69 million. Very good and competitive terms of allowed credit facility in the year 2014 and outstanding amount at the end of the year against credit line indicates lender's confidence with easy and fair accessibility of the Company to the funding sources to meet increasing need for growth.

Positive operating cash flows

Cash flow statement of the Company for the year ended 31 December 2014 was showing positive operating cash flows of Tk. 2,155.17 million and statement of liquidity also showing positive liquidity meaning the Company has strong ability to meet current and future obligations.

Key financial ratios

Key financial ratios of the Company of last five years given in the page 'historical database' of this Annual Report is indicating Company's sound financial strength and growth prospects.

Consistent payment of dividends

Since inception the Company has been paying dividend in the form of cash or stock to its Shareholders. The Company paid average dividend @ 33.00 percent during the five years period from 2009 to 2014 reflecting Company's commitment to its Shareholders.

Credibility in payment of obligations

There was no such instance that the Company had requested to its lenders for rescheduling or extension of term loan which proved Company's excellent track record in repayment of its loan liabilities.

Operating performance growth

During the year 2014 total disbursement of the Company was Tk. 13,047.30 million against approval of Tk. 14,839.50 million which in the year 2013 was Tk. 11,539.13 million and Tk. 12,972.63 million showing operating growth of 13.07 percent and 14.39 percent respectively over last year whereas operating revenue of the Company for the year 2014 was Tk. 3,488.30 million which was 1.90 percent higher over the last year amount of Tk. 3,423.42 million. During the year ended 31 December 2014 the Company earned net profit after tax of Tk. 176.51 million which was Tk. 59.74 million (restated) in the year 2013. All those indicators showed Company's continuance in foreseeable periods.

Strong equity base

As on 31 December 2014 total equity of the Company stood at Tk. 4,918.53 million which was Tk. 5,083.53 million (restated) in 2013 reflects company's long-term viability. Uttara Finance and Investments Limited has been enhancing its equity gradually with very prudent dividend policy for long term sustainability of the Company.

Timely disclosure of financial results

Uttara Finance and Investments Limited is committed for transparent disclosure of quarterly, half yearly and annual financial results within the time frame given by regulatory bodies and as stated in the respective laws.

Operating Factors

Expansion of business

Uttara Finance and Investments Limited has been continually expanding its operations through increasing its products and services and also by new business territory considering the demand of its existing and potential customers as well as for enhancing its earnings stream.

Corporate environment and employees' satisfaction

A good working environment is most important for every company to ensure its success for

employees' job satisfaction. Uttara Finance and Investments Limited is an excellent working place with friendly and corporate environment that always attracts qualified candidates and encourages existing employees to continuously enhance their skills and excel in their fields. The Company endeavors to be honest and practices fair treatment to all employees which ensures good corporate environment. Communication among the employees is very excellent. The Company pays a very competitive compensation package and there exists a good number of employees benefits like transport benefit, health check-up, life insurance benefit, maternity benefit, performance related bonus, gratuity, etc. which are considered to be instrumental for employees satisfaction.

Other Factors

Maintenance of sufficient capital

Owners' equity of the Company as on 31 December 2014 stands at Tk. 4,918.53 million and the same was Tk. 5,083.53 million (restated) in 2013. At the end of 2014 the paid up capital of the Company was Tk. 1,138.368 million while the minimum paid-up capital requirement of Bangladesh Bank is Tk. 1,000.00 million. After approval of stock dividend @10% in the 20th AGM 2015 the paid up capital of the company will be Tk. 1,252.20 million which was Tk. 1,138.368 million at the end of 2014.

CAMEL Rating

Bangladesh Bank, the central bank of the country and the license authority of the Company use CAMEL rating as a tool for evaluating the strength and performance. The composite CAMEL rating adjudged by Bangladesh Bank after reviewing the financial statements of Uttara Finance and Investments Limited for the year ended 31 December 2014 signified satisfactory performance and there was no adverse material observation on the activities of the Company.

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 guidelines summarize certain principles promoting the function of the board and its committees and the effective

governance of the company. 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.

Parties to corporate governance

The most influential party involved in corporate governance is the Board of Directors and its committees. Besides the Board of Directors, the Chief Executive Officer, other executives and line Management, Shareholders, auditors, different government agencies and authorities, stock exchanges, influential Stakeholders like lenders, suppliers, employees, creditors, customers and the community at large are also related party of corporate governance.

All parties to corporate governance have an interest, whether direct or indirect, in the financial performance of the Company. Employees receive salaries & benefits, lenders expect specified interest payments and equity investors want to receive dividend & to make capital gains on their stock. On the other hand customers are concerned with the quality services. These parties provide value to the company in the form of financial, physical, human and other forms of capital. Many parties may also be concerned with corporate social performance.

Principles of corporate governance

The following are the principles of corporate governance:

- Rights and equitable treatment of shareholders
- Interests of other stakeholders
- Role and responsibilities of the board
- Integrity and ethical behavior
- Disclosure and transparency

Composition of Board of Directors

The Board of Directors of the Company consists of 8 non Executive Directors excluding two Independent Directors. Generally the vacancies of Directors are filled up in the Annual General Meeting every year by the Shareholders after having Board of Directors' consent in the Board Meeting. As per Article 62 of the Company one-third of the total number of Directors are to retire by rotation every year and can be reelected if eligible.

The Managing Director is also appointed by the Board following the respective section of companies act and after having permission from Bangladesh Bank and Shareholders' approval in the AGM, if required. Without prior permission of central bank the Board cannot remove the Managing Director from his position.

Responsibility of Board of Directors

The Board of Directors is expected to play a key role in corporate governance. In Uttara Finance the Board of Directors is responsible for endorsing the organization's strategy, developing directional policy, appointing, supervising and remunerating chief and senior executives and ensuring accountability of the organization to its investors and authorities.

Stress Test

Uttara Finance and Investments Limited passed the stress test done by Bangladesh Bank in 2014 on the capital adequacy statement as prepared by the Company on the basis of audited financial statements for the year ended 31 December 2014 means that there is no requirement for additional capital.

Credit Rating

The Company was rated as AA- (Double A minus) in the long run and ST-1 for short term by National Credit Ratings Ltd. that reflected strong capacity for timely serving of financial obligations offering high safety. Such institutions carry very low risk. ST-1 reflects strong capacity for timely payment of financial commitments and carries lowest credit risk.

Changes in Government Policy

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the Company.

Management Assumptions

Taking into consideration the above mentioned factors the Management thinks that during the period of assessment there was no such event or conditions the outcome of which may increase any uncertainty about the continuance of the Company's business.

Besides considering the nature, size and complexity of business, the Management opines that there were no such external factors that might affect Management assessment regarding continuance of business.

Conclusion

Based on the above indications, directors feel it is appropriate to adopt going concern assumption and there is no material uncertainty in preparing the financial statements and therefore the Management has prepared the financial statements on a going concern basis having concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on ability to continue as a going concern over the period of assessment. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

The above matters may individually or collectively cast significant doubt about the going concern assumption for any entity. This listing is not all-inclusive nor does the existence of one or more of the items always signify that a material uncertainty exists. The Director's assessment of whether the Company is a going concern entity involves making appropriate inquiries of all the above matters including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the above indications, which give reasonable assurance as to Company's continuance as a going concern for the foreseeable future.

Changes in Government Policy

Management anticipates no significant change in legislation or government policy, which may materially affect the business of the Company.

Management Assumptions

Taking into consideration the above mentioned

factors the Management thinks that during the period of assessment there was no such event or conditions the outcome of which may increase any uncertainty about the continuance of the Company's business.

Besides considering the nature, size and complexity of business, the Management opines that there were no such external factors that might affect Management assessment regarding continuance of business.

Conclusion

Based on the above indications, directors feel it is appropriate to adopt going concern assumption and there is no material uncertainty in preparing the financial statements and therefore the Management has prepared the financial statements on a going concern basis having concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on ability to continue as a going concern over the period of assessment. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

The above matters may individually or collectively cast significant doubt about the going concern assumption for any entity. This listing is not all-inclusive nor does the existence of one or more of the items always signify that a material uncertainty exists. The Director's assessment of whether the Company is a going concern entity involves making appropriate inquiries of all the above matters including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from the above indications, which give reasonable assurance as to Company's continuance as a going concern for the foreseeable future.



CORPORATE GOVERNANCE

Independent Director

The securities and Exchange Commission vide its circular no, SEC/CMRRCD/2006-158/134/ Admin/44, dated August 07, 2012 directed that one fifth of total number of Directors of the Board should be Independent Director and also given some criterion about Independent Director. Since total number of the Board of Directors of Uttara Finance and Investments Limited is eight, the Board taking into consideration of the above said circular, pleased to appoint Independent Directors.

Members of the Board and its Committees

There are two Committees formed by the Board namely Executive Committee and Board Audit Committee. Two separate persons are Chairman of these two Committees and responsible for different types of activities with different scopes and terms of references. Both the Committees are responsible for reporting to the Board. All the Members of both the Committees are non Executive Director. The Board and its Committees' Members name and position for the year 2014 are given hereunder:

Sl. No.	Name of Directors	Position in the Board	Position in Executive Committee	Position in Board Audit Committee
01	Mr. Rashidul Hasan	Chairman	-	-
02	Mr. Matiur Rahman	Vice Chairman	-	-
03	Mr. Mujibur Rahman	Member	Chairman	Member
04	Mr. Mehdadur Rahman	Member	Member	Member
05	Mr. Kazi Imdad Hossain	Member	Member	-
06	Ms. Zakia Rahman	Member	-	-
07	Ms. Tahmina Rahman (Tina)	Member	Member	-
08	Mr. NG Chin Keong	Member	Member	-
09	Mr. Md. Showkat Hossain, FCA	Independent Director	-	-
10	Mr. A. T. K. M. Ismail	Independent Director	Member	Chairman
11	Mr. S. M. Shamsul Arefin, M. Com., MBA	Managing Director	Member	-

Directors' attendance in the meetings

During the year 2014 the Board of Directors met 6 times and the Executive Committee of the Directors also met 6 times. Most of the Directors were present in all the meetings. The Company Secretary and Chief Financial Officer were also present in all the meetings. Each honourable Member of the Board of Directors and Executive Committee are entitled to receive Tk. 5,000.00 (Taka five thousand) only for attending each meeting. Other than meeting attendance fee the non Executive Member of the Board has not received any amount as remuneration, allowances, honorarium etc. from the Company.

Chairman of the Board

The Chairman is the key person of the Board of Uttara Finance and Investments Limited appointed by the Members of the Board each year for a period of one year. The key responsibility of the Chairman is directing and organizing the business

of the Board, setting Board meeting's agendas, signing papers like minutes, Board of Directors report, Chief Executive Officer's appointment letter etc. on behalf of the Board. The Chairman of the Company has no engagement and does not interfere in the day-to-day business of the Company.

Executive Committee of the Board

The Chairman of the Executive Committee plays very important role since he is the key person of the Committee formed by the Board to assist the Board of Directors. Including one Independent Director there are seven Members in the Committee. Key responsibility of the Committee Chairman is setting meeting's agendas, directing and organizing the business of the Committee meeting. The Committee works within the Board's given area and the Chairman of the Committee has no engagement and does not interfere in the day-to-day business of the Company.

Board Audit Committee

The Board Audit Committee including its Chairman is a three Members Committee where one Independent Director Mr. A. T. K. M. Ismail, Rtd. Secretary of the Government is the Chairman. The Committee is mainly responsible for internal control activities, recommendations to approve the quarterly, half yearly and annual financial statements by the Board, looking after the activities of internal and external auditors, recommendation to the Board about appointment of external auditor, appointment of the chief of internal auditor, etc. The Terms of Reference (ToR) of the Audit committee of the Company is fixed as per DFIM Circular no. 13, dated October 26, 2010. The Committee is responsible to report to the Board and to the regulatory bodies, if needed.

Managing Director

The Chief Executive Officer of the Company known to all as Managing Director (MD) is the leader of the Management and is responsible to look after Company's day-to-day affairs to implement the Board of Directors' policy and strategy, setting financial targets and to give effort to achieve the same. The Managing Director is the controlling authority of the Management and accountable to the Board.

Chairman and Managing Director of the Company are separate persons

The Chairman of the Company Mr. Rashidul Hasan is a non Executive Director and the Managing Director Mr. Shamsul Arefin is the Chief Executive of the Company appointed by the Board of Directors after having approval from Central Bank.

Directors' Independence

The Board of Directors and Managing Director of the Company have been working for Uttara Finance and Investments Limited with vast experience in financial sectors. All the Directors of the Company are independent in mind to take any decision and pass judgment.

Management Committee

The Managing Director is the Chairman of Management Committee where another top three executives of the Company are the Members. The Management Committee of the Company is responsible for strategic decisions to ensure the governance. The role of the Committee is to look after all matters related to day-to-day operation of the Company.

Company Secretary and CFO

The Company Secretary and Chief Financial Officer (CFO) of the Company are separate

persons. The Company Secretary Mr. Jakir Hossain is a fellow Chartered Accountant appointed by the Board of Directors responsible for arranging meetings of the Board and its Committees and to ensure submission of papers relating with respective meetings after collecting the same from the Senior Management. The Secretary is also responsible to inform the Board of different Governance related matters. The CFO of the Company Mr. Uttam Kumar Saha mainly responsible for record keeping and preparing financial report to submit to the Board Audit Committee. Both Company Secretary and CFO are used to be present in all meetings of Board of Directors, Executive Committee and Board Audit Committee.

Minutes of the Board of Directors, Executive Committee and Board Audit Committee submission to Bangladesh Bank

As per Bangladesh Bank DFIM circular Letter no. 07, dated 14 February 2014 and DFIM circular number 13 dated 26 October 2011 the minutes of Board of Directors meeting, Executive Committee meeting and Board Audit Committee are required to be submitted to Bangladesh Bank within five working days of the meeting held.

Price Sensitive Information disclosure

The Board of Directors and Management are always aware about the price sensitive information of the Company. As per regulatory requirement the company disseminates all of its price sensitive information within 30 minutes of having every decision/information to the Securities and Exchange Commission and Stock Exchanges through fax and thereafter by sending the hard copy by special messenger or by courier service. At the same time the Company publishes the same sensitive information in widely circulated one Bangla and one English daily newspapers.

Shareholders information in the 19th Annual General Meeting

The 19th Annual General Meeting of Uttara Finance and Investments Limited was held on Wednesday, April 30, 2014 in Spectra Convention Centre (Queens Hall), House # 19, Road # 7, Gulshan-1, Dhaka – 1212, Bangladesh at 10:00 am. Due notice having been given and a quorum being present the meeting was duly convened and constituted. The meeting was called to order by Mr. Rashidul Hasan, Chairman of the Board of Directors of the Company. The company is grateful and taking the opportunity to pass heartiest thanks to 107 number of Shareholders for their kind presence in the meeting.

Disclosure of Financial Statements

The Company, as per requirement of the regulatory bodies, gives high priority to circulate and publish financial statements, financial data etc. in time. In the year 2014 one half yearly report and one annual report were circulated to the shareholders and two quarterly statements had been published in news papers. The Balance Sheet as on December 2013 was also published in newspapers. All of the above were also available in the web site of the company **www.uttarafinance.biz**.

Related party disclosure

The Company made its related party transactions on arm's length basis. The company 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.

Report from Management and annual budget

Each year a report of Management is placed before the Board of Directors meeting. The report contains last year's business targets, achievement and business plan for the coming year. Considering the achieved target, socio economic condition and other related aspects the Board finalizes new business targets. Besides a detailed budget of income and expenditure is placed before the Executive Committee and the committee considering the last year's budget, variations and coming year targets approve a new budget for the coming year.

Securities and Exchange Commission vide its Notification no. SEC/CMMRRCD/2006-158/134/Admin/44 dated August 07, 2012 and 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 including auditors report thereon and Bangladesh Bank circular is given hereafter.

PROFESSIONAL CERTIFICATE ON COMPLIANCE OF CONDITIONS ON CORPORATE GOVERNANCE UTTARA FINANCE AND INVESTMENTS LIMITED

Auditors' certificate on the Compliance with Corporate Governance for the year ended 31 December 2014.

We have examined the compliance with Corporate Governance of Uttara Finance and Investments Limited for the year ended 31 December 2014 as stipulated in notification no. SEC/CMRRCD/2006-I58/I34/Admin/44 dated 07 August 2012, as ammended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission.

The compliance with Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Company for ensuring the compliance with Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned notification.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dhaka, Dated, 28 June 2015



S. F. AHMED & CO
Chartered Accountants

Annexure-1

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2014 issued under section 2CC of the Securities and Exchange Ordinance, 1969: (Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.1	Boards Size: The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	✓		The number of Board Members of the Company are ten (10) including two Independent Director
1.2	Independent Directors			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors	✓		The Board in its 103rd meeting held on April 29, 2014 appointed two new Independent Directors to cover total number of Independent Directors 1/5th of total Directors
1.2 (ii) a)	Who either does not hold share in the company or holds less than one percent (1%) shares of the total paid up shares of the company	✓		None of the Independent Directors hold 1% or more shares of the Company
1.2 (ii) b)	Who is not a Sponsor of the Company and is not connected with the Company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the Company	✓		
1.2 (ii) c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) d)	Who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		
1.2 (ii) g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.2 (ii) h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM);	✓		Appointment of Independent Directors approved by the Shareholders' in the 18th Annual General Meeting.
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		There was no such vacancy.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		The Board in its 103rd meeting held on April 29, 2013 approved the Code of Conduct of all Board Members and recorded in annual compliance.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	n/a		No such deviation occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.4	<p>Chairman of the Board and Chief Executive Officer:</p> <p>The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals.</p> <p>The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.</p>	✓		
1.5	The Directors Report to Shareholders shall include following additional statements on:			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		Relates to 'Report of the Board of Directors' at page No. 78.
1.5 (ii)	Segment-wise or product-wise performance	✓		Relates to 'Report of the Board of Directors' at page No. 79.
1.5 (iii)	Risks and concerns	✓		Relates to page No. 62.
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		Relates to 'Report of the Board of Directors' at page No. 79.
1.5 (v)	Discussion on continuity of any Extra Ordinary gain or loss	n/a		No such item exists
1.5 (vi)	Statement of all related party transactions	✓		Relates to 'Report of the Board of Directors' at page No. 80.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✓		Relates to 'Report of the Board of Directors' at page No. 81.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	n/a		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		Relates to 'Report of the Board of Directors' at page No. 80.
1.5 (x)	Remuneration to directors including independent directors	✓		Relates to 'Report of the Board of Directors' at page No. 81.
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		Relates to 'Report of the Board of Directors' at page No. 79.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		Relates to 'Report of the Board of Directors' at page No. 79.
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		Relates to 'Report of the Board of Directors' at page No. 79.
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in a preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		Relates to 'Report of the Board of Directors' at page No. 79.
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		Relates to 'Report of the Board of Directors' at page No. 83.
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Relates to 'Report of the Board of Directors' at page No. 83.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Relates to 'Report of the Board of Directors' at page No. 80.
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Relates to Report at page No. 81.
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	n/a		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		Relates to 'Report of the Board of Directors' at page No. 81.
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	✓		Relates to 'Report of the Board of Directors' at page No. 81.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xxi) a)	Parent/Subsidiary/ Associated Companies and other related parties			Relates to 'Report of the Board of Directors' at page No. 80.
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		Relates to 'Report of the Board of Directors' at page No. 82.
1.5 (xxi) c)	Executives;	✓		Relates to 'Report of the Board of Directors' at page No. 82.
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			Relates to page No. 82 & 23.
✓ 1.5 (xxii)	In case of the appointment/reappointment of a director the company shall disclose the following information to the shareholders:			
	A brief resume of the directors';	✓		Relates to Directors' profile page No. 49-55.
1.5 (xxii) a)	A brief resume of the director	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		In compliance with Corporate Governance Guideline, the Board has appointed different individuals as Company Secretary, Chief Financial Officer and Head of Internal Control and Compliance and clearly defined the roles, responsibilities and duties of these three key persons.
2.2	Requirement to attend the Board Meetings The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		Instructions are being meticulously complied

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3	AUDIT COMMITTEE:			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		Instructions are being meticulously complied
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		Instructions are being meticulously complied
3.1	Constitution of the Audit Committee:			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director.	✓		
3.1 (iii)	All members of the audit committee should be 'financially literate' and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Filling of casual vacancy in the Audit Committee	n/a		There was no such vacancy
3.1 (v)	The company secretary shall act as the secretary of the Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at list 1 (one) Independent Director	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)			Will be complied

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3	Role of Audit Committee:			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
3.3 (x)	Declaration to Audit Committee by the company regarding utilization of IPO/RPO, Right issue money.	✓		No such event occurred
3.4	Reporting of the Audit Committee:			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		'Report of the Audit Committee' at page No. 84
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1 (ii) a)	Report on conflicts of interests	✓		No such event occurred
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		No such event occurred
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		No such event occurred
3.4.2	Reporting to the Authorities Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation	✓		No such event occurred

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.5	Reporting to the Shareholders and General Investors Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii)	✓		No such event occurred
4	EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		The Shareholders of the Company in the 19th Annual General Meeting appointed external auditors of the Company to perform external audit for 2014 only.
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal Audit service	✓		
4 (vii)	Any other services that the Audit Committee determines	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5	SUBSIDIARY COMPANY:			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	n/a		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	n/a		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	n/a		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	n/a		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	n/a		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO): The CEO and CFO shall certify to the Board that:-			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	The company shall obtain a certificate from a practising Professional Accountant/ Secretary (Chartered Accountant /Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		The certificate is enclosed in this Annual Report at page No. 99
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		Relates to the 'Report of the Board of Directors' at page No. 83

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. The Board of 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 take 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

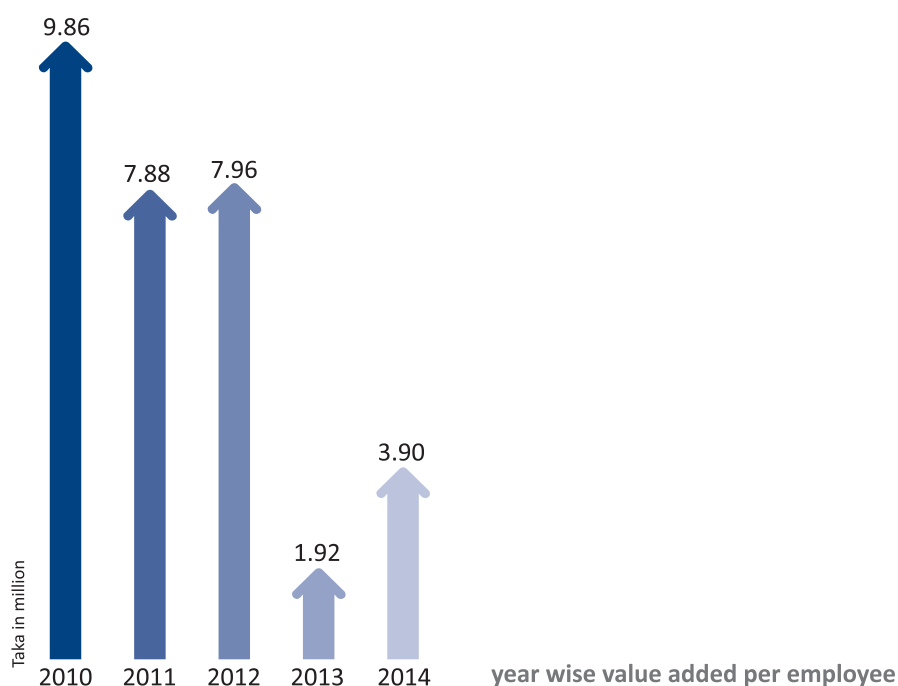
Sl. No.	Particulars	Compliance
3.	Responsibilities and Scope of CEO:	
i.	The CEO will perform the responsibilities regarding financial, business and administrative. The CEO will report to the board for achieving the goal of business and to enhance of business through business plan and implementation 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 Bangladesh Bank	Complied

VALUE ADDED STATEMENT

The valued added statement appended below is the details of total value addition by Uttara Finance and Investments Limited and distribution thereof. The distribution of added value reveals how the Company contributed

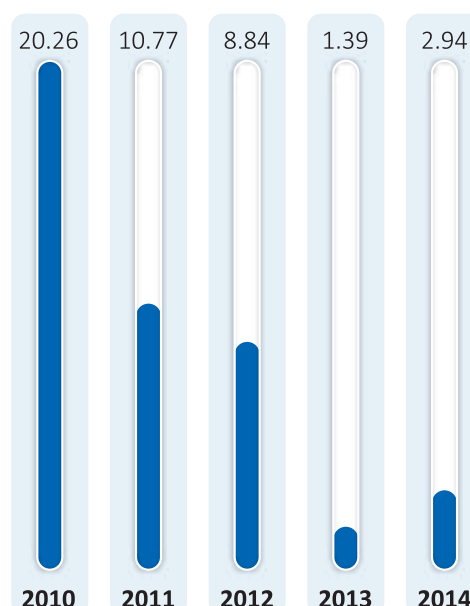
for socio-economic development by paying salaries and allowance to the employee, dividend to the Shareholders, taxes to the Government and some amount for growth and safety.

	2014		2013	
	Taka	%	Taka	%
Revenues	3,602,134,217		3,432,343,562	
Financial expenses	(2,380,997,046)		(2,396,689,432)	
	1,221,137,171		1,035,654,130	
Provision	(491,695,892)		(669,842,543)	
Operating expenditure excluding salary, allowances and depreciation	(85,291,026)		(65,544,754)	
	644,150,253	100.00	300,266,833	100.00
Distribution of added value				
Salary and allowances	90,043,760	13.98	83,374,591	27.77
Provision for tax	360,000,000	55.89	140,000,000	46.63
Statutory reserve	35,302,938	5.48	170,565,888	56.80
Dividend	341,510,400	53.02	341,510,400	113.74
General reserve	200,000,000	31.05	200,000,000	66.61
Dividend equalization fund	100,000,000	15.52	100,000,000	33.30
Retained earnings and depreciation	(517,890,447)	(74.94)	(769,485,680)	(244.85)
	644,150,253	100.00	300,266,833	100.00
No. of employees	165	-	156	
Value added per employee	3,903,941	-	1,924,787	



ECONOMIC VALUE ADDED STATEMENT

percentage of economic value added
on capital employed



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.

Sl. No.	Particulars	Amount in Taka			
		2014	2013	2012	2011
1	Profit before provision but after tax:				
2	Profit before provision and tax	1,028,210,584	869,583,968	1,276,990,328	1,181,166,374
3	Tax expenses	360,000,000	140,000,000	285,489,855	282,967,776
4	Profit before provision but after tax (4 = 2-3)	668,210,584	729,583,968	991,500,473	898,198,598
5	Charges for average capital employed:				
6	Average capital employed (calculation note no. 1)	5,581,802,004	5,610,511,003	4,922,227,107	3,946,353,502
7	Percentage of cost of average capital employed	9.03%	11.61%	11.30%	11.99%
8	Cost of average capital employed (8 = 6*7)	504,036,721	651,380,327	556,211,663	473,167,785
9	Economic value added (9 = 4-8)	164,173,863	78,203,641	435,288,810	425,030,813
10	Percentage of EVA on average capital employed	2.94%	1.39%	8.84%	10.77%
11	Percentage of EVA on operating revenue	4.71%	2.28%	14.89%	14.97%
12	Percentage of PAT on average capital employed	3.16%	1.06%	16.56%	20.56%

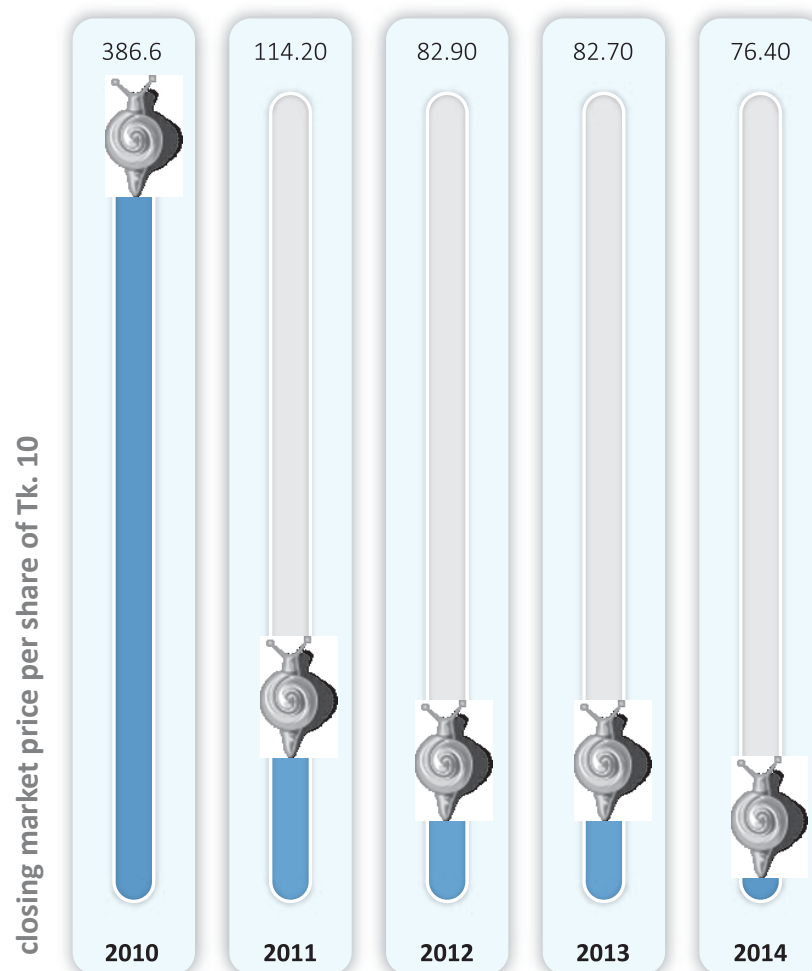
Calculation no. 1

a	Shareholders equity	4,918,534,932	5,083,530,640	4,935,880,079	4,120,895,361
b	Accumulated provision for doubtful accounts and future loss	491,695,892	669,842,543	531,768,743	255,910,030
c	Total capital employed (c = a + b)	5,410,230,824	5,753,373,183	5,467,648,822	4,376,805,391
d	Last year capital employed	5,753,373,183	5,467,648,822	4,376,805,391	3,515,901,613
e	Average capital employed (c + d)/2	5,581,802,004	5,610,511,003	4,922,227,107	3,946,353,502

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, 2014 and 2012 is appended below:



Figures in Taka

Particulars	2014	2013
Market value of outstanding shares	8,492,225,280	9,414,303,360
Book value of outstanding shares	1,138,368,000	1,138,368,000
Market value added	7,353,857,280	8,275,935,360
Total no. of outstanding shares of Tk.10	113,836,800	113,836,800
Market value added per share of Tk. 10	66.60	72.70
Market price per share of Tk. 10	74.60	82.70

FINANCIAL HIGHLIGHTS AS PER BANGLADESH BANK FORMAT

		Amount in Taka	
Sl no.	Particulars	2014	2013
1	Paid-up Capital	1,138,368,000	1,138,368,000
2	Total Assets	28,306,408,256	23,356,960,878
3	Total Deposits	10,368,944,199	9,228,098,424
4	Total Loans and Advances	20,925,015,691	18,062,115,382
5	Total Contingent Liabilities and Commitments	-	-
6	Credit Deposit Ratio	201.92%	195.73%
7	Percentage of Classified Loans Against Total Loans and Advances	5.07%	4.64%
8	Profit After Tax and Provision	176,514,692	59,741,425
9	Amount of Classified Loans During Current Year	1,061,305,789	838,223,997
10	Provisions Kept Against Classified Loans	354,821,710	277,535,546
11	Provision Surplus against classified loan	-	-
12	Cost of Fund	9.03%	11.61%
13	Interest Earnings Assets	20,925,015,691	18,062,115,382
14	Non-interest Earnings Assets	7,381,392,565	5,294,845,496
15	Return on Investment (ROI)	0.84%	0.33%
16	Return on Assets (ROA)	0.62%	0.26%
17	Income from Investment	110,787,149	5,817,416
18	Earnings per Share	1.55	0.52
19	Net Income per Share	1.55	0.52
20	Price Earnings Ratio	48.30	157.58

POINT TO POINT
GROWTH PATTERN OF
EACH 5 (FIVE) YEARS
AND AVERAGE
YEARLY GROWTH OF
LAST 10 (TEN) YEARS



1.	Revenue Year	Amount (Million Taka)	Growth of five years	Average yearly growth
	2014	3,602.13	193.25%	74.55%
	2009	1,864.01	385.76%	
	2004	483.20		
2.	Total assets			78.32%
	2014	28,306.41	224.51%	
	2009	12,607.84	348.86%	
	2004	3,614.05		
3.	Investment in lease and term finance-cumulative			140.71%
	2014	10,248.07	315.84%	
	2009	3,244.70	445.50%	
	2004	728.32		
4.	Shareholders' equity			102.69%
	2014	4,918.53	237.88%	
	2009	2,067.67	431.70%	
	2004	478.96		
5.	Fixed assets			66.33%
	2014	148.72	91.44%	
	2009	162.63	725.38%	
	2004	22.42		
6.	Yearly business contract			73.72%
	2014	14,839.50	330.70%	
	2009	4,487.33	222.92%	
	2004	2,013.01		
7.	Yearly disbursement			111.24%
	2014	13,047.30	354.63%	
	2009	3,679.10	313.68%	
	2004	1,172.90		
8.	Cumulative investment			60.40%
	2014	23,178.24	294.20%	
	2009	7,878.40	205.32%	
	2004	3,837.15		
9.	Cumulative deposit			65.38%
	2014	10,368.94	298.75%	
	2009	3,470.76	218.83%	
	2004	1,586.04		

INDICATORS OF COMPANY'S DIFFERENT GROWTH THAN THE PREVIOUS YEAR I.E. 2013

Growth of profit after tax

195.46%

Profit after tax for the year 2014- Tk. 176,514,692 & 2013- Tk. 59,741,425

Growth of profit before tax & provision

18.24%

Profit before tax & provision for the year 2014- Tk. 1,028,210,584 & 2013- Tk. 869,583,968

Growth of profit earned from Merchant Banking operation

30.51%

Profit from Merchant Banking operation for the year 2014- Tk. 247,881,418 & 2013- Tk. 189,936,216

Growth of operating revenue

1.90%

operating revenue for the year 2014- Tk. 3,488,301,511 & 2013- Tk. 3,423,420,975

Growth of total investment in lease and TF

15.85%

total investment in lease and TF for the year 2014- Tk. 20,925,015,691 & 2013- Tk. 18,062,115,382

Growth of investment in lease

17.17%

investment in lease at end of 2014- Tk. 10,676,943,716 & 2013- Tk. 9,112,585,789

Growth of Total Investment 14.26%

Cumulative investment at year end of 2014 Tk. 23,178.24 million and 2013 Tk. 20,285.17 million

Growth of term deposit 12.36%

term deposit balance as on December 31, 2014- Tk.10,368,944,199 & 2013- Tk.9,228,098,424

Growth of earning per share 198.08%

per share earning for the year 2014- Tk. 1.55 & 2013- Tk. 0.52

Increase of net operating cash flow 86.79%

Increase of net operating cash flow in 2014- Tk. 2,155,165,023 & 2013- Tk. 1,153,795,565

Achievement of business targets (lease and TF) 11.69%

business targets for the year Tk. 12,708.70 million achievement Tk. 14,489.30 million

Growth of total business contract processed 12.61%

Contract processed for the year 2014 Tk. 12,697.10 million and 2013 Tk. 11,275.20 million

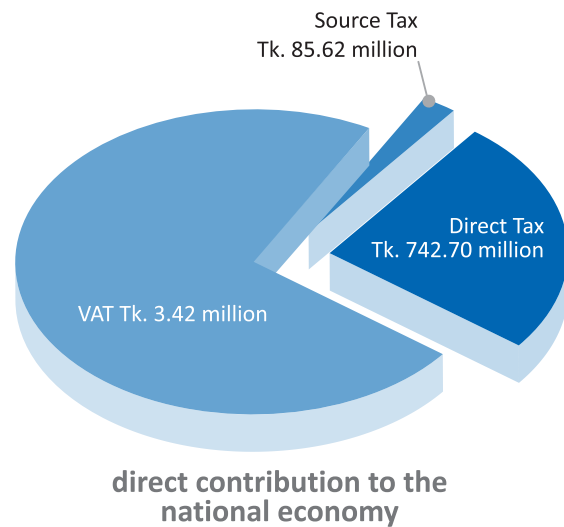
CONTRIBUTION TO GROSS DOMESTIC PRODUCT (GDP)

Uttara Finance and Investments Limited as a non banking financial institution has been contributing to the national economy by providing financial services for industrialization and capital market development of the country. As on December 31, 2014 total number of active clients of the Company is around 1300 and total amount of lending is Tk. 20,925.01 million. Most of the investments of the Company in the form of lease & term loan are for procuring capital machineries and the Company also provides working capital loan. Besides, the Merchant Banking Unit of the Company has been working for the capital market by giving managerial service, underwriting and margin loan.

As a Bangladesh Bank licensed company Uttara Finance and Investments Limited is a renowned and dependable place of cash investment for a minimum period of six months to maximum sixty months. By taking term deposit from individuals and institutions the company has been helping the national economy to increase national savings. During the year 2014 the company received total Tk. 8,388.75 million as deposit and the cumulative balance of deposit as on December 31, 2014 is Tk. 10,368.94 million.

Uttara Finance and Investments Limited always has been working for creating employment opportunity directly to the company and by investing in different potential projects. The company recruited total 19 employees in different discipline in the year 2014 which in 2013 was 6. The Company made a good amount of investment for development of urban transport which also helped the national economy by giving facility for moving people and goods faster and also created employment opportunity for people of lower income group.

During the year of reporting Uttara Finance and Investments Limited directly contributed to the national economy by paying Direct Tax, Source Tax, Excise Duty and Value Added Tax (VAT). In the year 2014 the Company paid Direct Tax Tk. 742.70 million, Source Tax Tk. 85.62 million and VAT Tk. 3.42 million which were Tk. 491.90 million, Tk. 100.31 million and Tk. 2.83 million respectively in the year 2013.





Pictures of **19th AGM**





Managing Director taking Certificate of Merit from ICAB for best published Annual Reports 2013



Managing Director taking prize from ICMAB for Third position of best Corporate Award 2013

Independent Auditors' Report to the shareholders of Uttara Finance and Investments Limited

Introduction

We have audited the accompanying financial statements of Uttara Finance and Investments Limited (the "Company") which comprise the balance sheet as at 31 December 2014, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies, other explanatory notes and annexures.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2, the Financial Institutions Act 1993, the Companies Act 1994, The Securities and Exchange Rules 1987, the rules and regulations issued by the Bangladesh Bank and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Company. The procedures selected depend on auditors' judgment, including the assessment of the risks of the material misstatement of the financial statements of the company, whether due to fraud or error, in making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the Company 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 of the Company.

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 of the Company give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2 and comply with the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements


We also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. 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;
- iii. the balance sheet and profit and loss account of the Company together with the annexed notes 1 to 43 dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditure incurred was for the purpose of the Company's business;
- v. the financial position of the Company as at 31 December 2014 and their profit for the year then ended have been properly reflected in the financial statements, of the Company and these financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi. the Financial Statements of the Company have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank to the extent applicable to the Company;
- vii. adequate provision have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery;
- viii. the records and the statements submitted by the branches have been properly maintained in the financial statements;
- ix. the information and explanations required by us have been received and found satisfactory;
- x. the Company has complied with the relevant laws pertaining to maintenance of capital adequacy, reserves and liquid assets;
- xi. the Financial Statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- xii. we have reviewed over 80% of the risk weighted assets of the Company during the course of our audit and we have spent over 2,524 person hours.

Other matter

The financial statements of Uttara Finance and Investments Limited for the year ended 31 December, 2013 were audited by another auditor, who expressed an unqualified opinion on those statements on 03 March 2014 which were considered and approved/adopted by the shareholders of Uttara Finance and Investments Limited in the Annual General Meeting held on 30 April 2014.

Dhaka, June 28, 2015


Hoda Vasi Chowdhury & Co
 Chartered Accountants

Financial Statements



Balance Sheet

as at 31 December 2014

	Notes	2014 Taka	2013 Taka (Restated)
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)		2,535,515	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		313,967,230	157,236,541
		316,502,745	157,236,541
Balance with other banks and financial institutions	4		
In Bangladesh		3,188,661,195	1,627,316,096
Outside Bangladesh		-	-
		3,188,661,195	1,627,316,096
Money at call and short notice	5	100,000,000	-
Investments	6		
Government		982,607,000	492,079,024
Others		1,270,621,760	1,730,971,743
		2,253,228,760	2,223,050,767
Leases, loans and advances	7		
Leases, loans, cash credits, overdrafts, etc		20,925,015,691	18,062,115,382
Bills purchased and discounted		-	-
		20,925,015,691	18,062,115,382
Fixed assets including premises, furniture and fixtures	8	148,718,017	153,653,663
Other assets	9	1,374,281,848	1,133,588,429
Non-financial institutional assets		-	-
Total Assets		<u>28,306,408,256</u>	<u>23,356,960,878</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	7,195,685,840	5,992,997,719
Deposits and other accounts	11		
Current deposits		-	-
Bills payable		-	-
Savings bank	-	-	-
Term Deposit		10,368,944,199	9,228,098,424
Other deposit		-	-
Bearer certificate of deposit		-	-
		10,368,944,199	9,228,098,424
Other liabilities	12	5,823,243,285	3,052,334,095
Total Liabilities		<u>23,387,873,324</u>	<u>18,273,430,238</u>
Capital/Shareholders' Equity			
Paid-up capital	13	1,138,368,000	1,138,368,000
Statutory reserve	14	1,096,732,265	1,061,429,327
General reserves	15	1,500,000,000	1,300,000,000
Share Premium	16	528,000,000	528,000,000
Dividend equalisation fund		600,000,000	500,000,000
Retained earnings	17	55,434,667	555,733,313
Total Shareholders' Equity		4,918,534,932	5,083,530,640
Total Liabilities and Shareholders' Equity		<u>28,306,408,256</u>	<u>23,356,960,878</u>

Balance Sheet

as at 31 December 2014

	Notes	2014 Taka	2013 Taka (Restated)
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments			
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 Off-Balance Sheet Items including Contingent Liabilities		-	-

These Financial statements should be read in conjunction with the annexed notes

Auditors' Report
See annexed report of date



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Dhaka, June 28, 2015

Hoda Vasi chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

Profit and Loss Statement

for the year ended 31 December 2014

	Notes	2014 Taka	2013 Taka (Restated)
Interest income	19	2,814,124,370	2,971,436,042
Interest paid on deposits, borrowings, etc	20	(2,286,013,764)	(2,328,835,465)
Net interest income		528,110,606	642,600,577
Investment income	21	110,787,149	5,817,416
Commission, exchange and brokerage	22	-	-
Other operating income	23	323,975,823	188,050,479
Total operating income (A)		962,873,578	836,468,472
Salary and allowances	24	82,279,792	71,724,591
Rent, taxes, insurance, electricity, etc	25	33,560,845	25,852,458
Legal expenses	26	2,055,918	2,649,958
Postage, stamp, telecommunication, etc	27	99,598	124,732
Stationery, printings, advertisements, etc	28	7,281,149	4,398,688
Managing Director's salary and allowances	29	11,650,000	11,650,000
Directors' fees	30	461,798	407,889
Auditors' fees	31	345,000	287,500
Depreciation and repair of company's assets	32	20,102,488	19,317,420
Other expenses	33	24,707,824	20,407,484
Total operating expenses (B)		182,544,412	156,820,720
Profit before provision (leasing) (C=A-B)		780,329,166	679,647,752
Profit transferred from merchant banking operation		247,881,418	189,936,216
Total profit before provision (D)		1,028,210,584	869,583,968
Provision for loan	34	162,571,926	126,553,454
Provision for diminution in value of investments	35	73,919,204	(24,913,788)
Other provisions	36	255,204,762	568,202,877
Total provision (E)		491,695,892	669,842,543
Profit before taxes (D-E)		536,514,692	199,741,425
Provision for taxation			
Current tax	12.3.3	360,000,000	140,000,000
Deferred tax	12.3.3	-	-
		360,000,000	140,000,000
Net profit after tax (2013 restated)		176,514,692	59,741,425
Retained earnings brought forward (2013 restated)		555,733,313	1,277,021,775
		732,248,005	1,336,763,200
Appropriations			
Statutory reserve	17	35,302,938	170,565,887
General reserve		200,000,000	200,000,000
Dividend Equalisation fund		100,000,000	100,000,000
Issue of bonus share		-	103,488,000
Cash dividend		341,510,400	206,976,000
Retained surplus for the year		55,434,667	555,733,313
		732,248,005	1,336,763,200
Earnings per share (EPS) - (2013 : Restated)	37	1.55	0.52

These Financial statements should be read in conjunction with the annexed notes

Auditors' Report

See annexed report of date


Mujibur Rahman
Director


S. M. Shamsul Arefin
Managing Director


Uttam Kumar Saha
Chief Financial Officer


Huda Vesi Chowdhury & Co
Chartered Accountants

Dhaka, June 28, 2015

Profit and Loss Statement

Merchant Banking Operations

for the year ended 31 December 2014

	Notes	2014 Taka	2013 Taka (Restated)
Operational income			
Commission income		7,835,585	5,735,965
Capital gain on sale of Securities		83,263,362	10,927,570
Dividend income		7,110,170	1,824,727
Interest on loan to investors		234,436,293	227,209,739
Portfolio management fees		17,150,818	17,411,753
Documentation fees		102,166	824,700
Issue Management fees		-	-
Underwriting Commission		302,924	-
		350,201,318	263,934,454
Operational expenses			
Financial expenses		94,983,282	67,853,967
Management expenses		10,382,175	9,249,442
		105,365,457	77,103,409
Profit from operation		244,835,861	186,831,045
Non-operational income			
Interest on deposits		3,045,557	3,105,171
Net profit transferred to profit and loss statement (main operation)		247,881,418	189,936,216

These Financial statements should be read in conjunction with the annexed notes

Auditors' Report
See annexed report of date



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Dhaka, June 28, 2015

Hoda Vasi chowdhury
Hoda Vasi Chowdhury & Co
Chartered Accountants

Cash Flow Statement

for the year ended 31 December 2014

	2014 Taka	2013 Taka (Restated)
(A) Cash Flows from Operating Activities		
Interest receipts	3,537,855,550	3,950,624,876
Interest payments	(1,172,310,790)	(1,856,601,802)
Dividend receipts	2,229,218	7,132,642
Capital gain from sale of securities	83,263,361	10,927,570
Cash payments to employees	(93,929,792)	(83,374,591)
Cash payments to suppliers and Management expenses	(54,131,021)	(55,245,312)
Income tax paid	(742,698,176)	(816,304,927)
Receipt from other operational activities	555,541,507	327,247,099
Cash generated before changes in operating assets and liabilities	2,115,819,857	1,484,405,555
Increase/(decrease) in operating assets and liabilities		
Net Loans and advances to customers	(2,204,188,730)	(4,568,528,889)
Loans and deposits from banks and other customers	2,343,533,896	3,850,014,446
Investment in call money	(100,000,000)	300,000,000
Bank Overdraft	-	87,904,453
Cash generated from operating assets and liabilities	39,345,166	(330,609,990)
Net cash generated from operating activities	2,155,165,023	1,153,795,565
(B) Investing Activities		
Acquisition of property, plant and equipment	(12,656,155)	(2,258,675)
Redemption of Zero Coupon Bond	710,000,000	(250,000,000)
Investments in Treasury bills	(490,527,976)	(492,079,024)
Sale of Securities	500,338,026	76,795,074
Investment in Securities	(823,837,215)	(207,565,962)
Net Cash used in investing activities	(116,683,320)	(875,108,587)
(C) Financing Activities		
Dividend paid	(317,870,400)	(206,976,000)
Issuance of shares	-	-
Net cash used in investing activities	(317,870,400)	(206,976,000)
(D) Net increase in cash and cash equivalents (A+B+C)	1,720,611,303	71,710,978
(E) Effects of exchange rate changes on cash and cash equivalents	-	-
(F) Cash and cash equivalents at beginning of the year	1,784,552,637	1,712,841,659
(G) Cash and cash equivalents at the end of the year (D+E+F)	3,505,163,940	1,784,552,637
Cash and Cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	2,535,515	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	313,967,230	157,236,541
Balance with other Banks and financial institutions	3,188,661,195	1,627,316,096
Total cash and cash equivalents	3,505,163,940	1,784,552,637

These Financial statements should be read in conjunction with the annexed notes

Auditors' Report

See annexed report of date



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31 December 2014

Particulars	Amounts in Taka						
	Paid up capital	Share Premium	Statutory reserve	General reserve	Dividend equalisation fund	Retained earnings	Total Taka
Balance on 01 January 2014	1,138,368,000	528,000,000	1,061,429,327	1,300,000,000	500,000,000	555,733,313	5,083,530,640
Transfer to statutory reserve	-	-	35,302,938	-	-	(35,302,938)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency transaction difference	-	-	-	-	-	-	-
Net gains/(losses) not recognised in the income statement	-	-	-	-	-	-	-
Net profit for the year 2014	-	-	-	-	-	176,514,692	176,514,692
Dividend paid in cash	-	-	-	-	-	(341,510,400)	(341,510,400)
Bonus & Dividend for 2013	-	-	-	-	-	-	-
Dividend equalisation fund	-	-	-	-	100,000,000	(100,000,000)	-
Transfer to general reserve	-	-	-	200,000,000	-	(200,000,000)	-
Balance for the year ended at 31 December 2014	1,138,368,000	528,000,000	1,096,732,265	1,500,000,000	600,000,000	55,434,667	4,918,534,932
Restated Balance on 01 January 2013	1,034,880,000	528,000,000	890,863,440	1,100,000,000	400,000,000	1,277,021,775	5,230,765,215
Transfer to statutory reserve	-	-	170,565,887	-	-	(170,565,887)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency transaction difference	-	-	-	-	-	-	-
Restated net profit for the year 2013	-	-	-	-	-	59,741,425	59,741,425
Dividend paid in cash	-	-	-	-	-	(206,976,000)	(206,976,000)
Bonus & Dividend for 2012	103,488,000	-	-	-	-	(103,488,000)	-
Dividend equalisation fund	-	-	-	-	100,000,000	(100,000,000)	-
Transfer to general reserve	-	-	-	200,000,000	-	(200,000,000)	-
Balance for the year ended at 31 December 2013	1,138,368,000	528,000,000	1,061,429,327	1,300,000,000	500,000,000	555,733,313	5,083,530,640

Auditors Report

See annexed report of date



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Dhaka, June 28, 2015

Hoda Vasi chy Elw
Hoda Vasi Chowdhury & Co
Chartered Accountants

Statement of Liquidity Analysis (Maturity of Assets and Liabilities)

at 31 December 2014


Particulars Assets	Amounts in Taka				
	Up to 1 month	1-3 months	3-12 months	1-5 years	above 5 years
Cash in hand	2,535,515	-	-	-	-
Balance with Bangladesh Bank and its agent bank(s)	313,967,230	-	-	-	-
Balance with banks and other financial institutions	-	-	3,188,661,195	-	-
Money at call and short notice	100,000,000	-	-	-	-
Investments	-	982,607,000	-	1,270,621,760	-
Leases, loans and advances	-	1,098,137,179	6,047,742,416	13,009,241,176	769,894,920
Fixed assets including premises, furniture and fixtures	-	-	-	148,718,017	-
Other assets	-	-	-	1,374,281,848	-
Non-financial institutional assets	-	-	-	-	-
Total assets (A)	416,502,745	2,080,744,179	9,236,403,611	15,802,862,801	769,894,920
Liabilities					
Borrowings from Bangladesh Bank, banks, other financial institutions and agents	259,223,605	-	126,919,000	6,809,543,235	-
Deposits	-	2,030,000,000	4,709,493,424	3,623,802,293	5,648,482
Other deposits	-	-	710,000,000	660,000,000	-
Provision and other liabilities	-	-	3,240,153,320	1,213,089,965	-
Total Liabilities (B)	259,223,605	2,030,000,000	8,786,565,744	12,306,435,493	5,648,482
Net Liquidity Gap (A - B)	157,279,140	50,744,179	449,837,867	3,496,427,308	4,918,534,932

These Financial statements should be read in conjunction with the annexed notes

Auditors' Report

See annexed report of date


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 2014

1. Background of the Company

1.1 Corporate information

Uttara Finance and Investments Limited was registered with the registrar of Joint Stock Companies on 07 August 1995 and commenced its operations in Bangladesh on 08 August 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 1987 and obtained license of Merchant Operations from the Securities and Exchange Commission on 25 March 1998. The Company has its Head Office and Head Office-Extension in Dhaka and Branch Office in Chittagong through out the country.

1.2 Principal activities and nature of operation

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

1.3 Its products and services

1.3.1 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.

1.3.2 Documentary Credit

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

1.3.3 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.

1.3.4 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.

1.3.4a 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.

1.3.4b 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.

1.3.5 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.

1.3.6 Merchant banking activities

UFIL is operating merchant banking activities after obtaining license from the Securities and 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.

2 Significant accountings policies**2.1 Basis of preparation**

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:

Asset category	Rate of depreciation (%)
Land and Building	0
Building and Premises	10
Furniture and fixtures	15
Office equipment	15
Computer	15
Office decoration	20
Motor vehicles	20

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 2014 to 31 December 2014.

2.26 Bangladesh Accounting Standard- 8**Accounting Policies, Changes in Accounting Estimates and Errors**

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities.

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with BFRSs if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's financial position, financial performance or cash flows.

- 2.27 We have already communicated with the authority Bangladesh Securities and Exchange Commission through our letter no. UFIL/CS/2010/4004 to transfer the merchant banking license in favour of 100% owned newly formed subsidiary company under the name and style "Uttara Finance Capital Management Limited" to operate Merchant activities separately, where we are hopeful by the month of June, 2015 we are to separate our merchant banking unit.
- 2.28 Relating to Workers' Profit Participation Fund (WPPF) we have brought the matter within the knowledge of Honourable Chairman and Vice Chairman of our Board of Directors, who have passed their positive consent and advised to place the issue in a Board meeting at the earliest with detailed position of impact of formation of the fund and accordingly we are very much hopeful of doing the same by the current year 2015.

2.29 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.

2.30 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.

2.31 Comparative information

Comparative information for 2013 has been restated for all numerical information in the financial statements and wherever considered necessary the narrative and disclosure to notes has been changed to conform with the restated figure (note-39) for understanding of the current year's financial statements.

	Notes	2014 Taka	2013 Taka
3. Cash			
3.1 Cash in hand		<u>2,535,515</u>	<u>-</u>
3.2 Balance with Bangladesh Bank and its agent bank(s)			
In local currency		<u>313,967,230</u>	<u>157,236,541</u>

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, Financial Institutions Regulations 1994 and FID Circular No. 06 dated 06 November 2003 and FID circular No. 02 dated 10 November 2004 issued by Bangladesh Bank.

"Cash Reserve Requirement (CRR) has been calculated at the rate of 2.5% on Total Term Deposit which is preserved in current account maintained with Bangladesh Bank.' Total Term Deposit' means Term of Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, Received from individuals and institutions (Except Banks and Financial Institutions)."

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, (including CRR of 2.5%) on Total Liabilities (excluding deposits from Banks and Financial Institutions). SLR is maintained in liquid assets in the term of cash in hand (notes & coins in BDT), balance with Bangladesh Bank and other Banks and Financial Institutions, investments at call, unencumbered treasury bill, prize bond, savings certificate and any other assets provided by Bangladesh Bank.

Both the reserves as maintained by the Company are shown below:

(a) Cash Reserve Requirement

Required reserve (2.5% of term deposits)	259,223,605	126,919,000
Actual reserve maintained	313,967,230	157,236,541
Surplus	54,743,625	30,317,541

(b) Statutory Liquidity Ratio

5% of total liabilities (excluding deposits from banks and FIs)

Required reserve (including CRR)	1,113,645,533	538,234,000
Actual reserve maintained (including CRR)	3,505,163,940	1,784,552,637
Surplus	2,391,518,407	1,246,318,637

Total required reserve	1,113,645,533	538,234,000
Actual reserve held	3,505,163,940	1,784,552,637
Total surplus	2,391,518,407	1,246,318,637

3.4 Actual reserve maintained (including CRR)

Cash in hand	2,535,515	-
Balance with Bangladesh bank and its agent bank(s)	313,967,230	157,236,541
Balance with other banks and other financial institutions	3,188,661,195	1,627,316,096
	<u>3,505,163,940</u>	<u>1,784,552,637</u>

		Notes	2014 Taka	2013 Taka
4	Balance with Other Banks and Financial Institutions			
	In Bangladesh			
	Current account	4.1	42,922,783	40,473,152
	Short-term deposit accounts	4.2	710,103,722	613,435,376
	Fixed deposit receipts	Annexure- B	2,435,634,690	973,407,568
			3,188,661,195	1,627,316,096
	Outside Bangladesh		-	-
			3,188,661,195	1,627,316,096
4.1	Current account			
	Name of Banks	Bank Account No.		
	Commercial Bank of Ceylon Plc	CD-1805001865	405,184	225,175
	IFIC Bank Ltd	CD-1017124285001	9,058,089	472,544
	Uttara Bank Ltd	CD-154512200211912	571,123	233,626
	Rupali Bank Ltd	CD-200085087	98,445	99,715
	Social Islami Bank Ltd	CD-0081330008175	289,008	290,628
	State Bank of India	CD-05120043520001	363,138	316,594
	The City Bank Ltd	CD-1102004981001	180,747	545,023
	Mercantile Bank Ltd	CD-010111100025962	15,810	17,650
	NCC Bank Ltd	CD-00280210008023	23,002	23,002
	Eastern Bank Ltd	CD-01011060011025	1,401,637	1,453,529
	UCBL	CD-004311100102277	1,800,541	3,164,304
	Standard Chartered Bank	CD-01284919401	23,824,456	9,801,869
	BRAC Bank Ltd	CD-1501200132042001	3,807,643	4,204,075
	The City Bank Ltd	CD-1102351488001	64,425	65,235
	Shahajalal Islami Bank Ltd	CD-400111100014280	492,369	19,029,569
	Premier Bank Ltd	CD-10711100100164	527,166	530,614
			42,922,783	40,473,152
4.2	Short-term deposit accounts	Bank Account No.		
	AB Bank Ltd	STD-4005231614430	69,876	68,709
	Bank Alfalah Ltd	STD-03700011	98,494	104,219
	Bank Asia Ltd	STD-00336000903	466,760	521,012
	Bank Asia Ltd	STD-03236000061	9,929,315	12,112,862
	Bank Asia Ltd	STD 06336000003	75,024,831	114,608,986
	Bank Asia Ltd	STD-00236000639	38,497,906	80,513,971
	Bangladesh Commerce Bank Ltd	STD-005-0320000070	69,122,125	4,657,715
	NCC Bank Ltd	STD-00270325000261	20,626,338	2,222,908
	Dhaka Bank Ltd	STD-0201150000001033	420,492	168,475
	Dutch Bangla Bank Ltd	STD-0110120000000146	3,092,891	3,280,703
	Dutch Bangla Bank Ltd	STD-1071200000984	33,218,418	2,736
	Bank Asia Ltd	STD-00536000571	112,578,686	28,105,733
	Exim Bank Ltd	STD-00113100049022	87,096,600	82,136,683
	First Security Bank Ltd	STD-010113100001397	106,342	103,676
	Farmers Bank Ltd.	STD-0113000001482	4,860,390	54,661,265
	IFIC Bank Ltd	STD-1017127135041	133,516,774	58,772,179

		Notes	2014 Taka	2013 Taka
4.2	Short-term deposit accounts	Bank Account No.		
	IFIC Bank Ltd	STD-2045171125041	1,150,444	1,187,615
	IFIC Bank Ltd	STD- 117812735041	44,354	736,270
	IFIC Bank Ltd	STD- 1017347635041	59,246	-
	IFIC Bank Ltd	STD-1013-127135-041	20,003,365	59,432
	Islami Bank Bangladesh Ltd	STD-20501090900003210	383,825	681,834
	Jamuna Bank Ltd	STD-00060320000515	156,576	66,950
	Midland Bank Ltd.	STD-0004-1090000079	139,717	-
	Mercantile Bank Ltd	STD-011913100000066	15,822,957	969,391
	Mercantile Bank Ltd	STD-010113100001852	92,940	1,444,920
	Mutual Trust Bank Ltd	STD-00120320000339	126,255	122,207
	Mutual Trust Bank Ltd	STD-00030320001651	2,891,728	336,933
	National Bank Ltd	STD-004836001188	76,283,059	20,329,948
	National Bank Ltd	STD-000236002942	13,669	14,190
	One Bank Ltd	STD-0125080101009	2,841,657	4,444,269
	One Bank Ltd	STD-005015398002	63,598	62,574
	One Bank Ltd	STD-0145117007008	1,930,131	1,197,652
	One Bank Ltd	STD-0195153652009	419,889	95,752
	The Premier Bank Ltd	STD-012413100000117	106,264	63,634
	The Premier Bank Ltd	SND-13100000005	9,535,224	536,020
	Prime Bank Ltd	STD-10431010001894	676,928	659,014
	Prime Bank Ltd	STD-1083102002869	(162,773,887)	80,888,217
	Prime Bank Ltd	STD-10831050002877	11,146,047	10,648,210
	Pubali Bank Ltd	STD-3555102-2450	183,374	524,948
	Shahjalal Islami Bank Ltd	STD-400413100000229	471,638	457,288
	Social Islami Bank Ltd	STD-03113600000081	2,994,263	2,890,536
	Social Islami Bank Ltd	STD-03113600000107	650,191	640,386
	Social Islami Bank Ltd	STD-02713600000017	49,123,148	6,687,270
	Social Islami Bank Ltd	STD-02213600000416	683,137	682,808
	Social Islami Bank Ltd	STD-0081360000425	89,893	88,223
	Sonali Bank Ltd	STD-000236002496	2,351,612	1,407,887
	Southeast Bank Ltd	STD-002713100000102	24,637,208	1,742,870
	Standard Bank Ltd	STD-00236001357	449,527	443,224
	Standard Chartered	STD-02284919401	31,215,812	16,138,500
	The City Bank Ltd	FCD-5122021030001	503,420	503,380
	The City Bank Ltd	STD-3102004981001	4,370,982	4,696,267
	United Commercial Bank Ltd	STD-001713200001226	265,124	246,045
	United Commercial Bank Ltd	STD-094131000000050	22,155,971	5,328,606
	United Commercial Bank Ltd	STD-005613200000511	118,198	115,654
	HSBC	STD-001111657067	-	4,254,620
			710,103,722	613,435,376

	Notes	2014 Taka	2013 Taka	
4.3 Maturity grouping of balance with other banks and financial institutions				
Payable on demand		753,026,505	653,908,528	
Up to 1 month		864,435,341	330,000,000	
Over 1 month but not more than 3 months		1,508,037,500	604,274,639	
Over 3 months but not more than 1 year		63,161,849	39,132,929	
Over 1 year but not more than 5 years		-	-	
Over 5 years		-	-	
		3,188,661,195	1,627,316,096	
5 Money at call and short notice				
Jamuna Bank		100,000,000	-	
		100,000,000	-	
6 Investments				
Government securities				
Treasury bills		982,607,000	492,079,024	
National investments bond		-	-	
Bangladesh Bank bill		-	-	
Government notes/ bonds		-	-	
Prize bonds		-	-	
Others		-	-	
		982,607,000	492,079,024	
Other investments				
Investment in marketable securities	6.1	999,337,888	592,575,338	
Investment in non-marketable securities		-	-	
Investment in merchant banking unit		271,283,872	1,138,396,405	
		1,270,621,760	1,730,971,743	
6.1 Investment in marketable securities				
This represents investment made by the Company in different companies' shares listed in the stock exchanges. The sector-wise investment as on 31 December 2014 was as under:				
	No. of company	Market value (closing 2014)	2014	2013
Quoted				
Bank and FIs	20	289,016,636	345,671,848	200,097,256
Insurance	13	206,097,944	324,477,164	267,596,654
Investment	4	25,456,487	38,828,468	29,238,761
Power and energy	21	146,018,300	168,690,117	69,198,232
Manufacturing and others	1	15,925,000	19,100,841	23,874,985
	59	682,514,367	896,768,438	590,005,888
Unquoted				
Manufacturing and others	-	-	-	-
Sandhani Life growth fund	1	100,000,000	100,000,000	-
	60	782,514,367	996,768,438	590,005,888
Investment in non-marketable securities				
CDBL	1	5,711,810	2,569,450	2,569,450
	61	788,226,177	999,337,888	592,575,338

All investments in marketable securities valued on an aggregate portfolio basis, at the lower of cost and market value, at the balance sheet date.

Market price for securities not listed as on reporting date, has been shown at cost for calculation purpose.

Provision has been against all investment in marketable securities after net off gain/loss from market price of shares as per DFIM Circular # 02; date: 31.01.2012.

	Notes	2014 Taka	2013 Taka
7. Loans, Advances and Leases			
Inside Bangladesh			
Lease Finance	7.1	10,676,943,716	9,112,585,679
Term Finance Institutions	7.2	8,479,357,245	7,354,920,991
Term Finance Personal loan	7.3	7,133,855	7,795,829
Margin Loan	7.4	1,761,580,875	1,586,812,883
Housing Finance	7.5	-	-
		<u>20,925,015,691</u>	<u>18,062,115,382</u>
7.1 Lease Finance			
Balance at January 1		9,112,585,679	6,908,535,663
Add: Addition during the year		5,214,767,148	4,980,102,070
		14,327,352,827	11,888,637,733
Less: Realisation during the year		3,650,409,111	2,776,052,054
		<u>10,676,943,716</u>	<u>9,112,585,679</u>
Balance at December 31		<u>10,676,943,716</u>	<u>9,112,585,679</u>
Aging analysis of lease finance			
Payable on demand		-	-
Over 1 month but not more than 3 months		341,074,590	213,078,171
Over 3 months but not more than 1 year		3,269,427,696	2,506,425,048
Over 1 year but not more than 5 years		6,323,242,352	6,134,176,344
Over 5 years		743,199,078	258,906,116
		<u>10,676,943,716</u>	<u>9,112,585,679</u>
7.2 Term Finance Institutions			
Balance at January 1		7,355,582,991	5,147,517,187
Add: Disbursement made during the year		4,467,620,000	4,384,422,286
		11,823,202,991	9,531,939,473
Less: Realisation during the year		3,343,845,746	2,177,018,482
		<u>8,479,357,245</u>	<u>7,354,920,991</u>
Balance at December 31		<u>8,479,357,245</u>	<u>7,354,920,991</u>
Aging analysis of Term finance			
Payable on demand		-	-
Over 1 month but not more than 3 months		756,883,827	967,129,910
Over 3 months but not more than 1 year		2,777,765,790	3,410,721,190
Over 1 year but not more than 5 years		4,906,464,838	2,806,019,618
Over 5 years		38,242,790	171,050,273
		<u>8,479,357,245</u>	<u>7,354,920,991</u>

	Notes	2014 Taka	2013 Taka
7.3 Term Finance Personal loan			
Balance at January 1		7,795,829	27,255,775
Add: Disbursement made during the year		3,290,000	2,400,000
		11,085,829	29,655,775
Less: Realisation during the year		3,951,974	21,859,946
		7,133,855	7,795,829
Balance at December 31		7,133,855	7,795,829
Aging analysis of Term finance-personal loan			
Payable on demand		-	-
Over 1 month but not more than 3 months		178,762	30,151
Over 3 months but not more than 1 year		548,930	262,071
Over 1 year but not more than 5 years		6,406,163	7,503,607
Over 5 years		-	-
		7,133,855	7,795,829
7.4 Margin Loan to portfolio investors			
Balance at January 1		1,586,812,883	1,409,650,077
Add: Disbursement made during the year		174,767,992	177,162,806
		1,761,580,875	1,586,812,883
Less: Realisation during the year		-	-
		1,761,580,875	1,586,812,883
Balance at December 31		1,761,580,875	1,586,812,883
<p>Margin loan to portfolio investors are provided by the merchant bank division of the Company as part of their normal business activities and the Company considers this as having similar characteristics of retail/personal lending. Based on detailed review, the Company note that shortfall, if any on individual client's portfolio and margin lending exposure are temporary in nature and any potential shortfall is expected to be recouped in near future. Moreover, the Company has also continuing its recovery efforts by requesting those clients to bring in additional fund to cover shortfall. Nevertheless, the Company is closely monitoring this matter and if it became obvious that additional provision is required it shall be provided for in due course. However, as per BSEC notification - SEC/CMRRCD/2009-193/155 dated 09 December 2013, Taka 568,202,877 provision made in the year 2013 as much as required and amounting Taka 195,397,986 provision made in the year 2014 as much as required, thus 100% provision made.</p>			
7.5 Housing Finance			
Balance at January 1		-	-
Add: Disbursement made during the year		-	-
		-	-
Less: Realisation during the year		-	-
		-	-
Balance at December 31		-	-

	Notes	2014 Taka	2013 Taka
7.6 Maturity grouping of investments are as follows:			
Payable on demand	-	-	-
Over 1 month but not more than 3 months	1,098,137,179	1,180,238,232	
Over 3 months but not more than 1 year	6,036,195,468	5,917,408,309	
Over 1 year but not more than 5 years	13,009,241,176	10,534,512,452	
Over 5 years	781,441,868	429,956,389	
	<u>20,925,015,691</u>	<u>18,062,115,382</u>	
7.7 Loans, Advances & Leases on the Basis of Significant			
Advance to allied concerns of Directors	-	-	
Advance to Chief Executive Officer, Other Senior Executives and Staffs	7,133,855	7,795,829	
Advances to industries	19,156,300,961	16,467,506,670	
Margin loan	1,761,580,875	1,586,812,883	
	<u>20,925,015,691</u>	<u>18,062,115,382</u>	
7.8 Advances to Customers for more than 15% of FI's Total Capital			
Number of clients	3	2	
Amount of outstanding advances	3,369,580,109	4,025,858,969	
Amount of classified advances	-	-	
Measures taken for recovery	n/a	n/a	
7.9 Industry-wise loans, Advances and Leases:			
Agriculture	59,234,956	36,760,829	
Chemicals & pharmaceuticals	450,944,577	241,295,153	
Electronics & electrical	49,821,184	63,751,041	
Food & beverage	3,021,326,357	2,152,116,878	
Garments & accessories	557,026,472	714,487,534	
Glass & ceramics	1,219,085,116	690,154,987	
Home loan	1,969,601,709	1,870,834,057	
Information technology	170,251,208	101,132,805	
Steel & Engineering	2,451,556,967	646,922,208	
Printing & Packaging	173,416,571	534,679,992	
Working Capital	979,084,463	1,662,972,079	
Commercial lending	6,309,958,661	5,372,009,836	
Plastic industries	217,997,710	48,424,177	
Textile	431,914,527	50,992,736	
Transporting	2,420,072,663	3,766,169,610	
Others	443,722,550	109,411,460	
	<u>20,925,015,691</u>	<u>18,062,115,382</u>	

	Notes	2014 Taka	2013 Taka
7.10 Geographical Location-wise (Division)			
In Bangladesh			
Dhaka	17,421,706,693	14,001,459,168	
Chittagong	3,366,789,986	3,948,109,914	
Bogra	136,519,012	112,546,300	
Sylhet	-	-	
Barisal	-	-	
Rajshahi	-	-	
	<u>20,925,015,691</u>	<u>18,062,115,382</u>	
7.11 Classification as per Bangladesh bank rules			
Unclassified			
Standard	15,116,309,143	14,414,866,246	
SMA	2,985,819,884	1,222,212,256	
	<u>18,102,129,027</u>	<u>15,637,078,502</u>	
Classified			
Sub-standard	530,274,333	420,975,685	
Doubtful	208,298,860	205,197,937	
Bad	322,732,596	212,050,375	
	<u>1,061,305,789</u>	<u>838,223,997</u>	
Total	19,163,434,816	16,475,302,499	
Margin loan	1,761,580,875	1,586,812,883	
Total	<u>20,925,015,691</u>	<u>18,062,115,382</u>	
7.12 Particulars of loans advances and leases			
i) Loans/investments considered good in respect of which the bank is fully secured;	11,219,920,509	8,183,184,766	
ii) Loans/investments considered good for which the bank holds no security other than the debtors personal security;	9,705,095,182	9,878,930,616	
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	-	-	
	<u>20,925,015,691</u>	<u>18,062,115,382</u>	
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;	2,483,326	2,910,417	

	Notes	2014 Taka	2013 Taka
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 directors, partners or managing agents or in case of private Companies as member;		1,258,652	2,709,000
ix) Due from other banking companies		-	-
x) Total amount of Classified loans and advances/investments on which interest is not credited to income.		1,061,305,789	838,223,997
a) Movement of classified loans and advances			
Opening balance on January 01, 2014		838,223,997	408,325,026
Increase/(decrease) during the year;		223,081,792	429,898,971
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		-	-
The amount of written off loans for which lawsuits have been filed for its recovery		-	-

8. Fixed assets including premises, furniture and fixtures

Particulars	COST				Rate (%)	DEPRECIATION				Amounts in Taka	
	Balance at 01 Jan 2014	Additions	Disposals/ Adjustments	Total at 31 Dec 2014		To 01 Jan 2014	Charge for the year	Adjustment on disposal	Total to 31 Dec 2014	Net book value at 31 Dec 2014	
Fixed assets											
Land and Building	72,085,382	2,323,913	-	74,409,295	0%	-	-	-	-	74,409,295	
Building and Premises	121,338,500	-	-	121,338,500	10%	54,674,538	12,133,850	-	66,808,388	54,530,112	
Furniture and fixtures	4,906,795	68,255	-	4,975,050	15%	3,801,245	336,339	-	4,137,584	837,466	
Office equipment	8,814,152	2,012,490	-	10,826,642	15%	5,339,176	1,040,464	-	6,379,640	4,447,002	
Computer	7,091,702	616,900	-	7,708,602	15%	5,107,656	632,087	-	5,739,743	1,968,859	
Office decoration	15,781,840	3,634,597	-	19,416,437	20%	11,834,051	1,240,186	-	13,074,237	6,342,200	
Motor vehicles	12,899,515	4,000,000	-	16,899,515	20%	8,507,557	2,208,875	-	10,716,432	6,183,083	
At 31 December 2014	242,917,886	12,656,155	-	255,574,041		89,264,223	17,591,801	-	106,856,024	148,718,017	
At 31 December 2013	240,659,211	2,258,675	-	242,917,886		72,113,406	17,150,817	-	89,264,223	153,653,663	

		2014 Taka	2013 Taka
9. Other Assets	Notes		
Interest receivable	9.1	46,310,575	195,608,775
IDCP receivable	9.2	159,212,357	32,109,474
Advance, Deposits and Prepayments	9.3	1,168,758,916	845,950,904
Zero Coupon Bond issue expenses	9.4	-	112,500
Transfer price receivable	9.5	-	59,806,776
		<u>1,374,281,848</u>	<u>1,133,588,429</u>
9.1 Interest receivable			
Interest receivable on term finances	9.1.1	2,461,000	66,230,829
Interest receivable on lease income earned	9.1.2	584,871	112,023,435
Interest receivable on FDR	9.1.3	31,938,480	17,354,511
Interest receivable on call money	9.1.4	49,444	-
Interest receivable on treasury bills	9.1.5	11,276,780	-
		<u>46,310,575</u>	<u>195,608,775</u>
9.1.1 Interest receivable on term finances			
Opening balance		66,230,829	63,454,825
Add: Addition during the year		16,980,076	66,230,829
		<u>83,210,905</u>	<u>129,685,654</u>
Less: Received / adjustment		80,749,905	63,454,825
Closing balance		<u>2,461,000</u>	<u>66,230,829</u>
9.1.2 Interest receivable on lease income earned			
Opening balance		112,023,435	84,595,082
Add: Addition during the year		38,138,413	112,023,435
		<u>150,161,848</u>	<u>196,618,517</u>
Less: Received / adjustment		149,576,977	84,595,082
		<u>584,871</u>	<u>112,023,435</u>
Closing balance			
9.1.3 Interest receivable on FDR			
Opening balance		17,354,511	8,916,180
Add: Addition during the year		31,938,480	17,354,511
		<u>49,292,991</u>	<u>26,270,691</u>
Less: Received / adjustment		17,354,511	8,916,180
Closing balance		<u>31,938,480</u>	<u>17,354,511</u>
9.1.4 Interest receivable on call money			
Opening balance		-	-
Add: Addition during the year		49,444	-
		<u>49,444</u>	<u>-</u>
Less: Received / adjustment		-	-
Closing balance		<u>49,444</u>	<u>-</u>

	Notes	2014 Taka	2013 Taka
9.1.5 Interest receivable on Treasury bills			
Opening balance		-	-
Add: Addition during the year		11,276,780	-
		11,276,780	-
Less: Received / adjustment		-	-
Closing balance		11,276,780	-
9.2 IDCP receivable			
Opening balance		32,109,474	188,667,409
Add: Addition during the year		159,212,357	32,109,474
		191,321,831	220,776,883
Less: Received / adjustment		32,109,474	188,667,409
Closing balance		159,212,357	32,109,474
9.3 Advance, Deposits and Prepayments			
Advance			
Advance Income Tax	9.3.1	990,058,695	223,987,917
Rent		3,514,200	8,894,565
		993,572,895	232,882,482
Deposits			
security deposit		26,500	26,500
		26,500	26,500
Prepayments			
Opening balance		613,041,922	640,908,539
Add: Addition during the year		-	613,041,922
Less: Received / adjustment		(437,882,401)	(640,908,539)
Closing balance		175,159,521	613,041,922
		1,168,758,916	845,950,904
9.3.1 Advance Income Tax			
Advance corporate tax	9.3.1.1	942,698,236	200,000,000
Advance income tax at source		47,360,459	23,987,917
		990,058,695	223,987,917
9.3.1.1 Advance corporate tax			
Opening balance		200,000,000	858,863,169
Add: Paid during the year		742,698,236	792,372,756
		942,698,236	1,651,235,925
Less: Adjustment		-	1,451,235,925
Closing balance		942,698,236	200,000,000

	Notes	2014 Taka	2013 Taka
9.4 Zero Coupon Bond issue expenses			
Opening balance		112,500	-
Add: Addition during the year		125,000	112,500
		237,500	112,500
Less: Received/adjustment		237,500	-
Closing balance		-	112,500

Management has taken decision that the zero coupon bond are written off and charged to profit and loss account for the financial year of 2014 because there is no any physical existence of the said carrying amount.

9.5 Transfer price receivable			
Opening balance		59,806,776	-
Add: Addition during the year		-	59,806,776
		59,806,776	59,806,776
Less: Received / adjustment		59,806,776	-
Closing balance		-	59,806,776

Management has taken decision that the Company will not further charges this income to the customers so that the transfer price receivable are written off and charged to profit and loss account for the financial year of 2014 because there is no any physical existence of the said carrying amount.

10 Borrowings from Other Banks, Financial Institutions and Agents			
In Bangladesh	10.1	7,195,685,840	5,992,697,719
Outside Bangladesh		-	-
		7,195,685,840	5,992,697,719
Opening balance		5,992,997,719	4,187,649,146
Add: Addition during the year		6,423,957,290	3,750,000,000
		12,416,955,009	7,937,649,146
Less: Repayments made during the year		5,221,269,169	1,944,651,427
Closing balance		7,195,685,840	5,992,997,719

	Notes	2014 Taka	2013 Taka
10.1	In Bangladesh		
Secured long term loans			
Mercantile Bank Limited	482,389,561	257,443,107	
Uttara Bank Limited	270,683,478	270,990,891	
BRAC Bank Limited	463,833,356	175,665,611	
United Commercial Bank Limited	409,088,976	300,270,790	
Prime Bank Limited	866,197,509	1,161,860,805	
Social Investment Bank Limited	165,917,433	-	
Pubali Bank Limited	180,040,008	260,035,017	
Shahjalal Bank Limited	525,209,246	466,630,138	
Bank Alfalah Limited	26,288,910	50,000,000	
Standard Bank Limited	122,498,014	189,776,024	
Exim Bank Limited	188,688,409	-	
Southeast Bank Limited	72,317,059	126,294,455	
State Bank of India Limited	-	21,288,318	
Commercial Bank of Ceylon	91,666,660	166,666,660	
Dhaka Bank Limited	96,610,708	137,387,133	
Bangladesh Commerce Bank Limited	153,722,250	-	
National Bank Limited	174,494,504	225,446,304	
Dutch Bangla Bank Limited	376,285,679	203,966,667	
Mutual Trust Bank Ltd.	466,004,532	344,657,056	
Premier Bank Ltd.	587,063,837	406,458,524	
Bank Asia Ltd.	394,885,088	303,724,456	
Standard Chartered Bank Ltd.	200,000,000	250,000,000	
NCC Bank Ltd.	160,794,846	101,402,241	
UAE Bangladesh Ltd.	-	26,540,708	
Islami Bank Bangladesh Ltd.	-	6,570,748	
	6,474,680,063	5,453,075,653	
Unsecured long term loans			
IPFF from Bangladesh Bank	362,540,008	51,993,340	
Refinance from Bangladesh Bank	355,884,817	486,142,640	
United Finance	456,454	1,687,307	
International Leasing and financial services Ltd.	2,124,498	(669,315)	
National Finance Ltd.	-	468,094	
	721,005,777	539,622,066	
Total long term loans	7,195,685,840	5,992,697,719	
10.2	Analysis by security		
Secured loan	6,474,680,063	5,453,075,653	
Unsecured loan	721,005,777	539,622,066	
	7,195,685,840	5,992,697,719	
10.3	Nature of repayment		
Repayable on demand	6,474,680,063	5,453,075,653	
Repayable on maturity	721,005,777	539,622,066	
	7,195,685,840	5,992,697,719	

		2014	2013
	Notes	Taka	Taka
11 Deposits and other accounts			
Current deposits		-	-
Bills payable		-	-
Savings bank deposit		-	-
Term deposits	11.1	10,368,944,199	9,228,098,424
Bearer certificates of deposits		-	-
other deposits		-	-
		<u>10,368,944,199</u>	<u>9,228,098,424</u>
11.1 Term deposits			
Household		1,883,685,955	1,940,113,280
Corporate		7,830,463,153	6,745,092,307
Insurance		654,795,091	542,892,837
		<u>10,368,944,199</u>	<u>9,228,098,424</u>

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	9,228,098,424	6,651,342,423
Receipt during the year	8,388,752,233	10,184,238,382
Adjustment during the year	(7,247,906,458)	(7,607,482,381)
Balance at 31 December	<u>10,368,944,199</u>	<u>9,228,098,424</u>
Maturity analysis		
Repayable on demand	-	-
Repayable within 1 month	2,030,000,000	2,750,000,000
Over 1 month but within 6 months	4,709,493,424	4,225,224,853
Over 6 months but within 1 year	3,623,802,293	2,252,873,571
Over 1 year but within 5 years	5,648,482	-
	<u>10,368,944,199</u>	<u>9,228,098,424</u>

12 Other liabilities			
Accumulated provision for loans, advances and leases	12.1	658,787,829	496,215,902
Interest suspense account	12.2	392,299,292	302,595,320
Provisions	12.3	1,714,712,574	1,085,395,384
Pension and Insurance fund		-	-
Unclaimed dividend		57,808,937	34,168,847
Advance rental and discount payables		40,318,365	42,298,563
Zero Coupon Bond		1,370,000,000	660,000,000
Accrued Liabilities	12.4	1,589,316,288	431,660,079
		<u>5,823,243,285</u>	<u>3,052,334,095</u>

12.1 Accumulated provision for loans, advances and leases

Status	Outstanding	Base for provision	Rate	Provision	Provision
General provision					
Standard - excluding SME	16,666,621,994	16,666,621,994	1%	166,666,220	159,404,580
Standard - SME	222,814,973	222,814,973	0.25%	557,037	-
Special mention account	2,985,819,884	2,734,857,232	5%	136,742,862	59,275,776
	19,875,256,851			303,966,119	218,680,356
Specific provision					
Sub-standard	530,274,333	474,974,078	20%	94,994,816	71,219,444
Doubtful	208,298,860	129,626,182	50%	64,813,091	91,297,094
Bad/loss	322,732,596	195,013,803	100%	195,013,803	115,019,008
	1,061,305,789			354,821,710	277,535,546
Total	20,936,562,640			658,787,829	496,215,902

Total provision required	658,787,829	496,215,902
Total provision maintained	658,787,829	496,215,902
Total provision surplus	-	-

	Notes	2014 Taka	2013 Taka
12.1.1 Movement on unclassified loans, advances and lease			
Opening balance		277,535,546	200,356,726
Provision for the year		52,300,815	77,178,820
Closing balance		<u>329,836,361</u>	<u>277,535,546</u>
12.1.2 Movement on classified loans, advances and lease			
Opening balance		218,680,356	169,305,722
Less: Fully provided debts written off during the year		-	-
Add: Recovery of amounts previously written off		-	-
Add: Specific provision made for the year		-	-
Less: Recoveries and provision no longer required		-	-
Add: Net charge to Profit and Loss Account		110,271,411	49,374,634
Provision at the end of the year		<u>328,951,767</u>	<u>218,680,356</u>
12.2 Interest suspense account			
Lease finance		270,223,413	186,087,167
Term finance - institutions		122,075,879	116,508,153
Term finance - Individual		-	-
Housing finance		-	-
		<u>392,299,292</u>	<u>302,595,320</u>

	Notes	2014 Taka	2013 Taka
Opening balance		302,595,320	119,563,514
Add: Amount transferred/accrued to "interest suspense" account during the year		89,703,972	183,031,806
Less: Amount recovered in "interest suspense" account during the year		-	-
Less: Amount written off during the year		-	-
Balance at the end of the year		<u>392,299,292</u>	<u>302,595,320</u>
12.3 Provisions			
Provision for margin loan	12.3.1	763,600,863	568,202,877
Provision for loss in value of shares	12.3.2	211,111,711	137,192,507
Provision for income tax	12.3.3	740,000,000	380,000,000
		<u>1,714,712,574</u>	<u>1,085,395,384</u>
12.3.1 Provision for margin loan			
Opening balance		568,202,877	-
Addition during the year (2013 : Restated)	36	195,397,986	568,202,877
		<u>-</u>	<u>-</u>
Less: Adjustment/ Write off		-	-
Closing balance		<u>763,600,863</u>	<u>568,202,877</u>
12.3.2 Provision for loss in value of shares			
Opening balance		137,192,507	162,106,295
Adjustments during the year		73,919,204	(24,913,788)
Closing balance		<u>211,111,711</u>	<u>137,192,507</u>
12.3.3 Provision for income tax			
Opening balance (2013 : Restated)		380,000,000	1,088,119,257
Add: Provision for current tax during the year (2013: restated)		360,000,000	140,000,000
Add: Provision for deferred tax during the year		-	-
Less: Adjustment during the year		-	848,119,257
Closing balance		<u>740,000,000</u>	<u>380,000,000</u>
Restatement of prior year figure is due to reclassification of Tax provision with prior year's tax liability amounting to Taka 240,000,000 and release of surplus tax provision amounting to Taka 70,000,000.			
12.4 Accrued Liabilities			
Financial expenses	12.4.1	1,532,032,056	418,329,077
Accrued expenses	12.4.2	1,400,000	1,050,000
Other payables	12.4.3	55,884,232	12,281,002
		<u>1,589,316,288</u>	<u>431,660,079</u>
12.4.1 Financial expenses			
Provision for term deposit		1,361,052,230	329,770,931
Provision for Zero Coupon Bond		170,979,826	88,558,146
		<u>1,532,032,056</u>	<u>418,329,077</u>

	Notes	2014 Taka	2013 Taka
12.4.2 Provision for expenses			
Auditor's fees	12.4.2.1	345,000	287,500
Office maintenance		750,000	500,000
Motor vehicle expenses		200,000	150,000
Printing and stationery		105,000	112,500
		<u>1,400,000</u>	<u>1,050,000</u>
12.4.2.1 Auditor's fees			
Statutory		172,500	115,000
IPFF		115,000	115,000
Corporate Governance		57,500	57,500
		<u>345,000</u>	<u>287,500</u>
12.4.3 Other payables			
Suspense receipt-others		41,136,112	-
Withholding tax		14,748,120	12,281,002
		<u>55,884,232</u>	<u>12,281,002</u>
13 Share capital			
Authorized capital			
500,000,000 ordinary shares of Taka 10 each		<u>5,000,000,000</u>	<u>5,000,000,000</u>
Issued, subscribed and fully paid up capital:			
113,836,800 ordinary shares of Taka 10 each		<u>1,138,368,000</u>	<u>1,138,368,000</u>
		<u>1,138,368,000</u>	<u>1,138,368,000</u>
		<u>Taka</u>	<u>Taka</u>
Sponsor shareholders	% of Holding	Number of shares	
Local	6.01	6.01	68,375,880
Foreign	7.81	3.91	88,935,000
Company	33.42	33.41	380,412,680
	47.24	43.33	537,723,560
General:			
Institutions	-	-	-
	-	-	-
	32.56	33.10	370,666,990
	32.56	33.10	370,666,990
Individuals:			
General public	20.05	22.22	228,187,950
	20.05	22.22	228,187,950
Foreign investors	0.15	1.35	1,789,500
	0.15	1.35	1,789,500
Total holdings	100.00	100.00	<u>1,138,368,000</u>
			<u>1,138,368,000</u>

Shareholding range on the basis of shareholdings at 31 December 2014:

	Number of shareholder	Number of share	In percentage
Range of shareholding			
01 - 500	9,417	1,400,301	0.01
501 - 5,000	4672	7,629,429	0.07
5,001 - 10,000	430	3,116,305	0.03
10,001 - 20,000	207	2,836,341	0.02
20,001 - 30,000	53	1,280,536	0.01
30,001 - 40,000	36	1,247,736	0.01
40,001 - 50,000	35	1,573,307	0.01
50,001 - 100,000	40	2,904,840	0.03
100,001 - 1,000,000	80	91,848,005	0.81
1,000,000 and above	0	-	-
	14,970	113,836,800	1.00

13.1 Name of the Directors, sponsors shareholders and their shareholding as on 31 December 2014

Sl. No.	Name	Position	2014		2013	
			Total No. of Shares	Total Value	Total No. of Shares	Total Value
1	Mr. Rasidul Hasan	Chairman	394,430	3,944,300	394,430	3,944,300
2	Mr. Matiur Rahman	Vice Chairman	553,665	5,536,650	553,665	5,536,650
3	Mr. Jakir Hossain	Company Secretary	-	-	-	-
4	Mr. Mujibur Rahman	Nominee Director	2,367	23,670	2,367	23,670
5	Mr. A J Masudul Haque Ahmed	Executive Director	16,776	167,760	36,776	367,760
6	Mr. N.G. Chine Keong	Sponsor	4,446,750	44,467,500	4,446,750	44,467,500
7	Ms. N.G. Chine Keong	Sponsor	4,446,750	44,467,500	4,446,750	44,467,500
8	Uttara Automobiles Ltd.	Sponsor	8,897,090	88,970,900	8,897,090	88,970,900
9	Uttara Automobiles Manufactures Ltd.	Sponsor	13,371,942	133,719,420	133,371,942	133,719,420
10	Uttara Apparels Ltd.	Sponso	9,960,720	99,607,200	9,960,720	99,607,200
11	Uttara Motors Ltd.	Sponsor	5,811,516	58,115,160	5,811,516	58,115,160
12	Mr. Mehdadur Rahman	Sponsor	2,279,196	22,791,960	2,279,196	22,791,960
13	Ms. Zakia Rahman	Sponsor	2,279,196	22,791,960	2,279,196	22,791,960
14	Ms. Tahmina Rahman (Tina)	Sponsor	2,279,196	22,791,960	2,279,196	22,791,960
Total			54,759,594	54,759,594	502,737,010	543,651,640

13.2 Capital Adequacy Ratio (CAR):

"As per section 4(gha) of the Financial Institution Rule 1994, the minimum paid up capital of the Financial institution (FI) shall be Tk. 100 crore; provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined by the Bangladesh Bank under the Risk-Based Assets of the company.

The surplus eligible capital of the company close of business on December 31, 2014 were Tk 758,235,732 respectively."

	Notes	2014 Taka	2013 Taka
Details are shown below:			
Core Capital (Tier-1)/Shareholders Equity			
Paid up capital		1,138,368,000	1,138,368,000
Share premium		528,000,000	528,000,000
Statutory reserves		1,096,732,265	1,061,429,327
General Reserves		1,500,000,000	1,300,000,000
Dividend equalizations reserves		600,000,000	500,000,000
Retained earnings		55,434,667	555,733,313
Non-controlling interest		-	-
(A) Sub- Total		4,918,534,932	5,083,530,640
Supplementary capital (Tier - II)			
General provision (Unclassified)			
loan up to specified		401,200,000	300,600,000
Assets Revaluation Reserves up to 50%		-	-
Revaluation Reserve for Securities up to 45%		-	-
All others preference shares		-	-
Others (if any other item approved by Bangladesh Bank)		-	-
(B)Sub-Total		401,200,000	300,600,000
(C)Total eligible capital		5,319,734,932	5,384,130,640
Total assets including off-balance sheet exposures		-	-
(D) Total risk weighted assets		36,022,400,000	27,501,800,000
(E) Required capital based on risk weighted assets (10% on D)		3,602,240,000	2,750,180,000
(F) Surplus (A-E)		1,316,294,932	2,333,350,640
Capital Adequacy Ratio (%)		17.78%	21.39%

*Limited to 1.25% of RWA as per CAMD guideline.

14 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 2014 has been transferred to Statutory Reserve Fund amounting to Taka 35,302,938

Balance on 1 January	1,061,429,327	890,863,440
Transfer during the period	35,302,938	170,565,887
Balance at 31 December	1,096,732,265	1,061,429,327

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

15 General reserve

Balance on 1 January	1,300,000,000	1,100,000,000
Transfer during the period	200,000,000	200,000,000
Balance at 31 December	1,500,000,000	1,300,000,000

	Notes	2014 Taka	2013 Taka
16 Share Premium		528,000,000	528,000,000
This represents Tk. 528,000,000 receipt from the shareholders @ Tk. 20 per share on 2,640,000 shares at the time of Right issue.			
17 Retained earnings			
Opening balance		555,733,313	982,136,639
Add: Net profit after taxation		176,514,692	59,741,425
Add: Prior year adjustment of MBU profit (2013 : Restated)		-	534,885,136
Less: Transfer to statutory reserve		35,302,938	170,565,887
Less: Transfer to general reserves		200,000,000	200,000,000
Less: Transfer to Dividend equalisation fund		100,000,000	100,000,000
Less: Tax provision (2013 : Restated)		-	240,000,000
Less: Issue of bonus share		-	103,488,000
Less: Cash dividend		341,510,400	206,976,000
		55,434,667	555,733,313
18 Income Statement			
Income:			
Interest, discount and similar income	18.1	2,814,124,370	2,971,436,042
Dividend income		7,110,170	1,824,727
Fees, commission and brokerage		28,437,050	23,972,418
Gains less losses arising from dealing in securities		176,657,829	16,744,986
Gains less losses arising from investment securities		-	-
Gains less losses arising from dealing in foreign currencies		-	-
Income from non-financial institutional assets		-	-
Other operating income		575,805,117	418,365,389
Profit less losses on interest rate changes		-	-
		3,602,134,536	3,432,343,562
Expenses:			
Interest paid on deposits, borrowings, etc		2,380,997,365	2,396,689,432
Losses on loans and advances		-	-
Administrative expenses	18.2	148,116,275	126,345,258
Other operating expenses		24,707,824	20,407,484
Depreciation and repairs of company's assets		20,102,488	19,317,420
		2,573,923,952	2,562,759,594
		1,028,210,584	869,583,968
18.1 Interest, discount and similar income			
Interest income		2,814,124,37	2,971,436,042
		2,814,124,370	2,971,436,042

		2014	2013
	Notes	Taka	Taka
18.2 Administrative expenses			
Salary and allowances		82,279,792	71,724,591
Rent, taxes, insurance, electricity, etc	25	33,560,845	25,852,458
Legal expenses	26	2,055,918	2,649,958
Postage, stamp, telecommunication, etc	27	99,598	124,732
Stationery, printings, advertisements, etc	28	7,281,149	4,398,688
Managing Director's salary and allowances	29	11,650,000	11,650,000
Directors' fees	30	461,798	407,889
Auditors' fees	31	345,000	287,500
Other (M.B.Unit)		10,382,175	9,249,442
		<u>148,116,275</u>	<u>126,345,258</u>

19 Interest Income			
Interest income on lease finance		1,526,457,954	1,857,817,944
Interest income on term finance		943,406,618	802,271,422
Interest income on merchant banking unit (2013 : Restated)		94,983,282	67,853,967
Interest income on FDR		190,911,225	243,492,709
Interest income on other sources		58,365,291	-
		<u>2,814,124,370</u>	<u>2,971,436,042</u>

Restatement of interest income amounting to Taka 67,853,967 from Merchant Banking Unit set off with Interest expense now reclassified to interest income of 2013.

20 Interest Paid on Deposits, Borrowings, etc			
Interest on term deposits (2013 : restated)		1,340,451,552	1,421,759,272
Interest on loan from financial institutions (20.1)		678,329,114	753,275,543
Interest on Short term loan		53,791,549	10,182,606
Interest on coupon bond		213,077,243	143,070,821
Interest on call money		364,306	547,223
		<u>2,286,013,764</u>	<u>2,328,835,465</u>

In 2013 income from Merchant Banking unit amounting to Taka 602,739,103 were inadvertently set off against interest expenses now reclassified

	Notes	2014 Taka	2013 Taka
20.1 Interest on loan from financial institutions			
Mercantile Bank Limited	58,463,819	13,075,668	
Uttara Bank Limited	35,405,671	59,017,571	
BRAC Bank Limited	37,481,127	45,923,810	
Basic Bank Ltd.	-	5,760,598	
United Commercial Bank Limited	46,267,216	51,136,693	
Prime Bank Limited	31,747,557	60,117,116	
Social Investment Bank Limited	17,821,893		
Pubali Bank Limited	30,771,581	36,232,268	
Shahjalal Bank Limited	61,239,431	38,767,500	
Bank Alfalah Limited	6,189,141	1,750,000	
Standard Bank Limited	23,257,160	35,483,958	
Exim Bank Limited	16,838,409	9,957,335	
Southeast Bank Limited	3,713,096	29,662,000	
State Bank of India Limited	2,046,518	8,295,114	
Standard Chartered Bank Ltd.	-	9,699,836	
Commercial Bank of Ceylon	19,415,816	32,670,325	
Dhaka Bank Limited	16,587,157	30,167,366	
Bangladesh Commerce Bank Limited	3,712,250	5,845,847	
National Bank Limited	27,014,616	50,407,028	
Dutch Bangla Bank Limited	46,781,957	10,178,529	
Mutual Trust Bank Ltd.	45,357,520	63,876,099	
Premier Bank Ltd.	43,237,321	42,185,678	
Bank Asia Ltd.	46,226,782	24,385,522	
UBICO	1,596,152	14,373,459	
The Trust Bank Ltd.	-	12,508,526	
Refinance from Bangladesh Bank	26,392,920	23,470,119	
IPFF from Bangladesh Bank	4,729,009	6,700,319	
IFIC Bank Ltd.	-	5,506,159	
Islami Bank Bangladesh Ltd.	4,575,320	24,429,434	
NCC Bank Ltd.	21,459,675	1,691,667	
	<u>678,329,114</u>	<u>753,275,543</u>	
21 Investment Income			
Bills	-	-	
Treasury bills	108,527,931	-	
Notes	-	-	
Bond	-	-	
Share	2,259,218	5,307,916	
Others	-	509,500	
	<u>110,787,149</u>	<u>5,817,416</u>	
22 Commission, Exchange and Brokerage	-	-	

	Notes	2014 Taka	2013 Taka
23 Other Operating Income			
Commission from letter of credit		695,612	1,237,453
Interest during construction period		219,462,286	127,422,097
Lease income earned		22,078,216	1,426,740
Interest on short term loan		10,626,178	1,729,167
Delinquent charges		25,774,566	27,004,000
Interest on call money		19,207,361	25,876,903
Service charge		2,133,820	2,530,044
Miscellaneous receipts		23,997,784	824,075
		<u>323,975,823</u>	<u>188,050,479</u>
24 Salary and Allowances		<u>82,279,792</u>	<u>71,724,591</u>
25 Rent, Taxes, Insurance, Electricity, etc			
Rent, rates and taxes		5,269,544	3,144,153
Power and electricity		2,516,366	2,142,618
Other maintenance		25,774,935	20,565,687
		<u>33,560,845</u>	<u>25,852,458</u>
26 Legal Expenses			
Legal expenses		425,550	522,300
Other professional charges		1,630,368	2,127,658
		<u>2,055,918</u>	<u>2,649,958</u>
27 Postage, Stamps, Telecommunication, etc			
Postage & courier		99,598	124,732
Revenue stamps		-	-
Telecommunication and internet etc		-	-
		<u>99,598</u>	<u>124,732</u>
28 Stationery, Printings, Advertisements, etc			
Stationery & printing		2,747,169	3,235,733
Advertisement and publicity		4,533,980	1,162,955
		<u>7,281,149</u>	<u>4,398,688</u>
29 Managing Director's Salary and Allowances			
Basic pay		6,600,000	6,600,000
Allowance		2,400,000	2,400,000
Bonus		2,650,000	2,650,000
		<u>11,650,000</u>	<u>11,650,000</u>
In addition to remuneration, he is also provided with company's cars and cell phone.			
30 Directors' Fees			
Honorarium for attending meeting		315,000	290,000
Incidental expenses for attending meeting		146,798	117,889
		<u>461,798</u>	<u>407,889</u>

Each Director is paid Taka 5,000 per meeting per attendance as per DFIM circular letter no. 03 dated 24 February 2010.

		2014 Taka	2013 Taka
31	Auditor's Fees		
	Statutory audit	172,500	115,000
	Other audit	172,500	172,500
		<u>345,000</u>	<u>287,500</u>
31.1	Other audit		
	IPFF	115,000	115,000
	Corporate Governance	57,500	57,500
		<u>172,500</u>	<u>172,500</u>
32	Depreciation and Repair of Company's Assets		
	Depreciation (Annex A)	17,591,801	17,150,817
	Repairs and maintenance	2,510,687	2,166,603
		<u>20,102,488</u>	<u>19,317,420</u>
32.1	Repairs and maintenance		
	For premises and vehicles	1,986,267	1,573,159
	For computer and computers accessories	227,410	188,220
	Others	297,010	405,224
		<u>2,510,687</u>	<u>2,166,603</u>
33	Other Expenses		
	Travelling, conveyance and labour	735,810	950,555
	Subscriptions and donation	7,782,060	1,560,791
	Entertainment	683,560	648,904
	Training and internship	71,000	76,500
	Car expenses	4,476,191	4,383,641
	AGM expenses	3,769,336	3,822,600
	Books and periodicals	75,490	58,966
	Utilities	2,478,990	4,320,579
	Amortisation of Zero Coupon Bond issue expenses	237,500	-
	Repossessing expenses	2,786,208	2,798,383
	Levies	1,611,679	1,786,565
		<u>24,707,824</u>	<u>20,407,484</u>
33.1	Travelling, conveyance and labour		
	Travelling		
	Domestic	203,142	327,423
		<u>203,142</u>	<u>327,423</u>
	Foreign	8,352	43,000
		<u>8,352</u>	<u>43,000</u>
	Total travelling	<u>211,494</u>	<u>370,423</u>
	Conveyance	524,316	580,132
		<u>524,316</u>	<u>580,132</u>
	Total	<u>735,810</u>	<u>950,555</u>

	Notes	2014 Taka	2013 Taka
33.2 Subscription and Donation			
Donation		6,897,470	248,523
DSE and CSE		200,000	710,464
Trade license		44,255	56,535
Asian leasing association fees		39,335	19,742
Bangla leasing association fees		210,000	200,000
CDBL charges		212,000	129,127
National credit rating		120,000	120,000
RJSC		20,000	32,900
BAPLC membership fees		30,000	30,000
Bankers club		9,000	13,500
		<u>7,782,060</u>	<u>1,560,791</u>
33.3 Entertainment			
Office entertainment		241,218	305,154
Client entertainment		442,342	343,750
		<u>683,560</u>	<u>648,904</u>
33.4 Training expense			
General training		37,000	54,000
Local seminar		34,000	22,500
		<u>71,000</u>	<u>76,500</u>
33.5 Car expenses			
Car fuel		3,488,891	3,231,456
Garage rent		195,500	160,700
Vehicle parking tolls		41,930	35,264
Vehicle insurance		289,605	409,042
Vehicle fitness		49,805	9,934
Vehicle tax token		113,450	127,021
Others		297,010	410,224
		<u>4,476,191</u>	<u>4,383,641</u>
33.6 Books and periodicals			
Daily newspaper bill		63,170	45,466
Books		12,320	13,500
		<u>75,490</u>	<u>58,966</u>
33.7 Utilities			
Gas		2,478,990	4,320,579
Water		-	-
		<u>2,478,990</u>	<u>4,320,579</u>

	Notes	2014 Taka	2013 Taka
33.8 Repossessing expenses			
Travelling and conveyance		132,515	90,645
Advertisement		210,409	303,931
Court fee		6,830	3,500
Thana, police station		42,000	-
Vehicle repossessing bill		1,772,361	1,865,333
Garage Rent		144,672	133,725
Accommodation and fooding		161,705	113,607
Recovery expense others		315,716	287,642
		<u>2,786,208</u>	<u>2,798,383</u>
33.9 Levies			
Bank charges		353,180	420,571
Levies excise duties, commissions etc.		1,046,570	1,254,510
Outside bank charges		211,929	111,484
		<u>1,611,679</u>	<u>1,786,565</u>
34 Provision against leases, loan and advances			
Provision for classified loans, advances and leases		328,951,767	277,535,546
Provision for unclassified loan, advances and leases		329,836,061	218,680,356
		<u>658,787,828</u>	<u>496,215,902</u>
Less: Last year provision			
Provision for classified loans, advances and leases		277,535,546	169,305,722
Provision for unclassified loan, advances and leases		218,680,356	200,356,726
		<u>496,215,902</u>	<u>369,662,448</u>
Provision made during the year		<u>162,571,926</u>	<u>126,553,454</u>
35 Provision for diminution in value of investments			
Investment in securities			
In quoted shares		73,919,204	(24,913,788)
In unquoted shares		-	-
		<u>73,919,204</u>	<u>(24,913,788)</u>
36 Other Provisions			
Transfer price written off		59,806,776	-
Margin loan (negative equity)		195,397,986	568,202,877
Balance on 31st December (2013 : restated)	39	<u>255,204,762</u>	<u>568,202,877</u>
The provision of Taka 568,202,877 against 2013 negative equity on margin loan has been created this year through restatement of 2013 figures.			

	Notes	2014 Taka	2013 Taka
37 Earning per share			
Basic earnings per share have been calculated as follows:			
a) Earnings attributable to ordinary shares (net profit after tax)		176,514,692	59,741,425
b) Weighted average number of ordinary shares outstanding during the year		113,836,800	113,836,800
Earning per share - (2013 : Restated)		1.55	0.52
(i)	Restated EPS for 2013 Tk 0.52 is significantly lower than 2013 reported EPS Tk 7.49 mainly due to creation of provision on earlier year's negative equity on margin loan which was inadvertently not considered in the reported financial for 2013.		
(ii)	Lower EPS for current year is due to creating of further provision of Tk 195,397,986 on accounts of negative equity on margin loan.		

38 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 2014 as follows:

Name of the related party	Transaction nature	Relationship	Balance as at January 1, 2014	Addition	Adjustment	Balance at year end receivable/ (Payable) Taka
			Taka	Taka	Taka	
Uttara Motors Ltd.	Term deposit	Sponsor	117.92	208.26	83.38	243
Uttara Apparels Ltd.	Term deposit	Sponsor	12.13	5.29	12.13	5
Uttara Automobile Manufacture Ltd.	Term deposit	Sponsor	16.87	16.47	8.23	25
Uttara Motors Corporation Ltd.	Term deposit	Sponsor	9.88	51.34	1.93	59
Uttara Automobile Ltd	Term deposit	Sponsor	18.19	22.54	8.96	32

39 The summary of restated figures.

SL No.	Description	2013 Reported	Restated	Prior year adjustment (Expenses) / Income	Remarks
1	Interest income	2,903,582,075	2,971,436,042	67,853,967	2013 interest income from MBU set off with Interest expense instead of showing as interest income of 2013.
2	Retained earning		534,885,136	534,885,136	Pre 2013 interest income from MBU set off with Interest expense instead of showing as prior year adjustment in Retained Earnings of 2013.

SL No.	Description	2013 Reported	Restated	Prior year adjustment (Expenses) / Income	Remarks
3	Interest paid on deposits, borrowings, etc	1,726,096,362	2,328,835,465	(602,739,103)	In 2013 income from Merchant Banking unit were inadvertently set off against interest expenses showing above now reclassified.
4	Other provisions (Margin Loan)		568,202,877	(568,202,877)	Provision created against negative equity margin loan of 2013.
5	Retained earning (Adjusted prior income tax)		240,000,000	(240,000,000)	Provision created against prior year's tax liability on pre 2013 interest from MBU.
6	Provision for income tax	450,000,000	140,000,000	310,000,000	Reclassification of Tax provision with prior year's tax liability amounting to Taka 240,000,000 and release of surplus tax provision amounting to Taka 70,000,000 relating to 2013.
	Total			(498,202,877)	

40 Number of employees

The Company paid an aggregate amount more than Tk 24,198,828 Per annum to 127 employees and more than Tk 47,860,536 per month to 38 employees who were in employment for full year or part of the year.

41 Subsequent events

Dividend for the year 2013

The Board of Directors at the 108th Board meeting held on March 02, 2014, recommended to the shareholders 30% cash dividend (amounting to Tk 34,15,10,400). This will be considered for approval by the shareholders at the 19th Annual General Meeting (AGM) to be held on 30 April 2014.

42 General

- 42.1 The Company publishes its quarterly accounts as per the Securities and Exchange Commission (SEC) Notification No. SEC/CMRRCD/2008-183/Admin/03-34, dated September 27, 2009.
- 42.2 The Company does not have any restriction on distribution and payment of dividends.
- 42.3 During the year under report, no matters were submitted to a vote of shareholders of the Company.
- 42.4 Previous year's figures have been rearranged where necessary to confirm to current year's presentation.
- 42.5 Wherever considered necessary previous year's figures have been rearranged, in order to conform to current year's presentation, without any impact on the profit and value of assets and liabilities as reported in the Financial Statements.
- 42.6 Figures appearing in these Financial Statements have been rounded off to the nearest Taka.

43 Highlights on the Overall Activities

This has been presented in Annex A.



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Highlights on the Overall Activities

Annexure-A
(Taka in million)

Sl no.	Particulars	2014	2013
1	Paid-up Capital	1,138,368,000	1,138,368,000
2	Total Assets	28,306,408,256	23,356,960,878
3	Total Deposits	10,368,944,199	9,228,098,424
4	Total Loans and Advances	20,925,015,691	18,062,115,382
5	Total Contingent Liabilities and Commitments	-	-
6	Credit Deposit Ratio	201.92%	195.73%
7	Percentage of Classified Loans Against Total Loans and Advances	5.07%	4.64%
8	Profit After Tax and Provision	176,514,692	59,741,425
9	Amount of Classified Loans During Current Year	1,061,305,789	838,223,997
10	Provisions Kept Against Classified Loans	354,821,710	277,535,546
11	Provision Surplus against classified loan	-	-
12	Cost of Fund	9.03%	11.61%
13	Interest Earnings Assets	20,925,015,691	18,062,115,382
14	Non-interest Earnings Assets	7,381,392,565	5,294,845,496
15	Return on Investment (ROI)	0.84%	0.33%
16	Return on Assets (ROA)	0.62%	0.26%
17	Income from Investment	110,787,149	5,817,416
18	Earnings per Share	1.55	0.52
19	Net Income per Share	1.55	0.52
20	Price Earnings Ratio	48.30	157.58

Schedule of Fixed Deposits

As on 31 December 2014

Annexure-B

Serial No.	Name of Bank	Opening	Additions	Interest Received	Source Tax	Excise Duty	Net Interest Received	Withdrawals	Closing Balance	Accrued Interest
1	AB Bank Limited	-	15,000,000.00	18,845,178.79	-	-	-	-	15,000,000.00	80,000.00
2	Bangladesh Commerce Bank Ltd.	200,000,000.00	150,000,000.00	6,730,740.63	1,894,517.88	10,000.00	16,950,660.91	150,000,000.00	200,000,000.00	2,518,055.56
3	Commercial Bank of Ceylon PLC	89,132,929.42	4,028,920.05	31,416,131.74	673,074.06	62,000.00	5,995,666.57	50,000,000.00	43,161,849.47	845,252.89
4	EXIM Bank Ltd.	100,000,000.00	564,435,340.62	135,890.40	3,141,613.17	15,000.00	28,259,518.57	150,000,000.00	514,435,340.62	6,556,779.76
5	Habib Bank Limited	-	10,000,000.00	715,623.00	13,589.04	-	122,301.36	-	10,000,000.00	82,222.22
6	IFC Bank Ltd.	-	165,000,000.00	15,206,250.00	71,562.30	10,000.00	634,060.70	-	165,000,000.00	312,916.67
7	Midland Bank Ltd.	-	350,000,000.00	2,437,500.00	1,520,625.00	15,000.00	13,670,625.00	50,000,000.00	300,000,000.00	5,672,222.22
8	National Bank Limited	-	100,000,000.00	25,179,341.00	243,750.00	-	2,193,750.00	-	100,000,000.00	1,375,000.00
9	Social Islami Bank Ltd.	140,000,000.00	360,000,000.00	521,875.00	2,517,934.10	40,000.00	22,621,406.90	240,000,000.00	260,000,000.00	4,381,527.78
10	Southeast Bank Ltd.	5,000,000.00	10,000,000.00	11,250,000.00	52,187.50	1,000.00	468,687.50	-	15,000,000.00	153,819.44
11	SBAC Bank Ltd.	100,000,000.00	250,000,000.00	1,375,000.00	1,125,000.00	-	10,125,000.00	-	350,000,000.00	4,609,027.78
12	The City Bank Ltd.	50,000,000.00	60,000,000.00	543,866.02	137,500.00	32,000.00	1,205,500.00	50,000,000.00	60,000,000.00	982,916.67
13	Shahjalal Bank Ltd.	10,000,000.00	-	6,877,656.25	54,386.60	10,000.00	479,479.42	10,000,000.00	-	-
14	Prime Bank Ltd.	10,000,000.00	400,000,000.00	9,298,727.00	687,765.63	25,000.00	6,164,890.63	410,000,000.00	-	-
15	Mutual Trust Bank Ltd.	97,274,639.00	60,000,000.00	120,000.00	929,872.70	31,000.00	8,337,854.30	157,274,639.00	-	-
16	DBH Finance Corporation Ltd.	2,000,000.00	-	2,875,000.00	12,000.00	2,000.00	106,000.00	2,000,000.00	-	-
17	Dhaka Bank Ltd.	100,000,000.00	553,037,500.00	20,779,727.00	287,500.00	20,000.00	2,567,500.00	100,000,000.00	303,037,500.00	3,268,738.19
18	The Farmers Bank Ltd.	50,000,000.00	30,000,000.00	2,531,250.00	2,077,972.70	40,000.00	18,661,754.30	300,000,000.00	-	-
19	First Security Bank	-	200,000,000.00	10,625,000.00	-	5,000.00	2,526,250.00	30,000,000.00	-	-
20	Premier Bank	-	200,000,000.00	5,562,500.00	-	20,000.00	10,605,000.00	200,000,000.00	-	-
21	NRB Commercial Bank	-	100,000,000.00	300,000.00	-	30,000.00	5,532,500.00	200,000,000.00	-	-
22	NRB Global Bank	-	5,000,000.00	300,000.00	-	10,000.00	2,990,000.00	100,000,000.00	-	-
23	Lanka Bangla Finance	-	100,000,000.00	-	-	1,000.00	299,000.00	5,000,000.00	-	-
24	United-Commercial Bank Ltd.	20,000,000.00	100,000,000.00	-	-	11,000.00	(11,000.00)	20,000,000.00	100,000,000.00	1,100,000.00
Total:		973,407,568.42	3,686,501,760.67	176,327,256.83	15,430,850.68	390,000.00	160,506,406.15	2,224,274,639.00	2,435,634,690.09	31,938,479.17

Interest Received	176,327,256.83
less: Int. Receivable for 2013	(17,354,511.00)
add: Int. Receivable for 2014	31,938,479.17

Interest Income for 2014 **190,911,225.00**



UTTARA FINANCE AND INVESTMENTS LIMITED

Share Department
Uttara Centre (11th Floor), 102 Shahid Tajuddin Ahmed Sarani
Tejgaon, Dhaka-1208, Bangladesh

PROXY FORM

I/we (name).....
of (address)
being a member of Uttara Finance and Investments Limited and a holder(s) of shares against
registered folio/BO A/c no.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

 hereby appoint
Mr./Ms..... of (address)

.....as my/our proxy to attend and vote for me/us and on my/our behalf at the 20th (twentieth)
Annual General Meeting of the Company to be held on Wednesday, July 29, 2015 at 10.30 a.m. and at any adjournment
thereof.

Signature of the member

Date

Signature of proxy

Date

Please affix
Revenue
Stamp
Tk. 20.00

Notes:

- 1.00 Proxy form duly completed signed and stamped must be deposited at the **Share Department** of the Company 72 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.



UTTARA FINANCE AND INVESTMENTS LIMITED

Venue, Date & Time of AGM
Spectra Convention Centre
House # 19, Road # 7, Gulshan-1, Dhaka-1212, Bangladesh
Wednesday, July 29, 2015 at 10.30 a.m.

ATTENDANCE SLIP

I hereby record my attendance at the 20th (twentieth) Annual General Meeting of Uttara Finance and Investments Limited
as a holder(s) 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**

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 complete the checking formalities in between from 8:30 a.m. to 10:30 a.m. The checking counters will be closed at 10:30 a.m.



www.uttarafinance.biz

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