

Annual Report 2015

improving future...

integrated
business
solutions...



UTTARA FINANCE
AND INVESTMENTS LIMITED

improving future...

Together with our investment professionals, we are uniquely positioned to shape a trustworthy financial industry. Our goal is to provide tools to motivate and empower the country of finance to become an environment where investors interests come first, markets function at their best, and economies grow.

We're here to help business specialized in providing innovative financing solutions for our customers. More than just a finance company, Uttara Finance offers you the most competitive and flexible financing to benefit from it's activities. Our financing solutions support your business goals and needs, both now and in the future.

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 for improving their future 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 improving the future of the nation.

CONTENTS

Welcome to the world of reports, statements and detailed information of
Uttara Finance and Investments Limited for the year ended 31 December 2015

1 OVERVIEW AND REVIEW OF PERFORMANCES

- 04 Letter of Transmittal
- 05 Invitation from the Chairman
- 06-07 Notice of the twenty first
Annual General Meeting
- 08 Background
- 09 Nature, Ultimate Goal, Corporate Attitude
- 10-11 Mission, Vision, Principles & Objective
- 12 Strength, Strategy, Values we carry
- 13 Code of Conduct and Ethics
- 14 Company Chronicles
- 15 Company Information
- 16 Membership and Bankers
- 17 Products and Services
- 18-23 Capital and Shareholding Structures
- 24-25 Return from Investment in
Shares of UFIL
- 26-27 Financial Performances
- 28-29 Historical Database
- 30 Income and Utilization thereof 2015
- 31-38 Analysis of performances 2015
- 39-41 Graphical presentation
of performances

2 GOOD GOVERNANCE REPORT

- 42 Board of Directors
- 43-44 Structure and Operation
of Board of Directors
- 45-48 Different committee of
Board and Management
- 49-55 Directors' profile
- 56-57 Organogram
- 58 Management
- 59-60 Report on Human Resources

3

REPORT ON SUSTAINABILITY DEVELOPMENT

- 61-68 Risk Management
- 69-71 Chairman's Report
- 72-73 Message from Managing Director
- 74-86 Report of the Board of Directors
- 87-88 Report of the Audit Committee
- 89-91 Report on Fund Management
- 92-97 Internal Control
- 98-101 Report on Going Concern
- 102-118 Corporate Governance
- 119-121 Value Added Statements
- 122 Financial highlights as per Bangladesh Bank format
- 123-124 Growth over the last ten years
- 125-126 Different growths over previous year
- 127 Contribution to GDP
- 128 Major Corporate Clients
- 129-133 Pictures of Different Activities

4

AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS

- 134-135 Auditors' Report to the Shareholders
- 136-143 Financial Statements
- 144-173 Notes to the Financial Statements
- 174 Highlights on the Overall Activities

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, 2015

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, 2015 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.

'Notice of AGM-2016', 'Proxi Form' and 'Attendance Slip' also enclosed here with for doing needful and kind necessary action.

Thanking You.

Sincerely Yours,



Md. Jakir Hossain, FCA
SEVP & Company Secretary

Dhaka, Wednesday, April 27, 2016

LETTER OF INVITATION FROM THE CHAIRMAN

Dear Shareholders,

I extend a warm invitation to you to attend the 21st Annual General Meeting of Uttara Finance and Investments Limited to be held on Monday, May 30, 2016 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 21st 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, May 26, 2016 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, April 27, 2016

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the 21st (twenty-first) Annual General Meeting of Uttara Finance and Investments Limited will be held on Monday, May 30, 2016 at 10:30 am in Spectra Convention Centre, House # 19, Road # 7, Gulshan-1, Dhaka-1212, Bangladesh to transact the following business:

AGM 2016	21-01	Adoption of Directors' Report, Auditors' Report and audited Financial Statements for the year ended 31 December 2015;
AGM 2016	21-02	Declaration of Dividend for the year 2015;
AGM 2016	21-03	Re-appointment of Directors;
AGM 2016	21-04	Appointment of external Auditors and fixation of remuneration;
AGM 2016	21-05	Fresh contract with the Managing Director;
AGM 2016	21-06	Approval of re-appointment of Independent Directors;

By order of the Board



Md. Jakir Hossain, FCA
SEVP & Company Secretary
Wednesday, April 27, 2016

Notes:

01. The **Record Date** was Thursday, April 21, 2016
02. Shareholders whose names appeared 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 21st 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.
07. Annual Report for the year 2015, Attendance Slip and Proxy Form will be sent to all Members, regulatory bodies by courier service/post/hand to hand. The Members may also can collect the Attendance Slip and Proxy Form from Share Department or from website of the company www.uttarafinance.biz.

Share department address

Uttara Centre (11th Floor)
102 Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208
Ph.: 880-2-8170281-5, Fax: 880-2-8170277

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 2016 21-01 adoption of directors' report, auditors' report and audited financial statements for the year ended 31 december 2015

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 therein. For the year ended 31 December 2015 the Directors' Report, the audited Financial Statements and the Auditors Report therein is given in the Annual Report 2015 from page no. 74 to 86 and page no. 130 to 270 respectively.

Agenda - AGM 2016 21-02 declaration of dividend for the year 2015

The Board of Directors in its 121st meeting held on Tuesday, March 29, 2016 recommended 30% (thirty percent) cash dividend i.e. Tk. 3.00 (Taka three) for every share for the year 2015 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 names 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 Thursday, April 21, 2016 being the Record Date.

Agenda - AGM 2016 21-03 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. Matiur Rahman, Mr. Mehdadur Rahman and Mr. Kazi Imdad Hossain retired from their office and being eligible offered themselves for re-election.

Agenda - AGM 2016 21-04 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 K. M. Hasan & Co., Chartered Accountants has carried out the audit of the Company for the year 2015. 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 2016 to hold office from the conclusion of the 21st Annual General Meeting until the conclusion of the next 22nd 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 20th Annual General Meeting held in 2015 the auditors' remuneration for audit services paid to the auditors for the financial year ended 31 December 2015 amounting to Tk. 150,000/- plus VAT. As proposed by the Audit Committee, the Board in its 121st meeting held on Tuesday, March 29, 2016 recommended for appointment of M/S K. M. Hasan & Co., Chartered Accountants at a remuneration of Tk. 150,000/- plus VAT.

Agenda - AGM 2016 21-05 Fresh contract with Managing Director;

As per Section 110 sub section 1 of Companies Act 1994 "No Company shall, after commencement of this Act, appoint or employ any individual as its Managing Director for a term not exceeding five years at a time." and as per subsection 3 of section 110 of Companies Act 1994 the re-appointment, re-employment or extension of terms to be made with the consent of the Company in the General Meeting for a period maximum 5 years.

The Board of Directors in its 121st meeting held in Tuesday, March 29, 2016 unanimously recommended to go for fresh contract with the Managing Director for a period of five years with effect from July 01, 2016 subject to approval by the Shareholders in the 21st AGM.

Agenda - AGM 2016 21-06 Approval of re-appointment of Independent Directors;

As per condition no. 1.2 (i) of Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of Bangladesh Securities and Exchange Commission at least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors and as per condition no. 1.2 (iii) of the said notification the appointment of Independent Directors should be approved by the Shareholders in the Annual General Meeting.

As per condition no. 1.2 (vi) of the said notification 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.

The Board in its 121st meeting held on Tuesday, March 29, 2016 unanimously approved the proposal of re-appointment of Mr. Md. Showkat Hossain, FCA and Mr. A. T. K. M. Ismail, former Additional Secretary of Government of Bangladesh for a period of further three years subject to approval of the same by the Shareholders in the 21st AGM.



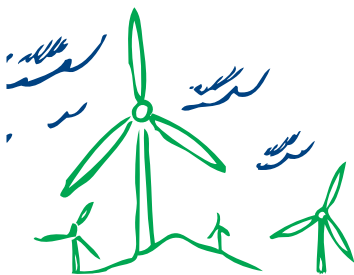
BACKGROUND

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

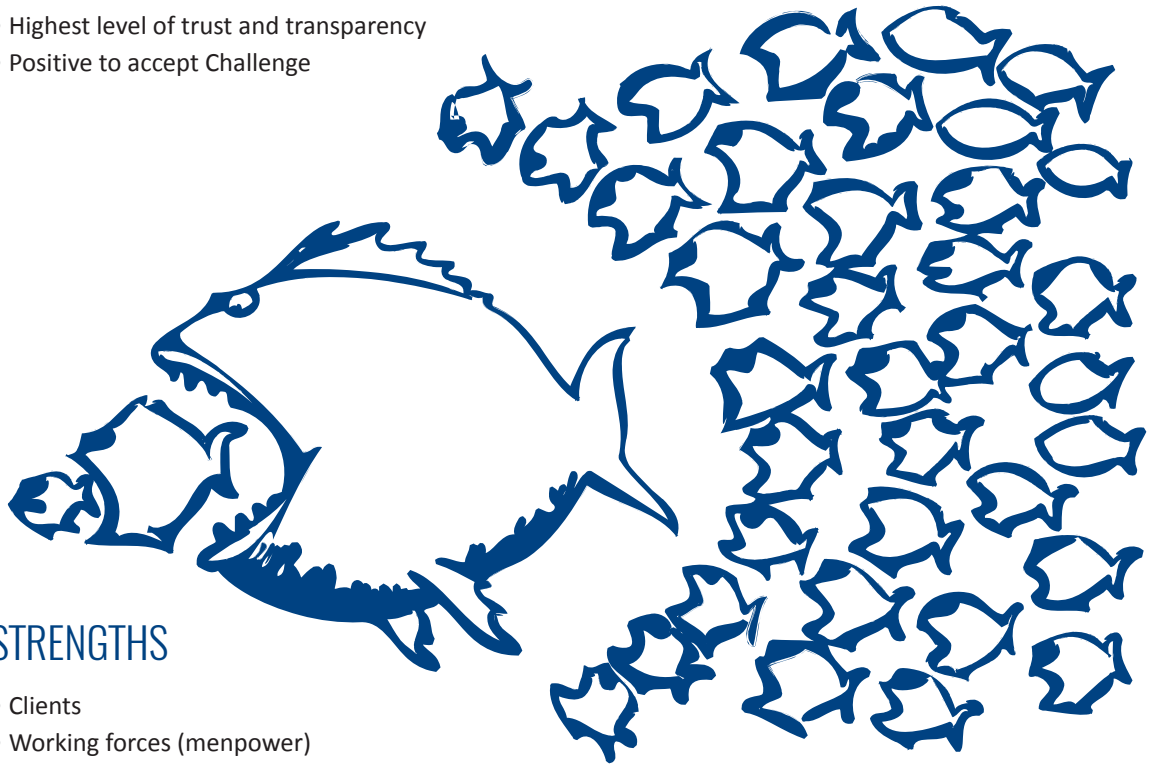
The objective of Uttara Finance and Investments Limited is to ensure sustainable operational growth to maximize the benefits for the valued shareholders. To achieve the desired targets through the skilled, trained, experienced and motivated management working hard with responsibility in financially disciplined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



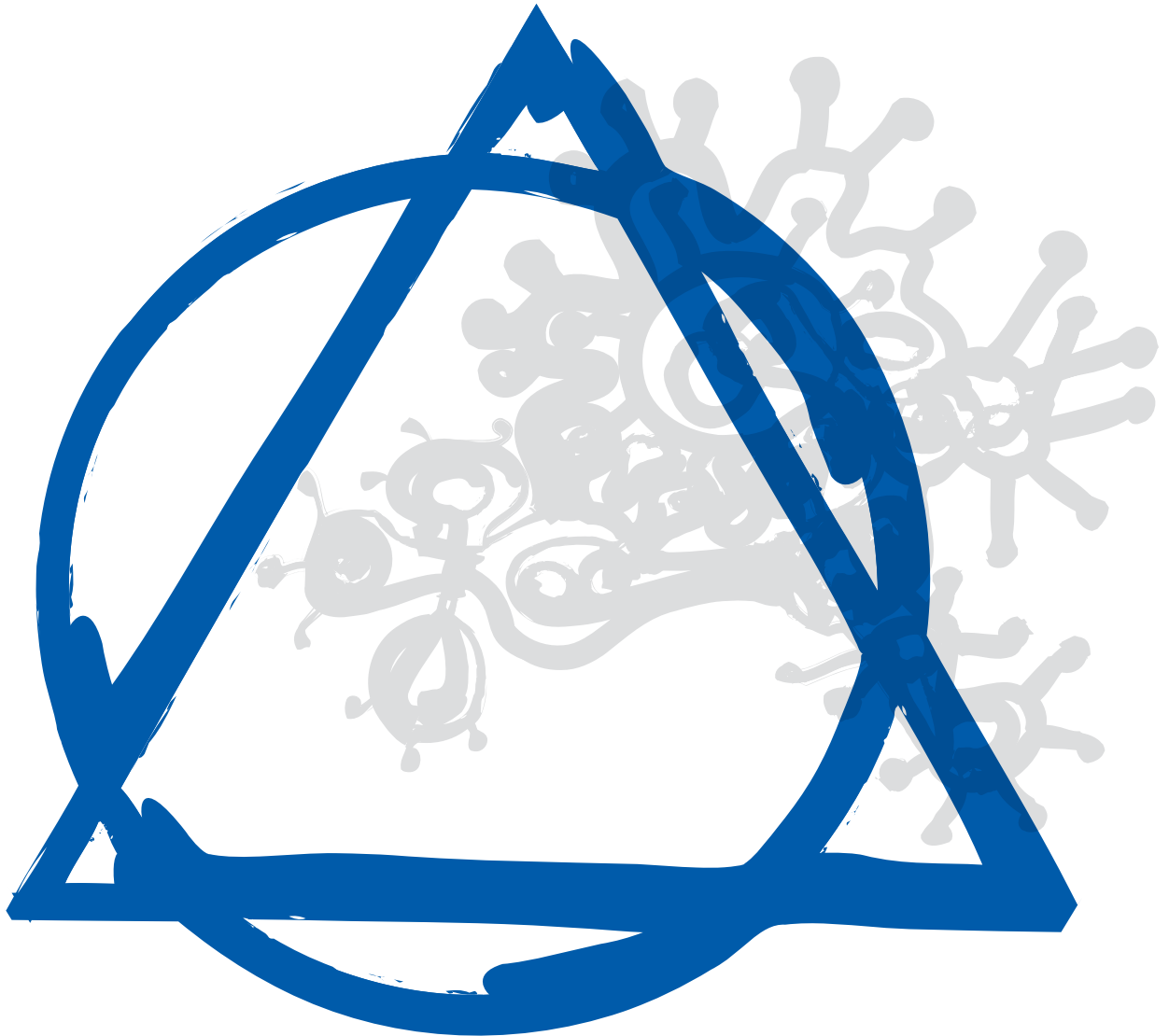
STRENGTHS

- Clients
- Working forces (menpower)
- 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 Committees
- 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 employees 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.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. Avt cñ (A-e'isilKs) ñe fIM/XiKiv/7/95

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: +880-2-8170281-5,

Fax: +880-2-8170277

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

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 Ceylon 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.

NRB Commercial Bank Ltd.

Union Bank Ltd.

Farmers Bank Ltd.

Modhumoti Bank Ltd.

Midland Bank Ltd.

NRB Global Bank Ltd.

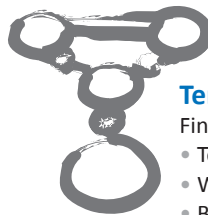
South Bangla Agriculture and Commerce Bank Ltd.

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.

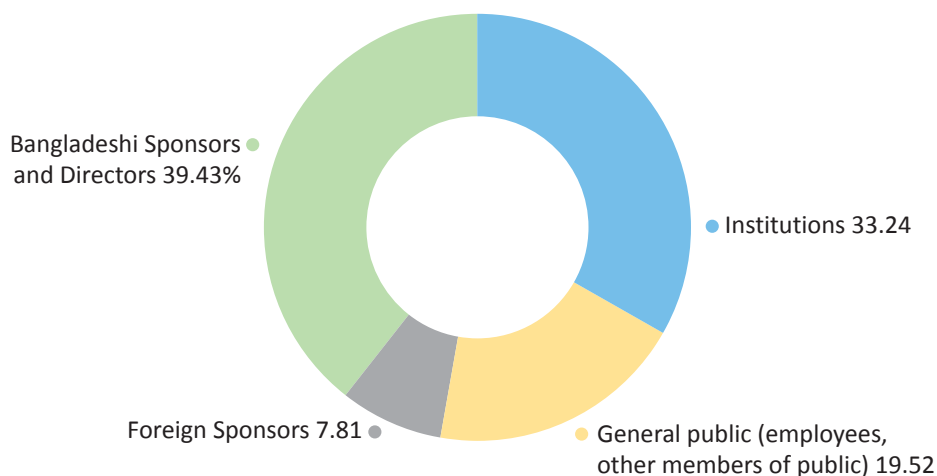


Term Deposits

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



As on 31 December 2015 the Authorized Capital of the Company is Tk. 5,000,000,000 (Taka five hundred crore) only and Paid-up capital is Tk. 1,252,204,800 (Taka one hundred twenty five crore twenty two lac four thousand eight hundred) only. The face value per share is Tk. 10 (Taka ten) only. The Paid-up capital of the Company consists only ordinary shares. Details of capital and shareholding structures are given below:

Capital	%	Taka
Authorized		
500,000,000 ordinary shares of Tk. 10 each		5,000,000,000
Issued, subscribed and paid up		
125,220,480 ordinary shares of Tk. 10 each		1,252,204,800
Shareholding Structure		
Bangladeshi Sponsors and Directors	39.43	493,667,380
Foreign Sponsors	7.81	97,828,500
General public (employees, other members of public)	19.52	244,463,900
Institutions	33.24	416,227,910
Foreign Investors	0.00	17,110

SHAREHOLDERS INFORMATION

in the 20th annual general meeting-2015

As per provision of Companies Act Uttara Finance and Investments Limited from its inception has been holding Annual General Meeting in each and every calender year without fail. In the year 2015 the 20th Annual General Meeting of Uttara Finance and Investments Limited was held on Wednesday, July 29, 2015 at Spectra Convention Centre (Queens Hall), House # 19, Road # 7, Gulshan-1, Dhaka-1212, Bangladesh at 10.30 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 124 nos. Shareholders for their kind presence in the meeting.



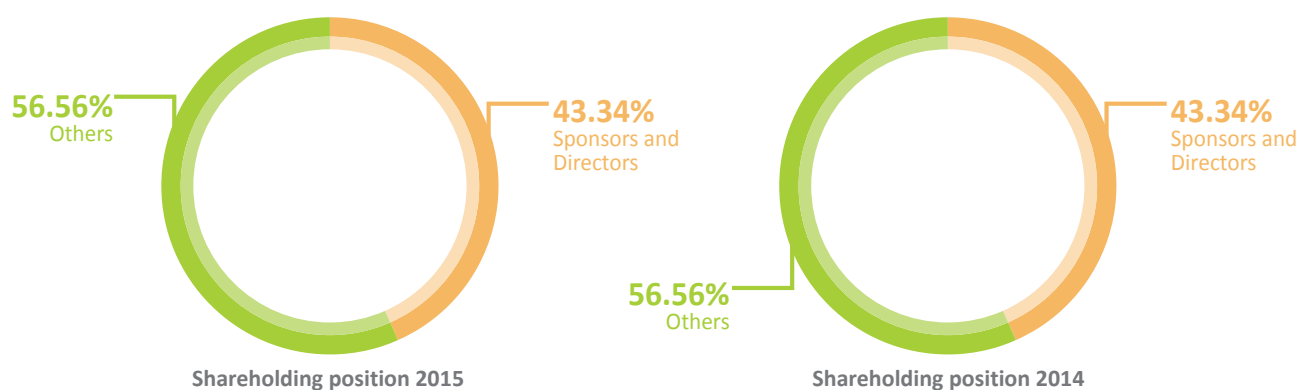
Shareholders in the 20th AGM



BANGLADESH SECURITIES AND EXCHANGE COMMISSION NOTIFICATION

As per Bangladesh 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 purchased a good number of shares from the secondary market. In the year 2015 the Sponsors or Directors neither bought and nor sold any shares of the company and therefore percentage of holding have not changed. The number of shares have increased due to credit of 10 percent bonus shares as approved by the Shareholders in 20th Annual General Meeting held on Wednesday, July 29, 2015. As on December 31, 2015 the shareholding of present Sponsors and Directors as a whole other than Nominee Directors was 43.34 percent. Detailed shareholding position of Sponsors and Directors including Nominee Directors is given in page number 23.



Shareholding position of Present Sponsors and Shareholding Directors

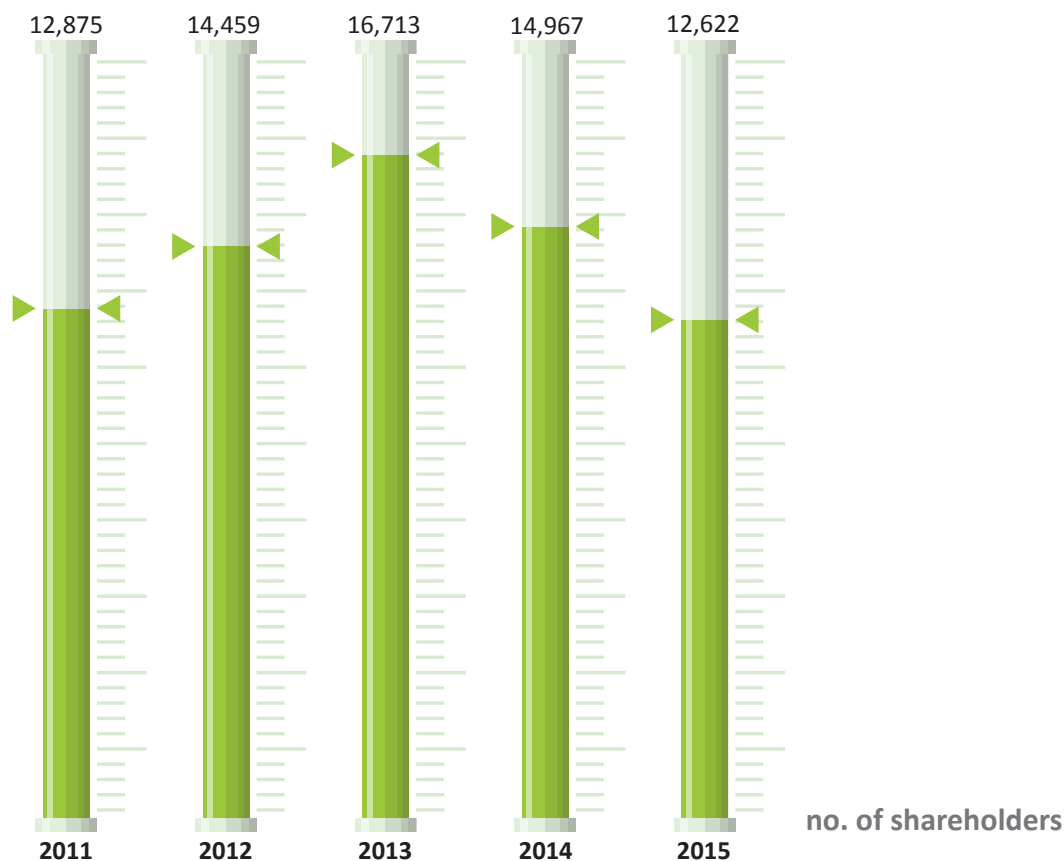
Sl. No.	Name of Sponsors/shareholding Directors	Position	2015		2014	
			Total no. of shares	Percentage (%)	Total no. of shares	Percentage (%)
1	Mr. NG Chin Keong	Sponsor Director	4,891,425	3.91	4,446,750	3.91
2	Uttara Automobiles Ltd.	Sponsor Director	9,786,799	7.82	8,897,090	7.82
3	Uttara Apparels Ltd.	Sponsor Director	10,956,792	8.75	9,960,720	8.75
4	Uttara Motors Ltd.	Sponsor Director	6,392,667	5.11	5,811,516	5.11
5	Mr. Mehdadur Rahman	Sponsor Director	2,507,115	2.00	2,279,196	2.00
6	Ms. Zakia Rahman	Sponsor Director	2,507,115	2.00	2,279,196	2.00
7	Ms. Tahmina Rahman (Tina)	Sponsor Director	2,507,115	2.00	2,279,196	2.00
8	Uttara Automobiles Manufac. Ltd.	Director	14,709,135	11.75	13,371,942	11.75
	Total		54,258,163	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, 2015 paid up capital of the Company was Tk. 1,252,204,800 against its authorized capital Tk. 500,000,000 and as on that date total number of Shareholders was 12,622 which was 14,967 as on December 31, 2014. The number of shareholders decreased by 2,345 due to small investors mainly holder of 500 shares or below have sold their shares in the year 2015. There are no other major changes in either percentage of holdings or no. of shares of all other pattern. 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)	
	2015	2014	2015	2014	2015	2014	2015 (Tk.)	2014 (Tk.)
Upto 500 shares	7,304	9,414	0.93	1.23	1,158,886	1,400,301	11,588,860	14,003,010
501-5,000 shares	4,344	4,672	5.55	6.70	6,955,881	7,629,429	69,558,810	76,294,290
5,001-10,000 shares	454	430	2.49	2.74	3,112,012	3,116,305	31,120,120	31,163,050
10,001-20,000 shares	252	207	2.77	2.49	3,464,210	2,836,341	34,642,100	28,363,410
20,001-30,000 shares	70	53	1.38	1.13	1,727,743	1,280,536	17,277,430	12,805,360
30,001-40,000 shares	31	36	0.86	1.10	1,078,899	1,247,736	10,788,990	12,477,360
40,001-50,000 shares	29	35	1.05	1.38	1,318,862	1,573,307	13,188,620	15,733,070
50,001-100,000 shares	43	40	2.36	2.55	2,951,686	2,904,840	29,516,860	29,048,400
100,001-1,000,000 shares	95	80	82.62	80.68	103,452,301	91,848,005	1,034,523,010	918,480,050
1,000,001 and above	-	-	-	-	-	-	-	-
Total	12,622	14,967	100.00	100.00	125,220,480	113,836,800	1,252,204,800	1,138,368,000

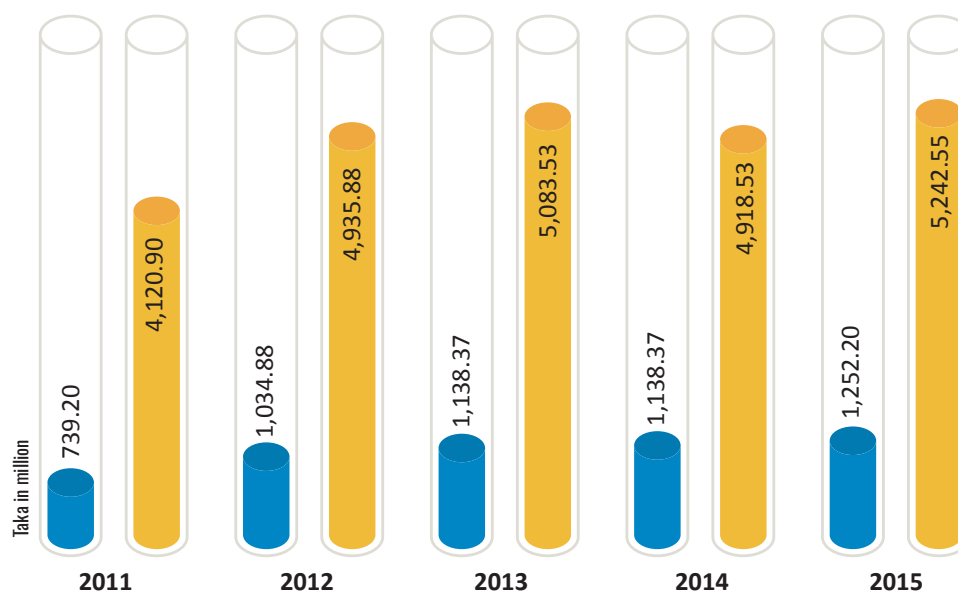


CAPITAL AND EQUITY STATISTICS

After crediting 10 percent stock dividend of 2015 as on December 31, 2015 paid up capital of the Company was Tk. 1,252,204,800. The Bangladesh Bank vide its DFIM Circular no. 5, dated July 24, 2011 directed that minimum paid up capital of NBFIs would be Tk. 1,000,000,000 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. The Company has been maintaining strong equity which as on 31 December 2015 stands at Tk. 5,242,550,336 and the equity is 4.19 times of its paid-up capital whereas the market value per share is 6.09 times higher of face value of share.

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

Sl. No.	Particulars	2015	2014	2013	2012	2011
01	Authorized Capital (Taka)	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	1,000,000,000
02	Paid up Capital (Taka)	1,252,204,800	1,138,368,000	1,138,368,000	1,034,880,000	739,200,000
03	No. of outstanding shares of Tk. 10	125,220,480	113,836,800	113,836,800	103,488,000	73,920,000
04	Shareholders' Equity (Taka)	5,242,550,336	4,918,534,932	5,083,530,640	4,935,880,079	4,120,895,361
05	Market Capitalization (million Taka)	7,625.93	8,492.23	9,414.30	8,589.50	8,441.66



paid-up capital
shareholders' equity

NAME OF DIRECTORS, SPONSORS & TOP 10 SHAREHOLDERS AND THEIR SHAREHOLDINGS

The paid up capital of Uttara Finance and Investments Limited as on December 31, 2015 was Tk. 1,252.20 million which was Tk. 1,138.368 million in the year 2014. Out of the total paid up capital the Directors and/or Sponsors including Nominee Directors and Independent Directors shareholding at the end of 2015 was 48.09% as against 48.11% of 2014. As per record of the Company's share register the top 10 Shareholders holding as on December 31, 2015 is 60.94%. 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, 2015

Sl. No.	Name	Position	2015		2014	
			Total no. of shares	Total value (Tk.)	Total no. of shares	Total value (Tk.)
1	Mr. Rashidul Hasan	Chairman	433,873	4,338,730	394,430	3,944,300
2	Mr. Matiur Rahman	Nominee Director	609,031	6,090,310	553,665	5,536,650
3	Mr. Mujibur Rahman	Nominee Director	2,603	26,030	2,367	23,670
4	Mr. A J Masudul Haque Ahmed	Executive Director	18,278	182,780	16,776	167,760
5	Mr. NG Chin Keong	Sponsor Director	4,891,425	48,914,250	4,446,750	44,467,500
6	Mrs. Chin Keong	Sponsor Director	4,891,425	48,914,250	4,446,750	44,467,500
7	Uttara Automobiles Ltd.	Sponsor Director	9,786,799	97,867,990	8,897,090	88,970,900
8	Uttara Apparels Ltd.	Sponsor Director	10,956,792	109,567,920	9,960,720	99,607,200
9	Uttara Motors Ltd.	Sponsor Director	6,392,667	63,926,670	5,811,516	58,115,160
10	Mr. Mehdadur Rahman	Sponsor Director	2,507,115	25,071,150	2,279,196	22,791,960
11	Ms. Zakia Rahman	Sponsor Director	2,507,115	25,071,150	2,279,196	22,791,960
12	Ms. Tahmina Rahman (Tina)	Sponsor Director	2,507,115	25,071,150	2,279,196	22,791,960
13	Mr. Md. Showkat Hossain, FCA	Independent Director	-	-	-	-
14	Mr. A. T. K. M. Ismail	Independent Director	1,595	15,950	1,450	14,500
15	Uttara Automobiles Manufac. Limited	Director	14,709,135	147,091,350	13,371,942	133,719,420
16	Mr. Kazi Imad Hossain	Nominee Director	5,082	50,820	4,620	46,200
	Total		60,220,050	602,200,500	54,765,664	547,656,640

Top 10 (ten) Shareholders on the basis of shareholdings as on December 31, 2015

Sl. No.	Name of the shareholders	2015		2014	
		No. of shares held	% of holdings	No. of shares held	% of holdings
1	Uttara Automobiles Manufac. Limited	14,709,135	11.75	13,371,942	11.75
2	Uttara Apparels Limited	10,956,792	8.75	9,960,720	8.75
3	Uttara Automobiles Limited	9,786,799	7.82	8,897,090	7.82
4	ICB	9,280,361	7.41	8,003,448	7.03
5	ICB Unit Fund	6,628,072	5.29	6,025,520	5.29
6	Uttara Motors Limited	6,392,667	5.11	5,811,516	5.11
7	Mr. NG Chin Keong	4,891,425	3.91	4,446,750	3.91
8	Mrs. Chin Keong	4,891,425	3.91	4,446,750	3.91
9	Uttara Motor Corporation Limited	4,249,113	3.39	3,862,830	3.39
10	Bangladesh Fund	4,512,799	3.60	4,100,000	3.60
	Total	76,298,589	60.94	68,926,566	60.54

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 17 years the Company credited stock dividend to the Shareholders in the year 2004, 2006, 2009, 2010, 2011, 2012 & 2015. 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 2015 the paid up capital was Tk. 1,252.2048 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. The rate of average return of last 20 years against investment in shares of the Company is 47.77 percent.

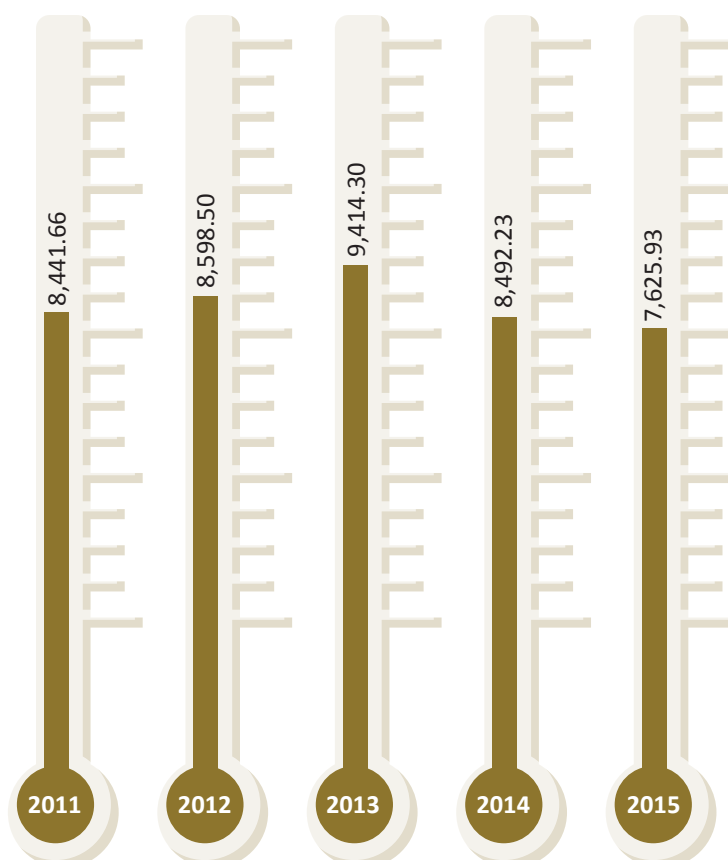
An analytical statement of return of Shareholder (IPO investor) of Uttara Finance and Investments Limited is as given below.

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 before dividend of 2015	5,217	38,000

Return

A	Market value of 5,217 shares (Market value after record date i.e. April 21, 2016 Tk. 50.00)	260,850
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
	2015 @ Tk. 3.00 for 5,217 shares	15,651
		65,885
A+B	Total return since IPO in 1997	326,735
	Percentage (%) of total return since IPO in 1997	859.83%
	Per year average return percentage (%) (Average yearly growth)	47.77%

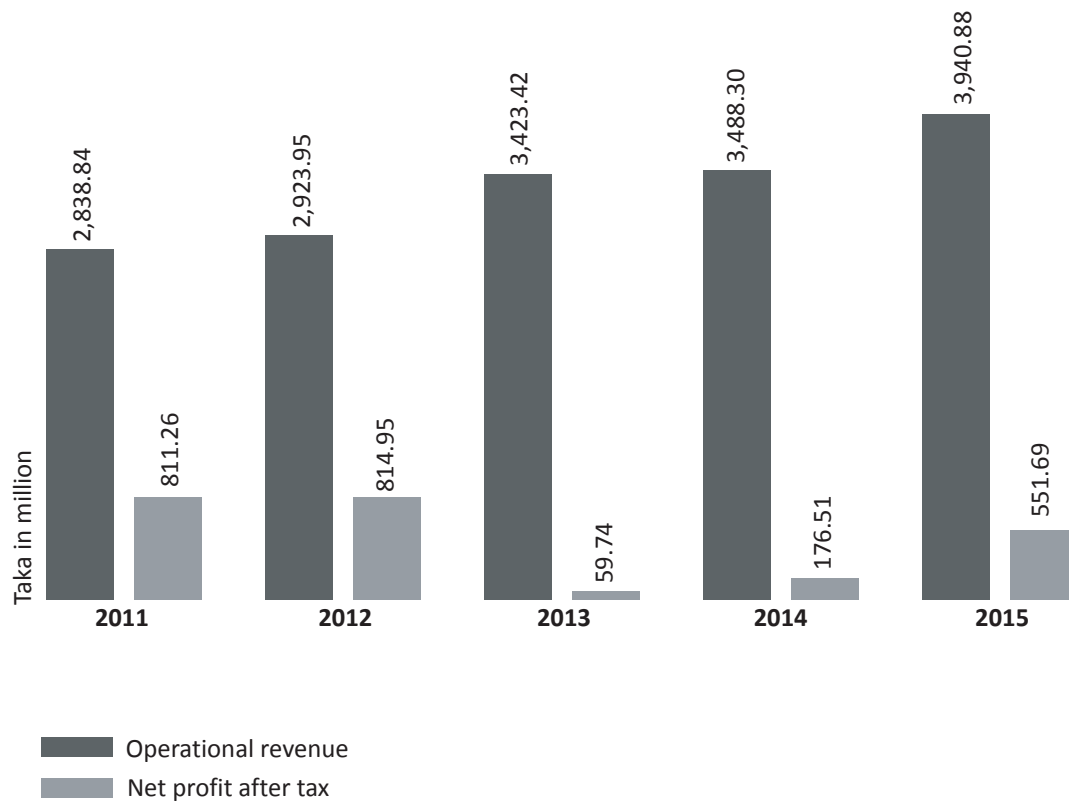
market capitalisation (million taka)



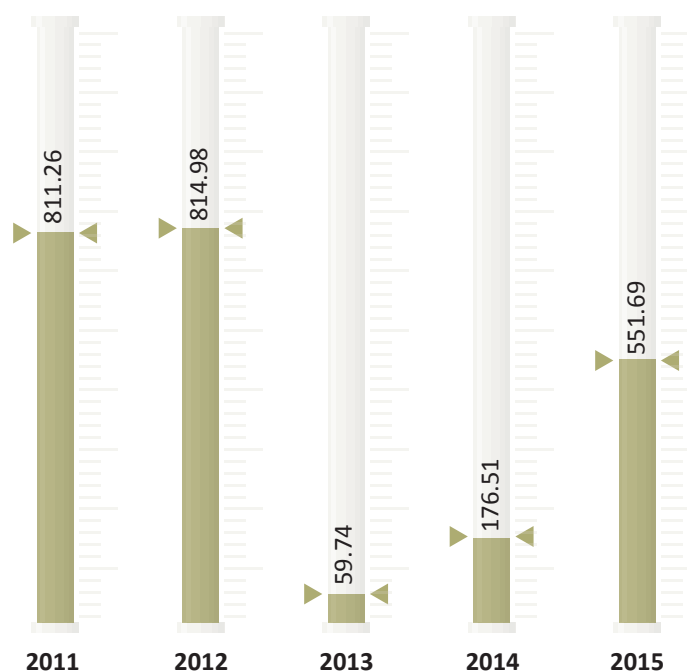
FINANCIAL PERFORMANCES

In the last one decade the Company has been maintaining a steady growth. The revenue, profit, investment, shareholders' equity etc. have been increasing. Some financial performances of 2015 along with comparative data of 2014 are given hereunder:

	Unit	2015	2014
Operational revenues	Tk.	3,940,880,869	3,488,301,511
Operational expenses	Tk.	2,487,886,245	2,573,923,633
Profit before provision and tax	Tk.	1,502,784,062	1,028,210,584
Net profit after tax	Tk.	551,689,004	176,514,692
Fixed assets	Tk.	134,248,252	148,718,017
Investments in lease	Tk.	11,776,681,593	10,676,943,716
Investments in term finance	Tk.	11,205,180,195	10,248,071,975
Shareholders' equity	Tk.	5,242,550,336	4,918,534,932
Long term loan	Tk.	4,924,979,225	7,195,685,840
Term deposit	Tk.	14,209,771,217	10,368,944,199
Debt equity ratio	times	3.86	4.16
Financial expenses coverage ratio	times	1.39	1.23
Net asset value per share of Tk. 10	Tk.	41.87	43.21
Earning per share of Tk. 10 each (2014-restated)	Tk.	4.41	1.41
Dividend per share	%	30.00	30.00
Return on average equity	%	10.86	3.53



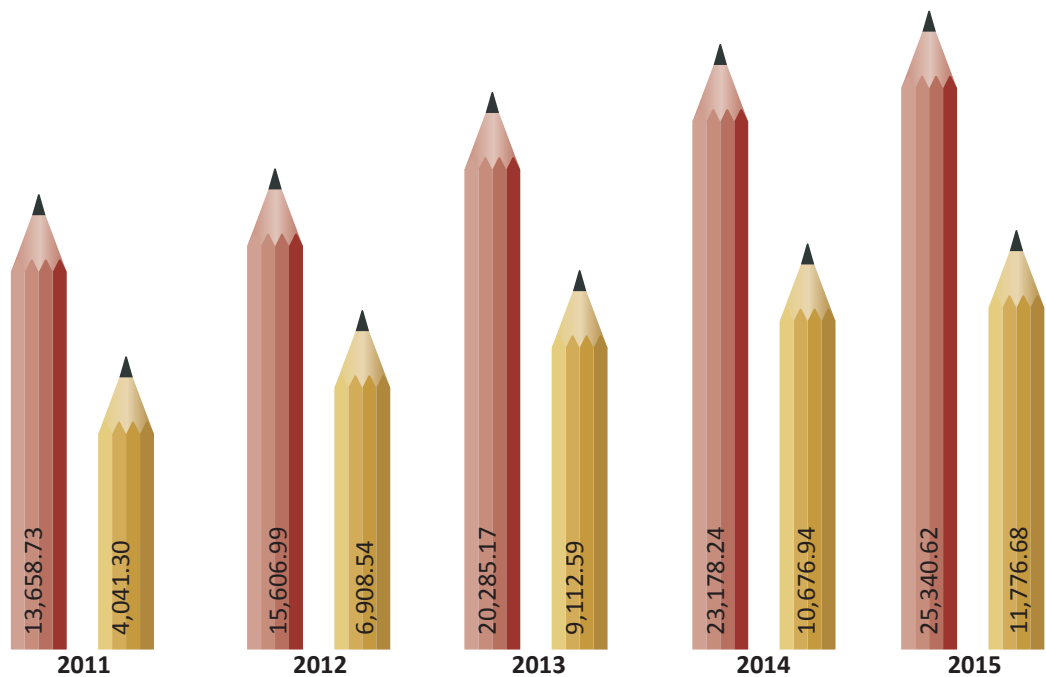
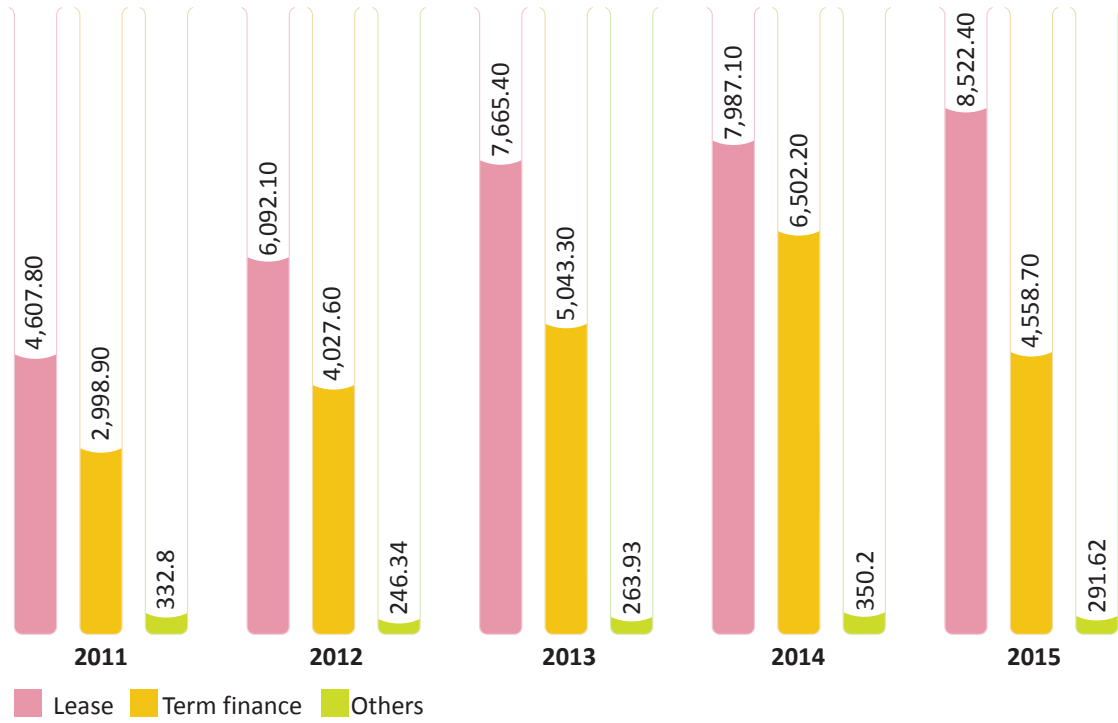
HISTORICAL DATABASE



Profit after tax (Taka in million)

		Taka in million				
	Unit	2011	2012	2013	2014	2015
Business performance		7,180.23	9,278.97	11,539.13	13,047.30	13,372.72
Contract processed		7,939.53	10,366.04	12,972.63	14,839.50	14,813.42
Cumulative investment		13,658.73	15,605.99	20,285.17	22,299.30	25,340.62
Financial performances						
Operational revenues		2,838.84	2,923.95	3,423.42	3,488.30	3,940.88
Operational expenses		1,662.92	1,650.31	2,562.76	2,573.92	2,487.89
Profit before provision and tax		1,181.17	1,276.99	869.58	1,028.21	1,502.78
Net profit after tax		811.26	814.95	59.74	176.51	551.69
Fixed assets		172.80	168.55	153.65	148.72	134.25
Investments in lease		4,041.30	6,908.54	9,112.59	10,676.94	11,776.68
Investments in term finance		6,000.40	6,584.42	8,949.53	10,248.07	11,205.18
Shareholders' equity		4,120.90	4,935.88	5,083.53	4,918.53	5,242.55
Financial ratios						
Debt equity ratio	times	2.50	2.28	3.23	4.00	3.86
Financial expenses coverage ratio	times	1.72	1.74	1.08	1.23	1.39
Net asset value per share of Tk. 10	Taka	55.75	47.70	44.66	43.21	41.87
Profitability ratios						
Earning per share of Tk. 10	Taka	7.84	7.16	0.52	1.41	4.41
Cash dividend	%	-	20.00	30.00	20.00	30.00
Stock dividend	%	40.00	10.00	-	10.00	-
Return on average equity	%	21.84	18.00	1.19	3.53	10.86
Investment to net worth	times	3.31	3.16	3.99	4.99	5.19

SECTORWISE BUSINESS



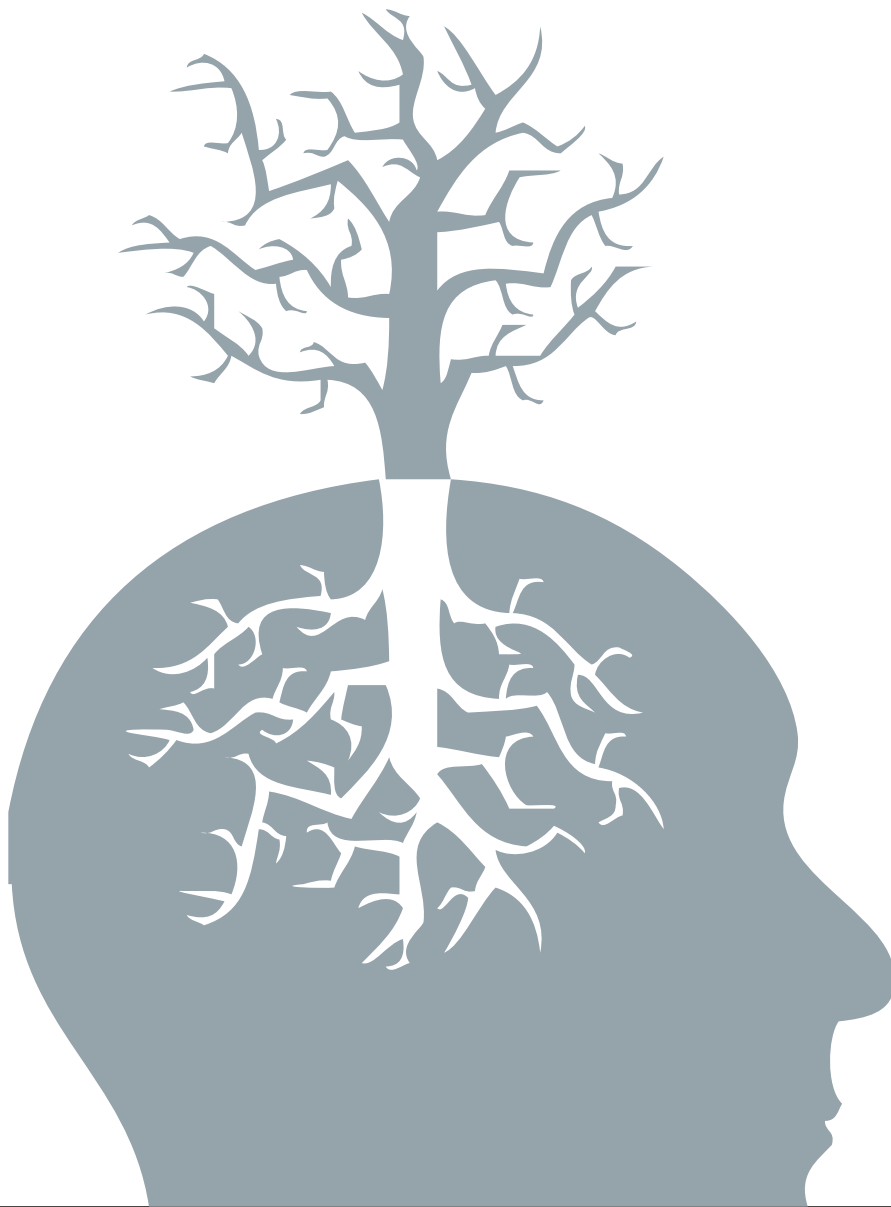
cumulative investment | investment in lease

INCOME AND UTILIZATION THEREOF-2015

In the year 2015 the Company earned total revenue Tk. 3,990,670,307 out of which Tk. 3,940,880,869 from operational activities and Tk. 49,789,438 from non-operational activities which is 98.75 percent and 1.25 percent respectively. Major part i.e. 62.34 percent of total revenue is utilized for operational expenses and financial expenses which is 4.96 percent and 57.38 percent respectively whereas provision for non performing investment is 15.06 percent and provision for income tax is 8.77 percent. Details of income and utilization thereof are given below:

Income	Taka	%
Operational income	3,940,880,869	98.75
Non operational income	49,789,438	1.25
Utilization of income		
Operational and financial expenses	2,487,886,245	62.34
Provision	601,095,058	15.06
Income tax	350,000,000	8.77
Statutory reserve	110,337,801	2.76
Dividend	375,661,440	9.42
Retained earnings	65,689,764	1.65

ANALYSIS OF PERFORMANCES 2015



All of the non banking financial institutions of Bangladesh 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 NBFIs are forced to become defaulters and this leads to increase the numbers.

At Uttara Finance in 2015, 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 2016, major task of Uttara Finance will 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 resources 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 will 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 2015 Uttara Finance reached to the following numbers:

Highlights	BDT in million
Business Contract achievement	14,813.42
Business Disbursement achievement	13,372.72
Total recovery (Lease and Term Loan)	9,037.91
Credit Line received	2,520.75
TDR (non bank) received	4,856.78
Repayment of Credit Line	4,791.46
Investment in Merchant Banking Unit	477.48
Investment in Shares	1,393.41

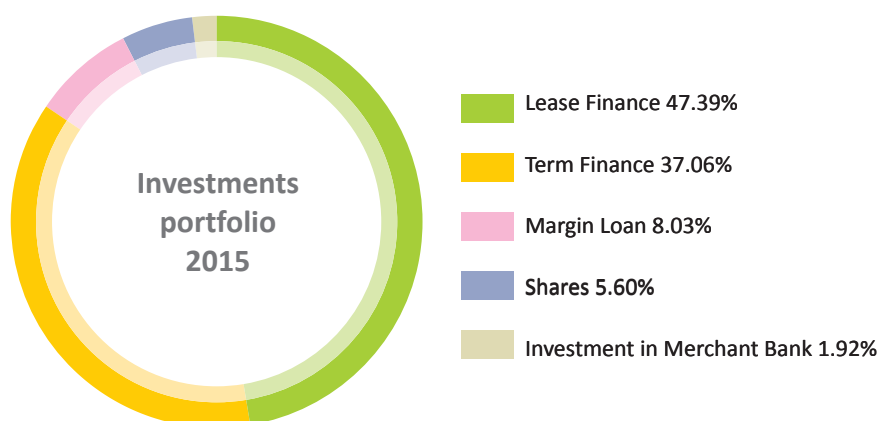
Operational and financial achievements

- During the year 2015 operational revenue of the Company is Tk. 3,940.88 million against which it was Tk. 3,488.30 million in 2014. The growth rate is 12.97 percent.
- The profit earned from lease and finance before provision and tax was Tk. 1,502.78 million against which it was in 2014 Tk. 1,028.21 million which reflects a growth of 38.13 percent.
- Income from Merchant Banking unit in 2015 recorded Tk. 177.03 million against Tk. 247.88 million of 2014 i.e. growth (28.58) percent.
- Management expense which was Tk. 192.93 million in 2014 increased by 1.36 percent to Tk. 195.57 million in 2015.
- Shareholders' equity in 2015 of Tk. 5,242.55 million increased by 6.59 percent over the amount Tk. 4,918.53 million of 2014.
- Company's borrowings from bank and other financial institutions in 2014 was Tk. 7,195.69 million which decreased by 31.56 percent to Tk. 4,924.98 million in 2015.
- Balance of Deposit received from different persons and institutions as on December 31, 2015 is Tk. 14,209.77 million which was Tk. 10,368.94 million as on December 31, 2014 i.e. growth of 37.04 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 2015 and 2014 are given hereunder:

Head of investment	2015		2014	
	Amount	%	Amount	%
Lease Finance	11,776.68	47.39	10,676.94	46.06
Term Finance	9,210.32	37.06	8,486.49	36.61
Margin Loan	1,994.85	8.03	1,761.58	7.60
Shares	1,393.41	5.60	999.34	4.31
Treasury bills	-	-	982.61	4.24
Investment in Merchant Bank	477.48	1.92	271.28	1.17
Total	24,852.74	100.00	23,178.24	100.00



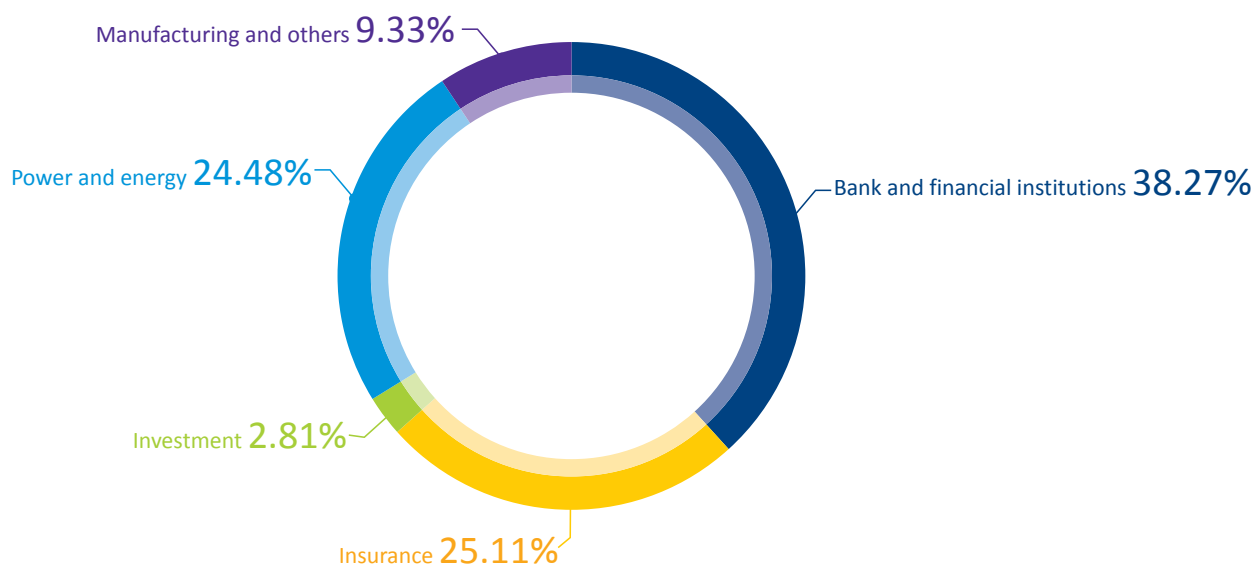
Non performing loan/assets

After making every investment, the recovery team was very serious to collect the installment/dues from the clients in time. In spite of maximum efforts the amount of non performing loan (NPL) increased to Tk. 1,729.51 million in 2015 which was Tk. 1,061.31 million in 2014. The percentage of NPL in 2015 is 7.53 which was 5.07 in 2014. Against the non performing loan total accumulated amount of required provision was Tk. 813.30 million as on December 31, 2015 and the Company made the provision by charging the same against Company's earned profit. Besides total amount of interest suspense account is Tk. 557.21 million at the end of 2015 which was Tk. 392.30 million at the end of 2014.

Investments in shares

Uttara Finance and Investments Limited also made investment in shares. At the end of 2014 Company's investment in share was Tk. 999.34 million which increased to Tk. 1,393.41 million in 2015. The market price of shares in hand as on December 31, 2015 was Tk. 1,086.87 million i.e. Tk. 306.54 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:

Sector wise investments in shares-2015



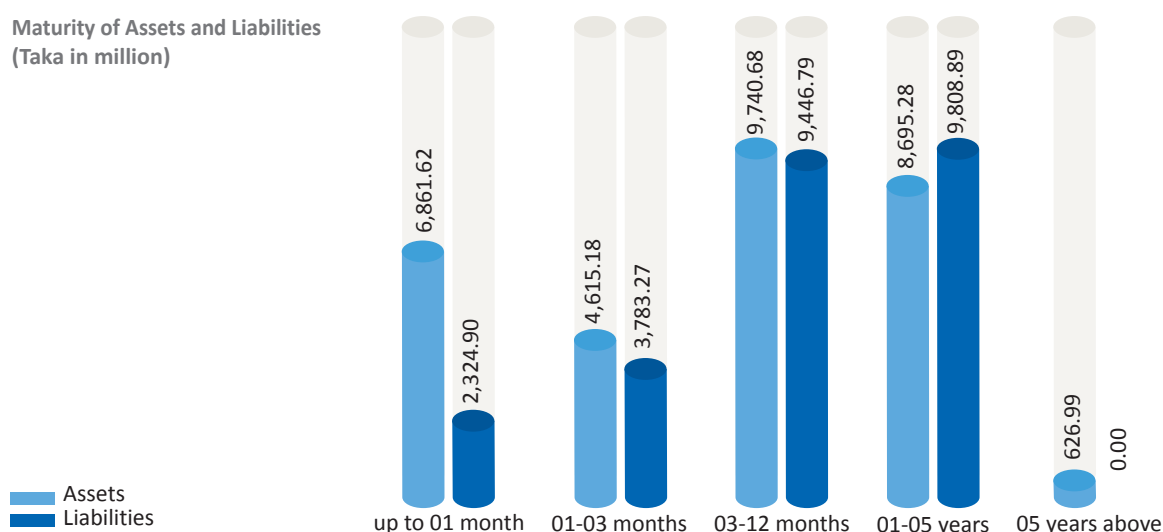
Sectors	No. of company	2015	%	2014	%
Bank and financial institutions	26	533,280,477	38.27	345,671,848	34.59
Insurance	13	349,917,139	25.11	324,477,164	32.47
Investment	4	39,169,560	2.81	38,828,468	3.89
Power and energy	34	341,087,266	24.48	168,690,117	16.88
Manufacturing and others	4	129,956,416	9.33	121,670,291	12.18
Total	81	1,393,410,858	100.00	999,337,888	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 K. M. Hasan & 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. 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 2015.

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	above 5 years	Total
Assets						
Cash in hand	107,299	-	-	-	-	107,299
Balance with Bangladesh Bank and its agent bank(s)	373,358,156	-	-	-	-	373,358,156
Balance with banks and other financial institutions	1,125,532,343	-	1,605,000,000	90,000,000	-	2,820,532,343
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	1,393,410,858	477,482,234	-	1,870,893,092
Leases, loans and advances	1,130,057,478	1,857,338,272	2,112,995,948	16,550,743,359	1,330,726,731	22,981,861,788
Fixed assets including premises, furniture and fixtures	-	-	-	11,189,807	123,058,445	134,248,252
Other assets	-	-	2,358,760,618	-	-	2,358,760,618
Non-financial institutional assets	-	-	-	-	-	-
Total assets (A)	2,629,055,276	1,857,338,272	7,470,167,424	17,129,415,400	1,453,785,176	30,539,761,548
Liabilities						
Borrowings from banks, other financial institutions and agents	1,014,664,276	705,559,070	1,199,616,251	1,770,259,187	234,880,441	4,924,979,225
Deposits	793,437,606	1,197,169,962	2,457,473,996	9,707,971,093	53,718,560	14,209,771,217
Other deposits	-	-	450,000,000	660,000,000	-	1,110,000,000
Provision and other liabilities	450,000,000	-	1,070,421,842	3,532,038,928	-	5,052,460,770
Total Liabilities (B)	2,258,101,882	1,902,729,032	5,177,512,089	15,670,269,208	288,599,001	25,297,211,213
Net Liquidity Gap (A - B)	370,953,394	(45,390,760)	2,292,655,335	1,459,146,191	1,165,186,175	5,242,550,335

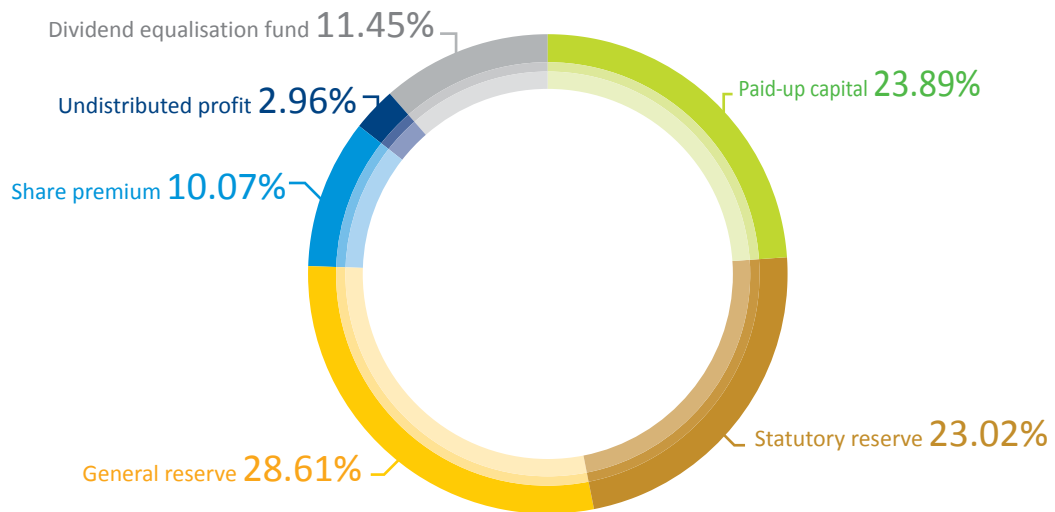
Maturity of Assets and Liabilities
(Taka in million)



Shareholders' equity

The paid up capital of Uttara Finance and Investments Limited as on December 31, 2015 is Tk. 1,252,204,800 and as on the same date of 2014 the paid up capital of the Company was Tk. 1,138,368,000. On the other hand total equity of the Company at the end of 2015 is Tk. 5,242,550,336 against Tk. 4,918,534,932 of 2014. 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	Amount in Taka			
	2015	%	2014	%
Paid-up capital	1,252,204,800	23.89	1,138,368,000	23.14
Statutory reserve	1,207,070,066	23.02	1,096,732,265	22.29
General reserve	1,500,000,000	28.61	1,500,000,000	30.50
Share premium	528,000,000	10.07	528,000,000	10.74
Undistributed profit	155,275,470	2.96	55,434,667	1.13
Dividend equalisation fund	600,000,000	11.45	600,000,000	12.20
Total	5,242,550,336	100.00	4,918,534,932	100.00



shareholders' equity-2015

Loan from financial institutions

As on December 31, 2015 total amount of outstanding balance of loan is Tk. 4,924,979,225 against which it was Tk. 7,195,685,840 in 2014 and Tk. 5,992,997,719 in 2013. At the end of year 2015 the Company had loan balance outstanding with 25 different commercial banks and 3 financial institutions. Uttara Finance and Investments Limited is enjoying the credit facility with different banks payable on instalment basis.

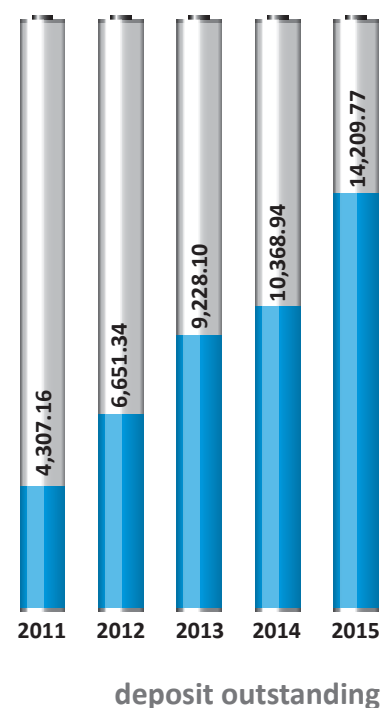
Deposit from different individuals and institutions

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 2015 the amount of outstanding deposit stood at Tk. 14,209,771,217 against which it was Tk. 10,368,944,199 and Tk. 9,228,098,424 respectively in the year 2014 and 2013.

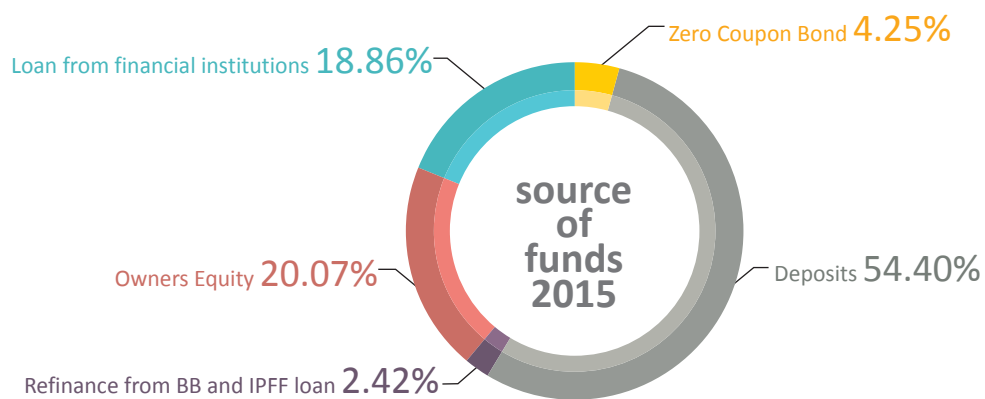
Zero Coupon Bond

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, 2015 of Zero Coupon Bond is Tk. 1,110,000,000 and the same was Tk. 1,370,000,000 in the year 2014.

A statement of source of fund as on December 31, 2015 is as given below.



Head of Funds	Amount in Taka			
	2015	%	2014	%
Owners Equity	5,242,550,336	20.07	4,918,534,932	20.02
Loan from Bank and financial institutions	4,925,660,944	18.86	7,198,266,792	29.29
Deposits	14,209,771,217	54.40	10,368,944,199	42.19
Zero Coupon Bond	1,110,000,000	4.25	1,370,000,000	5.58
Refinance from BB and IPPF loan	632,484,400	2.42	718,424,825	2.92
Total	26,120,466,951	100.00	24,574,170,748	100.00



Cash flows

During the year 2015 the net operating cash flows of the Company is Tk. 1,554,769,205 against Tk. 2,115,819,857 of 2014 and net investment through operating activities is Tk. 2,049,948,931 against Tk. (39,345,166) in 2014. Net cash flows from investing activities in 2015 is Tk. 411,687,191 against which it was Tk. (116,683,320) in 2014.

Operating expenses

In the year 2015 the operating expenses of the Company recorded to Tk. 2,487,886,245 out of which Tk. 2,292,320,411 was financial expenses, Tk. 195,565,834 was Management expenses including depreciation and others. In the year 2014 the same was Tk. 2,380,997,046 and Tk. 192,926,587 respectively. The Management expenses includes salary and benefits of employee, office rent, office maintenance, meeting expenses, printing & stationeries, travelling and conveyance, legal expenses etc.

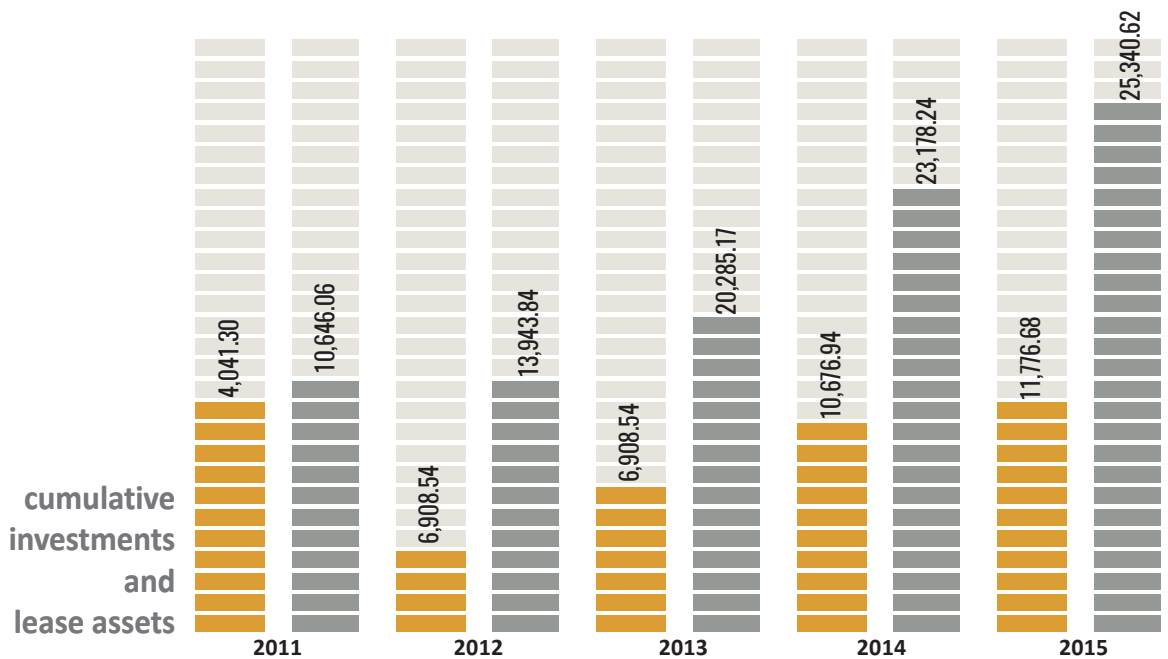
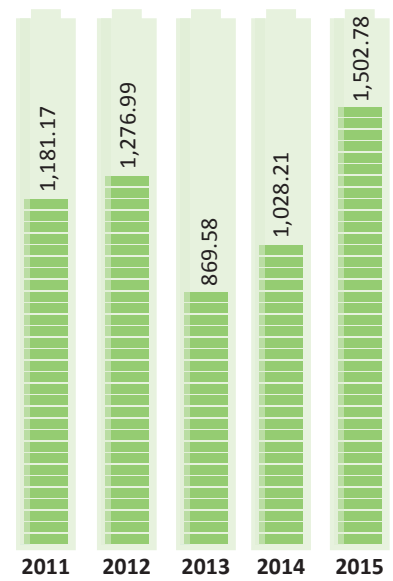
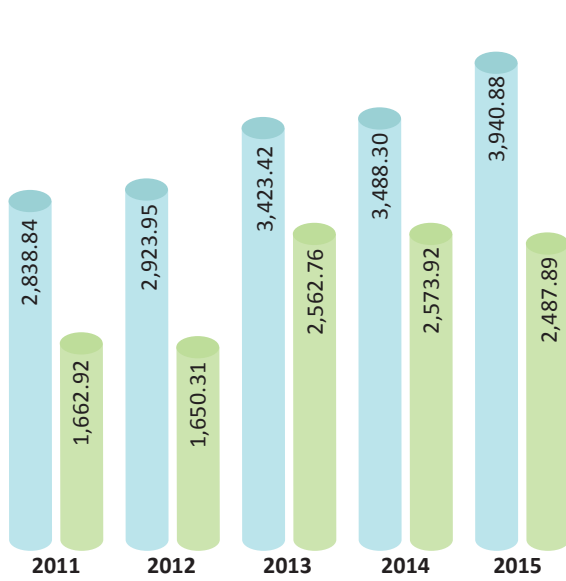
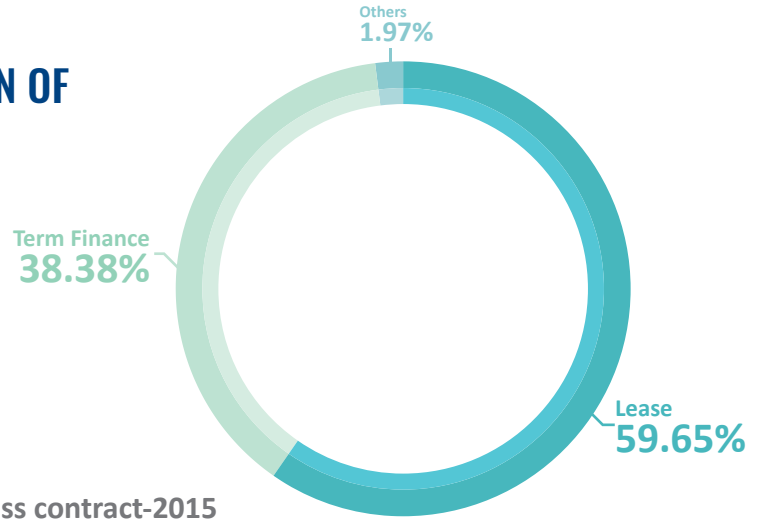
Profit after tax

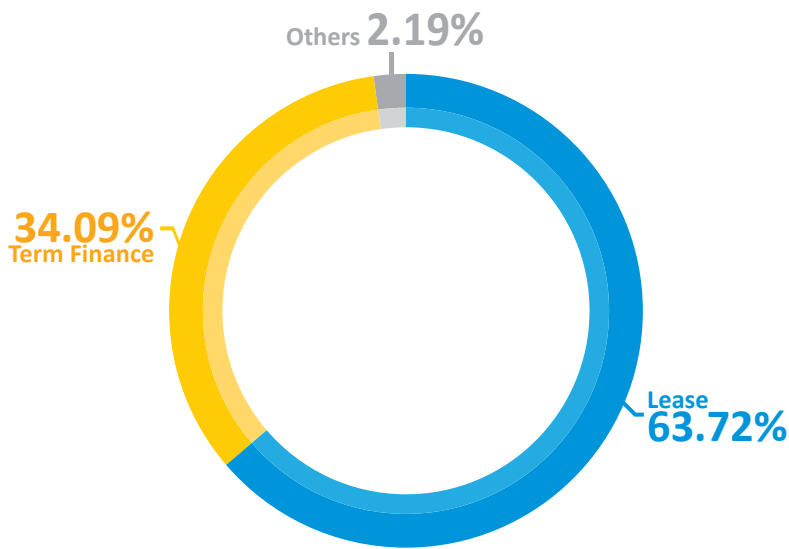
During the year 2015 the Company earned net profit after tax Tk. 551,689,004 against which it was Tk. 176,514,692 in the year 2014. The net profit before tax of 2015 is 901,689,004 against which provisional amount of tax is Tk. 350,000,000. Out of the profit before Tax Tk. 724,661,774 from general operation and Tk. 177,027,230 from Merchant banking operation.

GRAPHICAL PRESENTATION

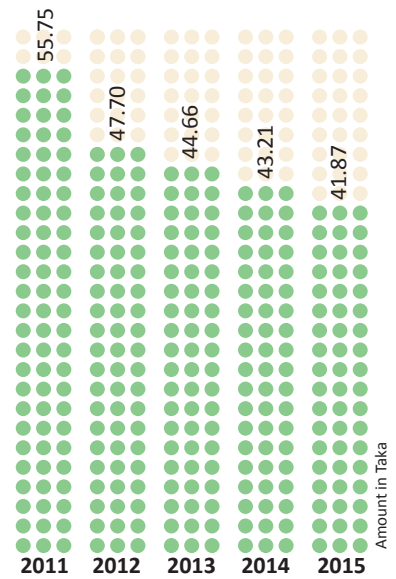


GRAPHICAL PRESENTATION OF PERFORMANCES

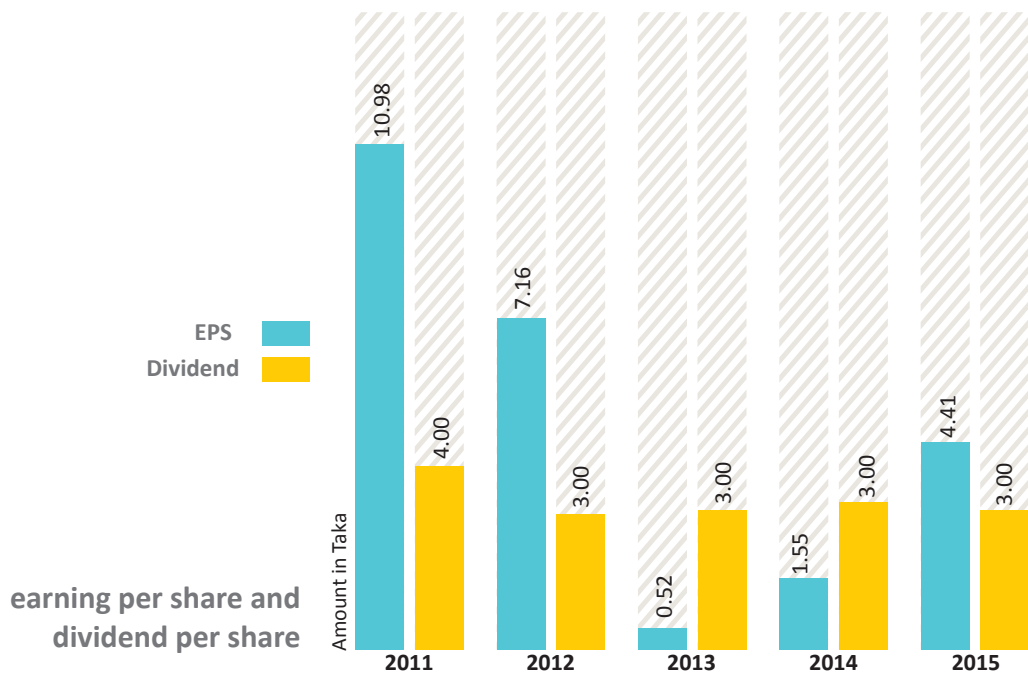




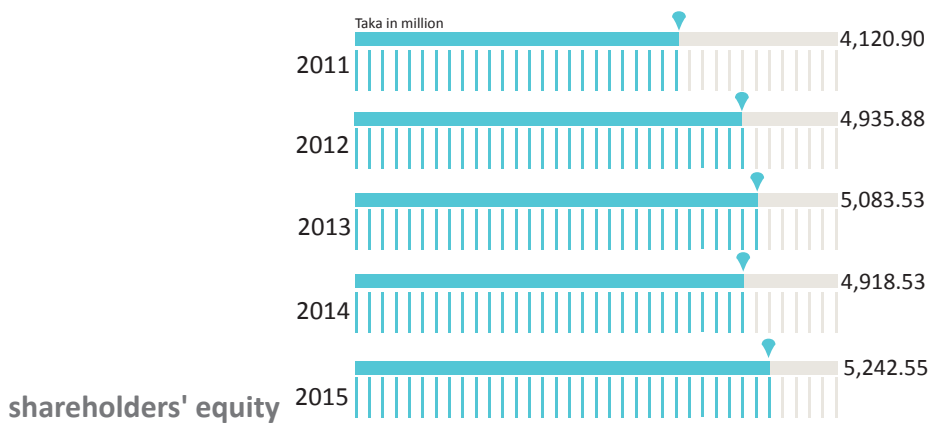
disbursement-2015



net asset value per share



earning per share and dividend per share



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 guidelines 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 has 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 has also formed 3 Members Board Audit Committee where Independent Director 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 10 (ten) including two Independent Directors. 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. Article 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 10 Members including 2 Independent Directors. 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 is 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) & 1.3 and Uttara Finance and Investments Limited do hereby declare that none of them;

- i. holds more than one percent (1%) shares of the total paid-up shares of the company;
- ii. is a sponsor of the company and is 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. has any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;
- iv. is a member, director or officer of any stock exchange;
- v. is a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;
- vi. is 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. is an independent director in more than 3 (three) listed companies;
- viii. has 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. has been convicted for a criminal offence involving moral turpitude;

The Board of Directors believe that both Independent Directors are knowledgeable with integrity who are 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 one term of period for 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 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 at present are entitled to receive fee @ BDT 8,000.00 (Taka eight thousand) only for attending Board of Directors meeting and Executive Committee meeting. The Managing Director & CEO and Executive Director are not entitled for any fee for attending the meeting. Other than the fee for attending in the meeting none of shareholding Directors and Independent Directors holds any position of profit and 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 2015 the Board of Directors, the Executive Committee and the Board Audit Committee met 7 times, 7 times and 6 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

Stress Testing Implementation Committee

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

Anil Chandra Das, Sr. Executive Vice President

Uttam Kumar Saha, Sr. Vice President

Kazi Arifuzzaman, Sr. Assistant Vice President

Md. Mainuddin, Sr. Assistant Vice President

BASEL Implementation Committee

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

Anil Chandra Das, Sr. Executive Vice President

Uttam Kumar Saha, Sr. Vice President

Kazi Arifuzzaman, Sr. Assistant Vice President

Md. Mainuddin, Sr. Assistant Vice President

Prevention of Money Laundering and Terrorist Financing Committee

Anil Chandra Das, Sr. Executive Vice President
Uttam Kumar Saha, Sr. Vice President
Md. Mainuddin, Sr. Assistant Vice President
Sheikh Md. Ashiqur Rahman, Assistant Vice President and Head of IT
Md. Kamruzzaman, ACA, Assistant Vice President
Rajib Kumar Saha, Principal Officer

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, Assistant Vice President
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 Hossian Khan, Sr. Principal Officer
Rajib Kumar Saha, Principal Officer
Abu Kawsar, Principal Officer

Integrity Committee

Anil Chandra Das, Sr. Executive Vice President
Kazi Arifuzzaman, Sr. Assistant Vice President
Md. Mesbah Uddin Mahmud, Sr. Assistant Vice President
Md. Mainuddin, Sr. Assistant Vice President
Nizamul Haque, Sr. Principal Officer

Mortgage Backed Securities and Corporate Bond Committee

Uttam Kumar Saha, Sr. Vice President
Md. Mainuddin, Sr. Assistant Vice President
Md. Kamruzzaman, ACA, Assistant Vice President

Credit Administration Department

Anil Chandra Das, Sr. Executive Vice President
Nizamul Haque, Sr. Principal Officer
Nuveria Sultana, Sr. Principal Officer
Nantanu Chowdhury, Principal Officer

Green Banking Unit

Muhammad Abdul Hamid, FCMA, Head of Chittagong Branch
Anil Chandra Das, Sr. Executive Vice President
Choudhury Fazla Anwar, Sr. Assistant Vice President
Faruk Jamil, Sr. Assistant Vice President and Head of Gulshan Branch
Abdul Latif, Principal Officer, Head of Bogra Branch
Md. Kamruzzaman, ACA, Assistant Vice President
Nantanu Chowdhury, Principal Officer

Credit Risk Management Department

Anil Chandra Das, Sr. Executive Vice President
Md. Mesbah Uddin Mahmud, Sr. Assistant Vice President
Faruk Jamil, Sr. Assistant Vice President and Head of Gulshan Branch
Nizamul Haque, Sr. Principal Officer
Nuveria Sultana, Sr. Principal Officer
Nantanu Chowdhury, Principal Officer

Integrated Supervision System Desk

Abu Kawsar, Principal Officer
Md. Imranul Haque, Officer
Manoj Kumar Chakravorty, Assistant Officer



Rashidul Hasan
CHAIRMAN

DIRECTORS' PROFILE

Directors' Profile

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.



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

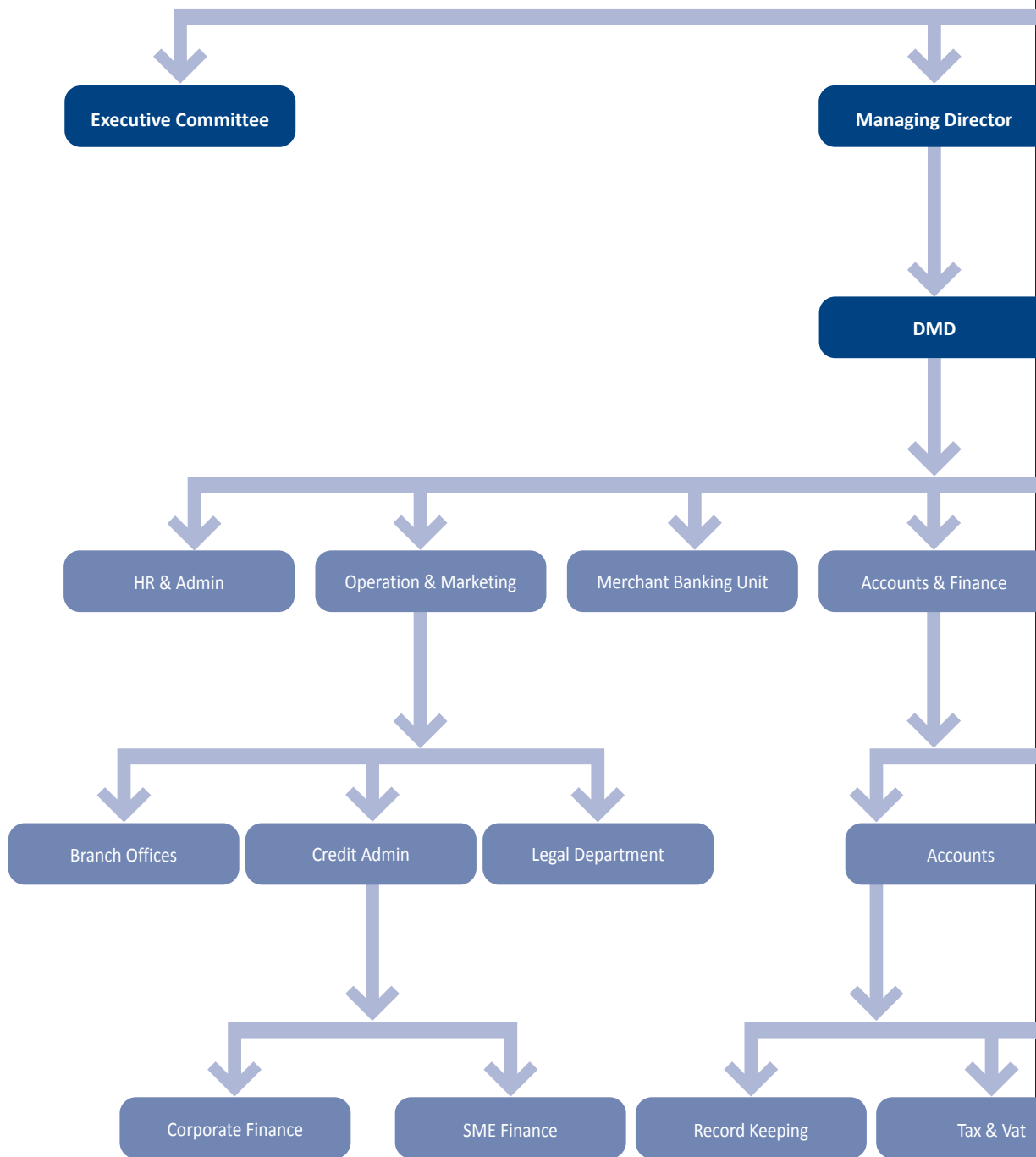
S M Shamsul Arefin, CEO & Managing Director is a B.Com (Hons) & M.Com in Accounting from 'Dhaka University' in 1985. MBA with Major in Finance from 'United Kingdom' in 1987. Associate of 'British Institute of Management (U.K)' in 1987. He was recruited as an Officer by former 'Al Baraka Bank Bangladesh 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.

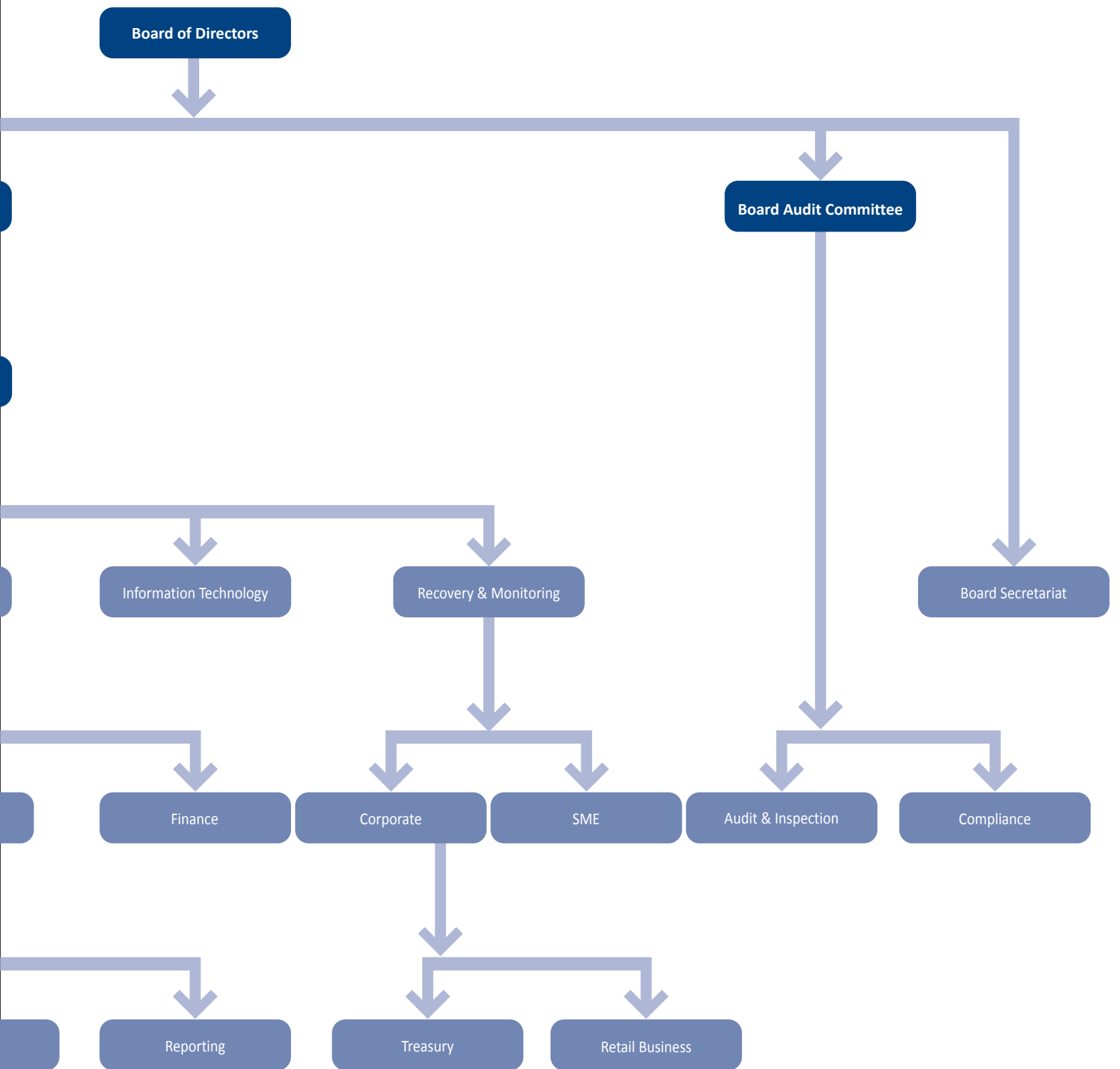


A. J. Masudul Haque Ahmed
EXECUTIVE DIRECTOR

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. Moshiul Azam

Asst. Vice President

Md. Kamruzzaman, ACA

REPORT OF HUMAN RESOURCES



Human Resources

Human Resources is the greatest asset in any financial institution. It is the enabling environment that gives birth to creative thinking and achievement of laudable objectives. Continuity of Human Resources immensely strengthens an organization, develops a sense of belongings and above all gives the strength to face all odds.

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.

Human Resources planning mean recruiting right number of employees, developing their potentials and right kind of employees at the right place, doing the right things in right time for the employees to achieve the goals of the organization. Human Resources planning of UFIL is carried out in set procedures. The procedures are as follows:

- Analyzing the current Manpower inventory
- Marketing future Manpower forecasts
- Improving upon recruitment/selection procedure.
- Designing training plan.

Manpower

The total workforce of UFIL as on 31 December 2015 is 171 compared to 165 on the same date of the previous year. Out of 171 permanent employees, 122 are officials and 49 are supporting staff. The total female employees are 29.

Recruitment

A career with Uttara Finance and Investments Limited demands a high level of diligence and dedication. The

work of the company requires individuals of uncommon ability and to this end 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. 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.

Promotion

To improve the attachment, working environment and efficiency of employees, Promotion is considered to be a main motivating factor. Employees of the company are promoted on the basis of their performance, appraisal and approved by the competent authority. Merit, seniority, efficiency, devotion to work, discipline and sense of responsibility are given priority in promotion.

Training

Training is a proven instrument for human resources development. To survive in a competitive environment triggered by globalization and onset of innovative ideas and technology, creation and trained human resources is an imperative. Uttara Finance and Investments Limited provide need based training of the employees which is aimed at capacity and professional skill building through out the year.

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. 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. Employee's 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 supports 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 arranges Iftar party.

Maternity benefits

Female employees are entitled to this benefit in the form of 6 (six) months maternity leave with full pay as approved by our Board of Directors interms of the directives of Bangladesh Bank. But the said facility is restricted upto 2 (two) kids only.

Insurance scheme

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

Human resource strategy

- To ensure maximum employees success – empowers the individual, provides an opportunity to show initiative and commands independent initiative;

- To maintain a spirit of ambition, efficient decision-making, flexibility and quick responses to changes;
- To attract qualified personnel by creating a motivated workplace;
- To retain competent employees by creating a superior workplace;
- To provide new employees with appropriate training from the outset;
- To encourage employees to maintain professional skills and give them the opportunity to develop and grow;
- To create a strong management team;
- To sustain an environment that supports a balance between work and life;
- To ensure equal opportunities, with regard to employment, work facilities, assignments, training, job development and financial benefits;
- To arrange the interests of employees with the ultimate interests of the Company.

Statement on work force of 2015

Level of employee	No. of employees	percentage
Senior Management Level	17	9.95
Mid Level	72	42.10
Entry Level	33	19.30
Support Staff	49	28.65
Total	171	100.00

Male Female ratio

Male	142	83.05%
Female	29	16.95%
Total	171	

Age Group of Officials	Number	percentage (%)
Bellow 30 years	77	45.03%
30 to 50 years	86	50.29%
Above 50 years	8	4.68%

Payment of salary and allowances

	Taka
Total salary	102,550,769
Managing Directors	11,650,000

Employees movement

Total employee as on January 01, 2015	165
Fresh appointment during the year	7
Retirement / resignations	1
Total as on December 31, 2015	171

Training to the employees

During the year of reporting total 29 employees participated in 15 different training programs. For the training programs the employees' of the company were engaged for 26 working days.



RISK MANAGEMENT

Risk Management: Risk management is a discipline at the core of every financial institution which encompasses all the activities that affect its risk profile. It involves identification, measurement, monitoring and controlling risks to ensure proper management of risks related to financing business. The objective of risk management is to identify and analyze risks and manage their consequences. Perhaps the non-bank financial institutions have the most specific focus on the management of financial risks. The approach to risk is grounded on the strong practices of corporate governance that are intended to strengthen ourselves enterprise risk management framework and also position of the company to manage the changing regularity environment in an effective and efficient manner. The governance of risk management starts with our Board, which plays an important role in reviewing and approving risk management policies and practices. The company's governance structure provides the protocol and responsibilities for decision-making on risk management issues and ensures their adequate implementation. We do maintain a strong inter-departmental communication link on risk factors and foster a culture of collaboration in decision-making among the revenue-producing units, independent control and support functions, committees and the senior management. In addition to embracing the industry best practices for assessing, identifying and measuring risk, we consider guidelines for managing core risks of financial institutions issued by the country's central bank, the Bangladesh Bank vide FID Circular Number 10 dated 18 September 2005. Our risk management capabilities are connected around a strong management structure and information system, an effective risk-rating system and robust policies. The primary objective of risk management is to protect the company's financial strength and reputation and ensure efficient capital deployment to support business activities and enhance shareholder value. Effective risk management coupled with the adoption of BASEL-II recommendations benefits, by augmenting capitalism and optimizing costs to risk and successful funding activities.

Our Risks

We are to identify the risk factors associated with our business and to take effective measures in the functional process to minimize and control the risks in

the area of lending, internal control, liquidity and treasury management. Introduction of risk analysis culture, loan classification and ratings are the broad schemes for assessing the risk status of our assets and liabilities.

We are in the business of accepting risk, our primary aim to collect and manage risks on behalf of our stakeholders and make a profit for shareholders. The ongoing development of contemporary risk management methods and the increased use of innovative financial products have brought about substantial changes in the business environment facing today.

Some Risks

We do possess a comprehensive risk management framework that enables us to monitor, evaluate and manage the risks we assume in conducting our day-to-day activities. These include credit, market, liquidity, operational and strategic risk exposures.

Credit Risk- It is the loss arising from the failure of a client, its counter-party or related parties to meet their contractual obligations. Credit risk also includes those risks which create losses to the community in general or other stakeholders resulting from the failure in measuring the risk of approving credit. In our company, Credit risk may arise on account of the following:

- Default risk
- Credit concentration risk
- Recovery risk
- Counter-party risk
- Related-party risk
- Environmental risk

Market Risk

The risk of loss arising from changes in market variables such as interest rates, security prices, equity index levels, exchange rates, commodity prices and general credit spreads are considered to be market risks.

Operational risk

The risk of loss arises from inadequate or failed internal processes, people and systems, or the risk of loss resulting from external causes, whether deliberate, accidental or natural are operational risks. These diverse risks are explained as follows:

System Risk- The risk of loss caused by piracy, theft, failure, breakdown or disruption in technology, data or information.

Process Risk- The risk related to the execution and maintenance of transactions and the various aspects of running a business.

People Risk- The risk of loss intentionally or unintentionally caused by an employee, for example an error or a misdeed, or involving employees such as disputes.

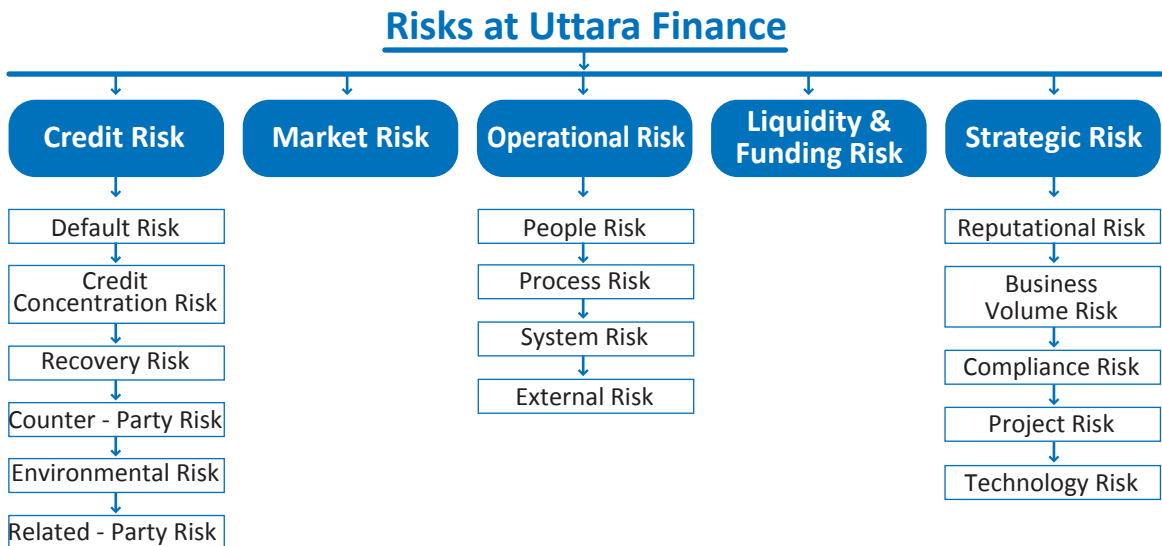
External Risk- The risk of loss on account of damage to physical property or assets from natural or unnatural causes. This category includes the risk presented by actions of external parties such as the perpetration of fraud or in the case of the regulators, the execution of change that would alter the Company's ability to continue operating in certain markets.

Liquidity and funding risk

The risk of being unable to either meet our payment obligations on maturity or borrow funds from the market at an acceptable price to fund actual or proposed commitments-include the liquidity and funding risk.

Strategic risk

- Business volume risk: In our company, such a risk may arise from declining business volumes and market share, from competitive pressures and loss of leadership position and from over-trading, which may affect profitability due to revenue volatility and reduced earnings spreads, credit rating and reputation. Risk of over-trading may lead to insufficient capital.
- Reputation risk: It is the risk related to the trustworthiness of the business. Damage to a firm's reputation can result in loss of revenue or loss of shareholder value, even if the Company is not found culpable.
- Project risk: If projects undertaken by the Company are not viable and feasible because of an adverse market environment, the company may run the risk of being encumbered by such projects.
- Technology risk: Technology risk is associated with the failure in identifying opportunity for implementing new technology as well as failure implementing new technology. If business units cannot identify new technology with a view to differentiating their products and services, they might lose out to other service providers. Also, if a technology is implemented which is not actually compatible with the organization's function, it not only brings forth operational challenges but also runs the risk of monetary wastage.



Risk management strategies

Integrated risk management approach:

Integrated risk management refers to integrating risk data into the strategic decision-making framework of the Company and making decisions which take into account the risk tolerance degrees of a department. In other words, it encompasses the active supervision of market, credit and liquidity risks on a concurrent basis. Another part of our Integrated Risk Management is managing diversified risks by different teams in an integrated manner. In our company, market risk and liquidity risk is managed by our Treasury department under supervision of top management. Credit Risk Management is responsible for managing credit risk. These two teams coordinate with Corporate Affairs and Finance department to manage legal, compliance and strategic risk

Pillars of risk management and control principles:

The pillars that support our efforts towards achieving an appropriate between risk and return include the following:

1. Protecting our financial strength by controlling risk exposures, potential risk concentration at the level of individual exposures, at specific portfolio levels and at an aggregate firm-wide level across all risk types.
2. Protecting our reputation through a sound risk culture characterized by integrated view of risk, performance and reward and by ensuring through compliance with our standards and principles, particularly our Code of Conduct.
3. Complete management accountability whereby business management, as opposed to risk control, own all risks assumed throughout the firm and are responsible for the continuous and active management of all exposures to ensure the right balance between risk and return.
4. Independent control functions which monitor the effectiveness of the business's risk management capabilities and also oversee risk taking activities.
5. Comprehensive and transparent risk disclosure to senior management, the Board of Directors, shareholders, regulators, rating agencies and other stakeholders.

Periodic analysis of Policies and Guidelines

All policies are periodically modified, which helps our company to cope with the current market situation and changes in the industry.

Following the Policy Guideline for Green Banking issued by the GB and CSR department of the Bangladesh Bank on 11 August 2013, we formulated its our green banking policy. Major areas covered in the policy include:

- Governance
- Environment and social risk in credit risk management
- In- house environment management
- Green finance, products and marketing
- Climate risk fund
- Training, awareness and green events
- Disclosure and reporting.

Credit risk management

Our Credit Risk Management Process: Risk is inherent in all types of business. However, for UFIL credit risk is considered to be the challenging one. Though UFIL have been facing difficulties over the years for a multitude of reasons, the major cause of serious banking problems continues to be directly related to negligent credit standard for borrowers and counterparties, poor portfolio management or lack of attention to changes in economic or other circumstances that can lead to a deterioration in the credit standing of a institution's counterparty.

Credit risk management process:

1. Approving transactions and setting and communicating credit;

2. Monitoring compliance with established credit exposure limits;
3. Assessing the likelihood that counter-party will default on its payment obligations;
4. Measuring the firm's current and potential credit exposure and losses resulting out of counter-party default;
5. Reporting of credit exposure to the senior management the Board and regulators;
6. Communication and collaboration with other independent control and support functions such as operations, legal and compliance.

Credit approval process**Different policies customized for different market segments**

Our credit management process are designed with the aim of combining an appropriate level of authority in its credit approval process with timely and responsive decision-making and customer service. The process for each division is tailored to the risk profile and service requirements of its customers and product portfolio. A Board-approved credit policy is adequately documented among business divisions and is strictly adhered to pre-sanction. Key parameters associated with credit structuring and approval is periodically reviewed to ensure continued relevance.

Segregation of credit appraisal from loan origination

The credit appraisal and measurement process, leading to approval/rejection, is segregated from loan origination in order to maintain the independence and integrity of the credit decision-making process. The Credit Evaluation Committee (CEC) regularly meets to review market and credit risks related to lending and recommends and implements appropriate measures to counter associated risks. An independent Credit Risk Management (CRM) department has been instituted to scrutinize projects from a risk-weighted perspective and to assist the management in creating a high-quality credit portfolio that maximizes returns from risk assets.

Credit risk measurement:

Our principle objective of credit risk measurement is to deploy various tools to support quantitative risk assessment from the level of individual facilities right up to the total portfolio, including credit approval process, ongoing credit risk management and reporting and portfolio analysis.

Client specific credit risk measurement:**Client's payment history review**

We receive credit report from the credit Information Bureau (CIB) of the Bangladesh Bank .the reports are scrutinized by the CRM and CEC department to assimilate the liability condition and repayment behavior of the client. Depending upon the report, opinions are taken from the client's banks, suppliers' and buyers' thus stakeholders' opinion are taken to understand the market position are to understand the repayment behavior of the proposed customer.

Our internal rating procedures:

We formulate the Risk Grading Model (RGM) to promote corporate safety and soundness by facilitating informed decision-making. This model measures credit risk and categories individual and group credit on the basis of the risk. We possess different internal rating tools to assess the credit risk on corporate, SME and Retail Banking Clients. Credit rating is based on the analysis and evaluation of both quantitative and qualitative factors. The specific factors analyzed are dependent on the type of the counter-party. The analysis emphasizes a forward-looking approach concentrating on economic trends and financial fundamentals. Credit offers use peer analysis, industry comparisons, external rating, research and the judgment of credit specialists. At the time of initial credit approval and review, relevant quantitative data (such as financial statements and financial projections) and qualitative factors relating to the counter-party are used in assigning a credit rating. We use a rating scale ranging from 1-8 whereby the 1-3 risk rates are tagged as satisfactory and above satisfactory and the 4-5 risk rates are tagged as average risk. Any client whose rating is less than 6 may not be considered for the loan. This process allows the management to monitor changes and trends in risk levels and manages risk to optimize returns.

Environmental risk rating:

We do maintain a general Environmental due diligence checklist and sector-specific environmental due diligence checklists. The environmental risk rating formulated through the compilation of the checklist. Environmental risk rating can either be low, moderate or high. In case of high for any proposal, post-facto approval is secured from the Executive Committee. We comply with the environmental risk management Guidelines for Banks and Financial Institutions in Bangladesh issued by the Bangladesh Bank in January 2011. Environmental risk management Guidelines have been incorporated in our credit policy. Environmental and social risks are now actively considered along with the general credit risks while assessing a prospective borrower. Environmental risks is a facilitating constituent of credit risk arising from environmental issues the risk can arise on account of environmental impact due to prevailing environmental conditions.

In addition to national laws and regulations, we have also voluntarily adopted the principals of the UN Global Compact and the UN Environment programme Finance Initiative Going forward, these will also become a part of our credit risk assessment structure, bringing forth a more rigorous environmental and social risk management framework.

Credit risk measurement in general:

Ongoing active monitoring and management of credit risk position

Ongoing active monitoring and management of credit risk position is an integral part of our credit risk

management activities. CRM's research team regularly reviews market conditions and our exposure to various industrial sub-sectors. We aim to proactively identify counter-parties that highlight the likelihood of problems well in advance, on the basis of the application of risk management tools in order to effectively manage credit exposure and maximize recovery, measurement tools include credit rating systems, which are used in the calculation of regulatory and economic capital & environmental risk rating and stress testing.

Stress testing:

Stress-testing guidelines issued by the Bangladesh Bank since 2010, these guidelines were revised for NBFIs in June 2012 after a thorough analysis of situational requirements and future perspectives, and lastly amended one we communicated on 19 January 2016 (through DFIM circular# 02). Following which, we complement its regular standardized risk reporting process with stress tests to capture the effects of exceptional but plausible events on the company's capital and liquidity positions. The company deploys regular stress-tests to calculate credit exposures, including potential concentrations that would result from applying shocks to credit risk factors (interest rates and equity prices for instance), these shocks include a wide range of moderate and extreme market movements. Stress-tests are regularly conducted jointly with the firm's market and liquidity risk functions.

Credit risk mitigation:

We do follow various credit risk mitigation techniques to organize credit exposure and reduce losses. These techniques are used consistently and reviewed periodically to meet operational management risk associated with their legal, practical and timely enforcement. A key focus of our credit risk management approach is to avoid undue concentrations in the credit portfolio whether in terms of counter-party, group, sectors or products. The Company's portfolio management supports a comprehensive assessment of concentrations within credit risk portfolio for provision of subsequent risk-mitigating actions and diversification across geographical boundaries, sectors, borrower groups and products. The analysis is also used to determine strategies for both portfolio and individual counterparties within the portfolio based on their risk/reward profile and potential. The use and approach to credit risk mitigation varies by product type, customer and business strategy. Mitigation techniques used include.

Credit limits:

We possess a set of Board-approved prudential limits to address counter-party concentration risks. These allow higher exposure to better-rated customers and lower exposure to lower-rated customers. Excesses beyond tolerance limits are considered on a case-by-case basis at the time of credit sanctioning and are reported quarterly to the Board.

Sustainable cash flow:

An important aspect of our credit review is a deep focus on the asset to be financed and the expected cash flow in order to minimize the probability of losses from late and delinquent payments. Hence, borrower credit-worthiness is determined on the basis of their reliability to make timely payments. Measures of reliability include credit payment history, references from current and past suppliers and qualitative character of the management/owners. Projected cash flows are also used to demonstrate the cash flows to make payments within the prescribed terms ability of the applicant to generate enough revenue and conditions. This includes evidence that the business continues to operate successfully and has been responding to its liabilities on time.

Collateral:

Collateral is the security in the form of an asset or third-party obligation that serves to mitigate inherent risks of credit loss due to exposure by either substituting the borrower default risk or improving recoveries in the event of a default. The principle types of collateral taken comprise cash and cash equivalent instruments, properties (residential, commercial and industrial), capital funds, plant and equipment. Realizable value of the collateral is computed on a conservative view of current market prices, suitably discounted for price volatility and the lack of a ready market for assets. All realization costs are taken into account as well. Collaterals taken by ourselves are well-documented to ensure that credit risk mitigation is legally effective and enforceable.

Risk transfer:

In some cases, we hold guarantees, letters of credit (LC) and similar instruments from third parties, which enable it to claim the settlement in the event of default on the part of the counter-party. Guarantor counter-parties include banks, parent companies, shareholders and associated counter-parties. Credit-worthiness is established for the guarantor for counter-party credit approvals.

Market risk management**Market risk may arise in the following forms:**

- Interest rate risk: Interest rate risk is the exposure of our financial condition to adverse movements in interest rates arising from re-pricing, maturity mismatches, changes in underlying rates and other characteristics of assets and liabilities in the normal course of business.
- Equity price risk: Results from exposures to changes in prices and volatility of individual equities, baskets of equities and equities indices. Our credit policy ensures that exposures are sufficiently diversified and within the Company's risk appetite.

The Company Asset Liability Management Committee (ALCO) regularly meets to assess prevailing market risks. ALCO members analyze the changes in interest rates and market conditions and conduct an analysis on the

asset-liability maturity gap and product re-pricing, thereby taking effective measures to monitor and control interest rate risks.

We do define policies and procedures for limiting and controlling interest rate by delineating responsibility and accountability and defining authorized instruments and position-taking opportunities. ALCO ensures that the Company embraces the policies and procedures that enable effective interest rate risk management. These include maintaining :

- An interest rate risk management review process
- Appropriate limits on risk taking
- Adequate systems of risk measurement
- A comprehensive interest rate risk reporting system and effective internal controls

Interest rate reports for the top management include summaries of the Company's aggregate exposures, compliance with policies and limits, summaries of reviews of interest rate risk policies and procedures and findings of internal and external auditors.

We have an efficient and effective Management Information System (MIS) for measuring, monitoring, controlling and reporting interest rate exposures. The interest rate risk management systems assess the effects of rate changes on both the earnings and economic value. Interest rate risks in new products are identified by carefully scrutinizing the maturity and re-pricing repayment terms of an instrument. The Company considers worse case scenarios and ensures that appropriate contingency plans are present to tackle these situations.

We have an adequate system of internal controls to ensure the integrity of its interest rate risk management processes and to promote effective and efficient operations, reliable financial and regulatory reporting and compliance with relevant laws, regulations and institutional policies.

Liquidity risk management

Liquidity is of critical importance to financial institutions. Insufficient liquidity has been the cause behind most recent failures of financial institutions. We possess a comprehensive and conservative set of liquidity and funding policies to address both firm-specific and broader industry/market liquidity events. Our principal objective is to create a well capitalized firm with a strong inherent ability of our core business to continue to generate revenue, even under adverse circumstances.

We manage liquidity risks according to the following principles:

- Asset-liability management: We assess anticipated holding periods for our assets and their expected liquidity in a stressed environment. We manage maturities and diversity of our funding across markets, products and counter-parties and seek to maintain liabilities of appropriate tenor relative to our asset base.

- **Butter liquidity:** We maintain some butter liquidity to meet a broad range of potential cash outflows and collateral needs in a stressed environment. We invest our liquid funds in a manner which emphasizes the need for security and liquidity.

Our liquidity and funding strategy is proposed by the Treasury department and is approved by the ALCO and overseen by the board and Directors. Liquidity and funding limits are set at group and business division-levels, taking into consideration current and projected business strategies a risk tolerance. Performance is monitored against limits and targets and regularly communicated to the management. These limits and targets are periodically reviewed and reconfirmed by the respective authorities.

Liquidity requirements are managed on a day-to-day basis by the Treasury division. It is also responsible for ensuring that sufficient funds are available to meet short-term obligations, even in a crisis and to maintain diverse funding sources. The division maintains liquidity based on historical requirements, anticipated funding requirements for operations, current liquidity position, collections from financing, available sources of funds and risks and returns. We aim to maintain a sound liquidity position to meet our liabilities when due, whether under normal or stressed conditions.

We have been following the stress-testing guidelines issued by the Bangladesh Bank since 2010. The guidelines were revised for NBFIs in June 2012, then in 19 January 2016, after a thorough analysis of the situation requirements and future perspectives. We perform regular stress analysis to determine the asset/liability structure that allows the Company to maintain an appropriately balanced liquidity and funding position various scenarios and circumstances. Moreover, we manage its liquidity and funding risks with the overall objective of optimizing the value of the business across a broad range of market conditions.

We possess adequate internal controls over its liquidity risk management process. An effective system has created a strong control environment with an in-built process of identifying and evaluated liquidity risks. It also possesses an adequate information system that produces regular independent reports and evaluations to review adherence with established policies and procedures.

A summary of lease/loan classification and provision for 2015 and 2014 is presented below to forecast future funding requirements and understand present collection from financing:

		Taka in million	
		Year	
		2015	2014
Unclassified (UC)	Standard(STD)	19,103.43	15,116.31
	Special Mention Account (SMA)	2,148.93	2,985.82
Total Unclassified	(STD+SMA)	21,252.36	18,102.13
Classified	Sub-Standard(SS)	306.60	530.27
	Doubtful (DF)	218.88	208.30
	Bad/Loss (BL)	1,204.03	322.73
Total Classified (SS+DF+BL)		1,729.51	1,061.31
Margin Loan		1,994.85	1,761.58
Total Outstanding		22,981.87	20,925.02

Operational Risk management

Operational risk management arises from inadequate/failed internal processes, human errors and system failures or from external causes (deliberate, accidental or natural). Such events may cause direct financial losses indirectly as revenue forgone due to suspension of business. They may also damage our reputation, causing long-term financial implications. Operational risks are inevitable consequences of being in business and managing it is a core element of our business activities.

Managing operational risks timely and information as well as a strong control culture, we seek to manage our operational risks through-

1. Training, supervision and development of our resource;
2. Active participation of the senior management in identifying and mitigating key operational risks;
3. Independent control and support functions that monitor operational risks on a daily basis, we have instituted extensive policies and procedures and implementation controls designed to prevent the occurrence;
4. Proactive communication between our revenue-predicting units and our independent control and support functions;
5. Building a network of system throughout the firm to facility the collection of data used in analyzing and assessing our operational risk exposure

Appropriate internal control measures are put in place address operational risks. We have also established an Internal Control and Compliance (ICC) department to address operational risks and to implement policies to counter such risks. In line with regulatory requirements, the ICC is responsible for the following:

1. Assess compliance with applicable laws and regulations, Codes and guidelines, internal procedures and policies. Timely audit is conducted where compliance with laws, regulations and guidelines is critical and appropriate recommendations for enhancement in processes and controls are enunciated;
2. Track transaction and report any suspicious transactions to the local designated authority. It also imparts on anti-money laundering in order to enable staff to mitigate compliance risks as recommended by local regulations;
3. Act as a control point within the company and deliver timely advice in relation to compliance queries emanating within the Company;
4. A compliant cell has been formed in line with the DFIM circular 13/2011 to ensure prompt settlement of complaints.

In our company proper credit administration includes efficient and effective operations related to monitoring, documentation, contractual requirements, legal covenants and collaterals, among others, accurate and timely report to the management and compliance with management policies and procedures and applicable rules and regulations.

All business of our company, audited to assess control adequacy and effectiveness from a process. The Company gathers information of different risks from reports and plans that are published within the institution (like audit reports, regulatory reports, management reports, business plans and operations plans, among others). A careful review of these documents reveals gaps that can present potential risks. The data from the report are then categorized into internal and external factors and converted into the likelihood of potential to the institution.

Business volume risk management

To encounter and mitigate business volumes risks, the following risk mitigation measures are in place:

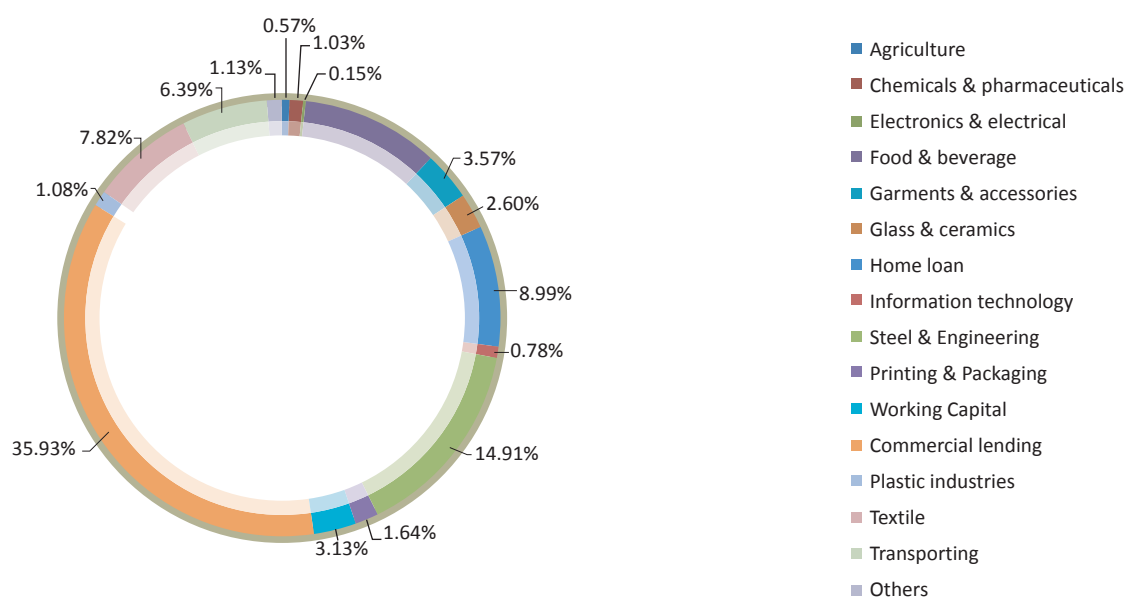
Regular review of the impact of the global meltdown and taking appropriate measures

At a glance, some portfolio-

Sector-wise exposure

We do enjoy a well- diversified credit portfolio in which the credit risk is spread across different sectors of the economy, as detailed below:

Industry-wise loans, Advances and Leases:



Credit risk concentration limits

As on 31 December 2015 no regulatory and prudential limits were exceeded with respect to credit connection risk. We comply with the following regulatory prudential limits: credit exposure to a customer or any group of closely-related customers shall not exceed 30% of its capital base. I also credit connections, notably connections over 15% of the Company's capital base, are reported:

(i) Quarterly to the Risk Management Committee

(ii) Quarterly to the Central Bank

Top-10 Group Exposure

Client Rank	Group Exposure (taka in crore)	% of UFIL's equity
Client- 1	153.42	29.26%
Client- 2	149.14	28.45%
Client- 3	146.98	28.04%
Client- 4	143.89	27.45%
Client- 5	139.76	26.66%
Client- 6	237.37	26.20%
Client- 7	67.33	12.84%
Client- 8	46.74	8.92%
Client- 9	34.07	6.50%
Client- 10	31.29	5.97%

Top-10 Sectoral Exposure

Sectors	Net Exposure	% of Total Industrial Portfolio
Commercial lending	8257.15	35.93%
Steel & Engineering	3425.52	14.91%
Food & beverage	2363.35	10.28%
Home loan	2,066.30	8.99%
Textile	1796.51	7.82%
Transporting	1468.45	6.39%
Garments & accessories	821.59	3.57%
Working Capital	719.79	3.13%
Glass & ceramics	597.80	2.60%
Printing & Packaging	376.18	1.64%

Adequacy of risk management process

We possess well-established processes for management of all material risks that are associated with its business activities. The Company's policy is to maintain a strong core capital and utilize its efficiency throughout its activities with the objective of optimizing shareholder returns while maintaining a prudent balance between the core capital and the underlying risks of the business.

The capital management processes ensure that each entity/segment maintains sufficient capital levels for legal/regulatory compliance purposes and to meet BASEL-II requirements, besides keeping a cushion for uncertainties and supporting depositor confidence.

Type of Risk	Rating
Credit Risk	Moderate
Market Risk	Moderate
Liquidity Risk	Low
Operational Risk	Low
business volume Risk	Low



CHAIRMAN'S REPORT

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 twenty-first Annual General Meeting of Uttara Finance and Investments Limited, I have the pleasure to present before you the Annual Report of 2015 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 2015.

Bangladesh has an impressive track record on development and the economy has grown at 6% (percent) or more in the last one decade with human development maintaining the pace. Poverty dropped by nearly a third, coupled with increased life expectancy, literacy and per capita food intake. According to the World Bank, nearly 15 million Bangladeshi's moved out of poverty trap since 1992. The GDP during the current fiscal year ending in June 2016 is likely to be between 6.7-7%.

Bangladesh has attained the status of a lower middle income group from that of a LDC during 2015 which is a commendable achievement. However, to maintain the status will require substantial efforts in many fronts.

Bangladesh can easily become an export power house with its labor intensive manufacturing and service exports growing on double digits on a sustained basis. Exports from Bangladesh reached \$31.2 billion in FY15. On the other hand RMG Sector has a target of \$50 billion in the year 2021 coinciding with 50 years of Bangladesh. The Leather Sector is also expected to grow rapidly and reach \$5 billion exports in five years time. All those targets are achievable if policies are implemented to address the structural deficiencies prevailing at this moment. It is encouraging to note that the government has allowed the private sector to establish Special Economic Zones (SEZ's) for Japan, China and India to complement existing Export Processing Zones (EPZ'S).

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.

The year 2015 has been comparatively peaceful with very little disruption to normal life. As such, we are in a position to give you a result which shows remarkable growth over last year 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 55.17 crore. This milestone was achieved with hard work, dedication of all the employees 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 diversity and bring new products in to the market for further development and progress and that 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 Insha 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 2016 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 all of you.

Allah Hafez


Rashidul Hasan

MESSAGE FROM MANAGING DIRECTOR & CEO



Dear Shareholders, valued clients and well wishers,

Assalamu Alaikum,

The banking and financial sector faced many challenges during the year 2015 and the industry

itself has been impacted by the continued process of liberalization of world trade and reforms

undertaken by the regulatory agencies in Bangladesh. Our money market and Foreign Exchange

market have passed through occasional swings and rough times putting emphasis on the need to embrace changes as a way of doing business. We have recognized our shortfalls and anticipated new trends and market requirements from the beginning and adopted corporate strategies accordingly. Our goal to do business with all ethical standards and in a complete transparent manner will continue. Our achievement of excellence will depend on our core values and strengths. Uttara Finance and Investments Limited will be reflected by our abilities to build complete business relationship with the customers and customer's satisfaction is the cornerstone of our strategy.

Against this background, the year 2015 was an extremely satisfying year for us. In financial

perspective, we have not only registered accelerated growth in all areas of business operations

but also succeeded in achieving qualitative improvements in many areas of our operations. We

have made a profit of Tk. 59.17 crore registering a growth of 212.58% over the previous year. Our valued customers entrusted us with a deposit of Tk. 14209.71 million, which is 37.04% higher than that of 2014. We have enlarged our business portfolio by demonstrating strengths in the fiercely competitive market.

Through systematic and targeted acquisition of customers especially those engaged in export and import substitute industries, we have increased loans and advances by 47.95% than that of

previous year. The market conditions remained very tight and upbeat throughout the year under review and this has led us to spontaneous and resilient actions on all fronts of our activities. However, cost was kept under strict control and in clear focus. It increased proportionately with the revenue earnings and that too without compromising quality.

Taking risk is an integral part of a financial services industry. For a Financial Institution like ours, managing risk-assets, market and operational risks is a pre-requisite for achieving attractive rates of return for the shareholders. We constantly strive to make an appropriate balance between risk and return. Our Board of Directors makes risk identification and control critical components of its process and plans in advance.

Despite the size of network and complexities in

business, we shall continue to surface attractive opportunities in investment. With our experience, we believe, we shall be able to take the company to newer heights. To us every interaction with our customers, respected shareholders and people living in the community is important. We also enjoy listening to them about their views, opinions and priorities. We find them not only interesting but also inspiring as always.

Our most important asset is our human resources. We have a pool of talented and skilled

workforce. Our compensation package is very competitive in the market which enables us to

attract, retain and motivate the workforce. We provide them with attractive incentives and rewards based on performance and focus on their career development by way of offering challenging tasks and imparting training at home and abroad.

Before I conclude, I must say it again, our results were very impressive by all standards for the

year just ended. We are keen to set new standards, more efficient and consistent process that will lead to more satisfied customers and more revenue earnings. Winning has become a strong part of our culture and equally strong part of the culture is a commitment to win the right way and doing the right thing. On behalf of the management, I express my gratitude and thanks to the respected members of the Board of Directors, all regulatory authorities, shareholders and valued customers & staff for their guidance, advice and continued support.

Leadership of Our Team

Apart from the support of our respected Board, Shareholders, and stakeholders, our ongoing success would not be possible without the hard work of our talented personnel and their leadership. We work together as a TEAM to achieve our Vision. We're entertained professional employees in all the arena of business and their professionalism is highly appreciated.

Commitment of Our Management

We've the distinguished and talented personal, the expertise and the passion to succeed. The Company profoundly believes that success and responsibility go together. As the number one quality assured company in this sector of the Country, we'll continue to pay our part as a responsible corporate citizen and contribute to the economy of the country.

May Almighty Allah bestow His unbound favors upon us all.

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 21st Annual General Meeting of the Company. I also take this opportunity to present before you the twenty first Annual Report of the Company along with the Financial Statements and Auditor's Report thereon for the year ended December 31, 2015 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 desperate efforts to recover whereas emerging economies are less dynamic than in the past. A further deceleration of activity in key emerging and developing economies overshadowed a modest recovery in major high-income countries in 2015. As per World Economic Outlook update of January 2016 published by IMF global growth in 2015 is 0.4 percent lower than expected in June 2015, continuing a pattern of disappointing returns over the past several years. In 2015 global growth picked up only 3.1 percent as against 3.4 percent of 2014. "2015 was another disappointing year for the global economy, mainly reflecting a slowdown in economic activity in emerging and developing countries amid low commodity prices and diminished flows of trade and capital, the World Bank Group's January 2016 Global Economic Prospects report says. Global growth should accelerate modestly in 2016 at a slower pace than previously envisioned and will face substantial risks" said Mr. Ayhan Kose, director of Development Prospects of World Bank.

In a development recorded since the 1980s, most of the largest emerging and developing economies have been slowing over the last three years. This kind of performance was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weak commodity prices, global trade and capital flows. Drivers of this slowdown have been both cyclical and structural in nature, and resulted from a combination of external and domestic headwinds. Sharp declines in commodity prices, subdued global trade, weakening capital flows and currency pressures have created in 2015 a particularly challenging external environment for commodity exporters, where most of the growth disappointments are concentrated. Domestically, declining productivity growth, eroding policy buffers and heightened policy uncertainty have contributed to weaker growth and lingering vulnerabilities across major emerging and developing economies.

The recovery in major high-income countries gained traction in 2015 and has been increasingly driven by stronger domestic demand as labor markets heal and credit conditions improve. Growth in high-income

countries during the year 2015 was around 1.9% against last year growth of 1.8 percent. Growth in major economies has shown divergent results, as the recovery of Japan, European Union, New EU members and the Euro area gains momentum whereas other European countries 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 the mid of 2015. China is undergoing a carefully managed slowdown but continues on a path of gradual deceleration. However, developed economies are expected to contribute more to global growth.

Growth of the emerging markets and developing economies also has slowed down compared to the pre-crisis period. Developing-country growth is post-crisis low of 4.0 percent in 2015, down from 4.6 percent in 2014. A further slowdown in China leading the decline of potential growth throughout the emerging and developing economies, persistently downcast growth in major high-income countries, and heightened geopolitical tensions. 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. With a much anticipated slowdown in China and persistently weak economic performances in other large developing and transition economies notably Brazil and the Russian Federation, developing countries are expected to grow by 4.3 per cent and 4.7 per cent in 2016 and 2017, respectively.

As per report of IMF in the year 2015 the world GDP at current price after 3.10 percent growth stands at \$73,506.8 billion whereas GDP of EURO area is \$11,568.2 billion showing growth of 1.5 percent. The GDP of Major advanced economies (G7) stands at \$34,134.8 billion, Other Advanced Economies (Excluding G7 and Euro zone) at \$6,273.9 billion, European Union \$16,265.6 billion, Emerging and Developing Economies \$29,138.1 billion and ASEAN-5 \$2,057.7 billion showing growth of 1.9 percent, 2.3 percent, 1.9 percent, 4.0 percent and 4.6 percent respectively. Growth of two large economies in Europe, Germany and France, reported 1.5 percent and 1.2 percent in the year 2015.

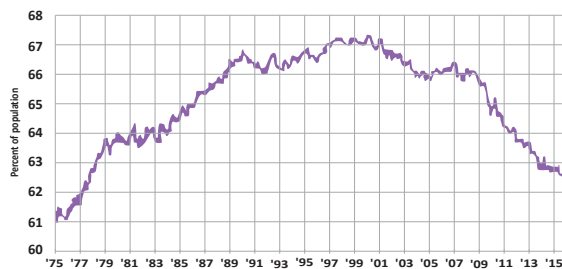
In the year 2015 the growth recorded in African Economies is 3.8 percent. South Africa and Egypt are the main two hub of this area's economy. The big South Africa's economy posted growth of 1.4 percent in 2015. Though a good number of challenges like armed conflicts, spread of Ebola, insufficient efforts for poverty reduction and education exist in this area, growth of income per capita continued due to strong performance of oil-exporting countries.

In the year 2015 the combined GDP growth of developing economics is around 4. percent against 4.4 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. High unemployment, fiscal consolidation, and a narrow business confidence are expected to be continued in the year 2016 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 is less than the expected growth rate. The growth rate of ASEAN 5 in the year 2015 is 1.5 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 7.3 percent and 6.8 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 2015.

As reported by Bureau of Labor Statistics unemployment levels have been decreasing across the world and present unemployment rate is 5.0 which was 5.5 at the end of 2014. The jobless rate of USA, world largest economy, fell to 5.0 percent from 5.5 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 62.6 percent at the end of December 2015 up from a post-recession low of 62.4 percent in September 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.

LABOR FORCE PARTICIPATION RATE



During the last one decade the number of countries classified as 'low-income' (according to the World Bank definition) has fallen to 33 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 2015 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. In low-income countries agriculture accounts for about 25 percent of GDP and 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 2015, much more than FDI. However, in contrast to middle-income countries, economic activity in low-income countries strengthened in 2015 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 2016-17.

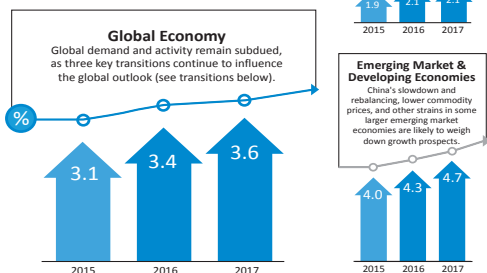
World economy forecast

Year 2016 is going to be very crucial for the world economy. Despite different tribulations World Economic Outlook of IMF in January 2016 issue is hopeful to record 3.4 percent growth of the world economy in the year 2016 compared to 3.1 percent in 2015 and expected 3.6 percent growth in the year 2017. The World Economic Outlook of IMF in its January 2016 issue report that "In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016-17. The projected pickup in growth in the next two years- despite the ongoing slowdown in China-primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks." Advanced economies are likely to see growth of 2.1 percent in 2016 and 2017 and other High-income countries are likely to grow at 2.4 percent in 2016, up from 2.1 percent in 2015, on the back of gradually recovering labor markets, ebbing fiscal consolidation, and still-low financing costs. Despite positive growth in most countries of Latin America and the Caribbean aggregate GDP is projected a little bit lower in 2016 than in 2015 due to recession in Brazil and other countries in this area.

WORLD ECONOMIC OUTLOOK UPDATE | JANUARY 2016

FUTURE GROWTH RATES

Growth will pick up more gradually than projected in fall 2015, especially in emerging market and developing economies.



Growth in emerging market and developing economies is projected to increase from 4 percent in 2015, the lowest since the financial crisis in 2008-09 and expected 4.3 percent and 4.7 percent growth in 2016 and 2017 respectively. In developing countries of Asia, as the domestic headwinds that held back growth in 2015 ease and the recovery in high-income countries slowly strengthen, growth is projected to gradually accelerate is expected to regain some momentum in 2016 and 2017. The projected growth rate is averaging 6.3 percent and 6.2 percent respectively but many of the factors underpinning the recent slowdown are expected to persist. In particular, the contribution of commodity exporters to global growth is expected to remain significantly lower than that observed during the commodity boom years. As the economy continues to rebalance, growth in China is expected to slow to 6.3 percent in 2016 and 6.0 percent in 2017, primarily reflecting weaker investment growth. Though some of the countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness, India and the rest of emerging Asia are projected to continue growing at a robust pace.

It is very much expected that lower prices of oil will contribute to diverging prospects for oil-exporting and importing countries. 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 2016. 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 2016 report "Higher growth is projected for the Middle East, but lower oil prices, and in some cases geopolitical tensions and domestic strife, continue to weigh on the outlook."

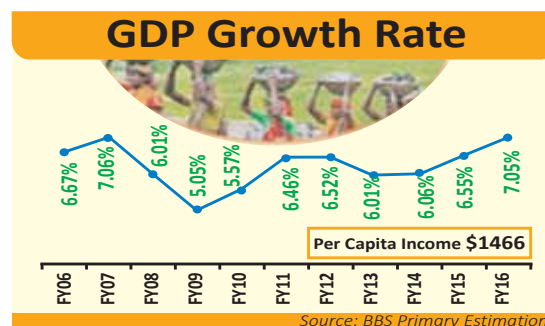
Losses from lower oil exports should sap up to USD 300 billion from economies in the Middle East and Central Asia this year as countries in the region adjust to falling crude oil prices. Economies that are particularly dependent on oil exports will be hit hardest by more than 50 percent decline in petroleum 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.

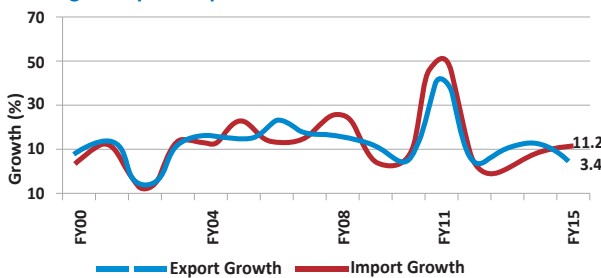
Bangladesh economy

In spite of a 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. Growth pattern of last one decade proves Bangladesh economy has been on a stable and positive growth path. In the fiscal year 2014-2015 the GDP growth of the country recorded around 6.6 percent which was 6.1 percent in the fiscal year 2013-2014. The International Monetary Fund (IMF) recently stated that the real GDP for the year 2015-2016 will be around 6.3 percent against the government target of 6.8 percent. In this fiscal the economy is expected to grow at a respectable pace. Recently on the basis of available data of first three quarters (July 2015 to March 2016) of the current fiscal the Bangladesh Bureau of Statistics (BBS) estimate that the country's economic growth is going to break the 'six percent trap' and the expected growth at the end of this fiscal is 7.05 percent.



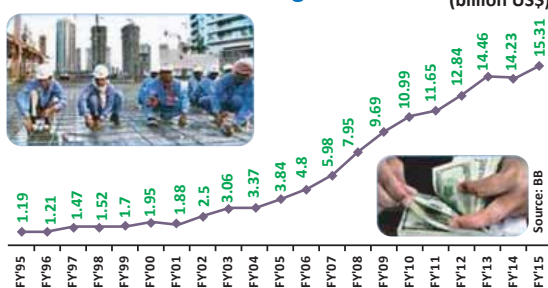
Despite political agitation early in 2015 that adversely affected transport services, exports, and private investment, growth in Bangladesh held up well because of brisk domestic demand, boosted by higher worker remittances, private sector wages, and public investment. During the year 2014-2015 the RMG sector witnessed 15 percent growth. 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. After Rana Plaza tragedy due to failure to comply with safety issues some factories were shut down following inspection by Accord and Alliance. Besides the Generalized System of Preference (GSP) facility in USA still remains suspended due to lack of fulfillment of different conditions including workers safety and labor rights. For better future of this sector and to ensure the growth Bangladesh does not have any choice but to overcome. Despite the tragedies, Bangladesh is still regarded as a popular sourcing destination with growth potential, forecasted by US Fashion Industry Association (USFIA). Bangladesh exports mainly Readymade Garments including knit wear and 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.

Fig. 8: Export-Import Growth



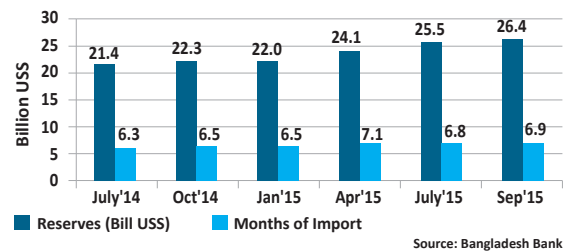
According to Bangladesh bank statistics during the year 2015 remittance inflow has been increased by 7.66 percent to reach USD 15,316.95 million against USD 14,226.93 million of 2014. Manpower export was dropped in the last calendar year due to unrest in the Middle East and legal status problems of the 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.

Inward Remittance in Bangladesh



Though there have been several negative activities of foreign currency earnings the foreign exchange reserves of Bangladesh Bank at the end of 2015 is USD 26 billion and at the end of February 2016 have reached to record USD 28 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, 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.

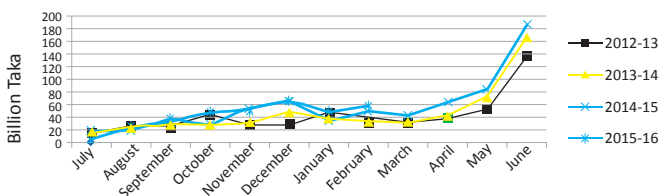
Fig. 14: Foreign Exchange Reserves (Billion USD)



Agriculture and food sectors are expected to be nearly self-sufficient. Due to fuel and power 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.

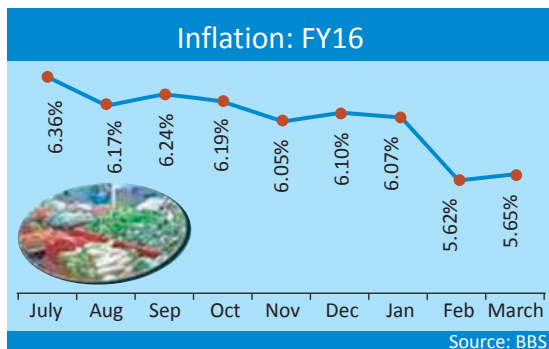
During the first 6 months of fiscal year 2015 - 2016 implementation of ADP has slowed down significantly. This raised serious doubts about whether the government would be able to maintain implementation achievement rate of last five years. Only 34 percent of ADP has been implemented upto February 2016 (BDT 34,674 crore) 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 93,895 crore, 7.03 % lower of initial budget of BDT 1,00,997 crore which is 25.19 percent higher than previous year. The sectoral allocation of ADP for the year 2016 shows that greater emphasis given on local government 17 percent followed by power division and bridge division 17 percent and 9 percent respectively.

Monthwise Comparison of ADP Data



The main bottleneck to implement ADP is collection of revenue. Upto February 2016 collection of revenue is BDT 91,359.36 crore i.e. 51.80 percent during the first eight months against annual budgeted amount BDT 1,76,370 crore. Local experts opined that collection of rest 48.20 percent i.e. BDT 85,010.64 crore may be hit difficult in remaining four months.

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 2015 is 5.5 percent though per capita income is all time high of USD 1,466 (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 March 2016 after reducing by 1 percent now came down to around 5.65 percent whereas inflation of food and essentials is 3.89 percent and non food inflation is 8.36 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.



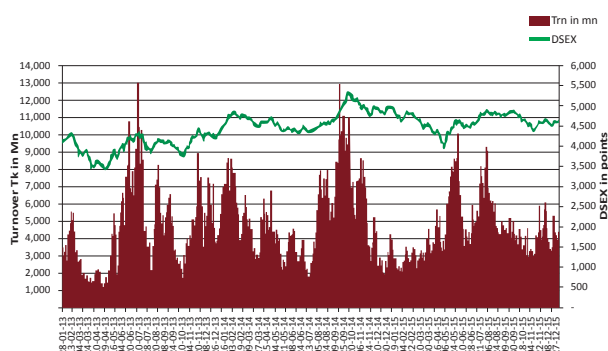
Creation of employment opportunity is the first priority of the Government to reduce poverty and poverty reduction strategy paper - II outlined that SME is a vital element of the Strategic Block for pro-poor growth and as underlying in the sixth five year plan 2011 - 2015, Bangladesh Bank has given high 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.

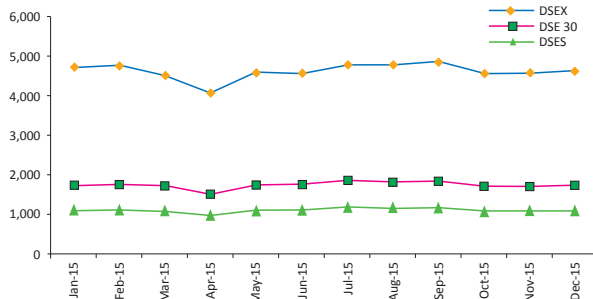
Capital market of Bangladesh

After 2010 the position of stock markets has been deteriorating day by day and the market was not in good shape in the year 2015 like 2011 - 2014. 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. 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 5 years have lost their confidence to a great extent and shifting their money to invest in fixed income bearing instruments.

DSE Performance From January 28, 2013 to December 31, 2015

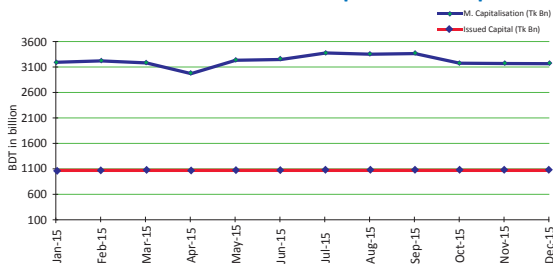


Index Movement for a year



For providing relief to the large number of small investors who suffered monetary losses the government has unveiled a stimulus package for the affected small investors whose investment was BDT 10 lac or below. By availing 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 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 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 2015 total 13 issues have come to market as against 17 issue of 2014 and 11 issues of 2013. Experts and Merchant Bankers opined that the number of issue could have been higher if the market remained stable.

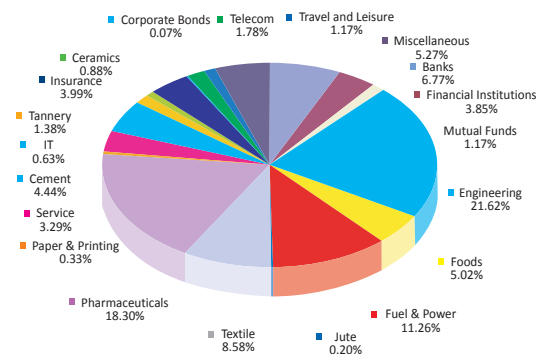
Movement of DSE Market Cap & Issued Cap



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.

Sectoral Turnover - December 2015



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 through electronic media

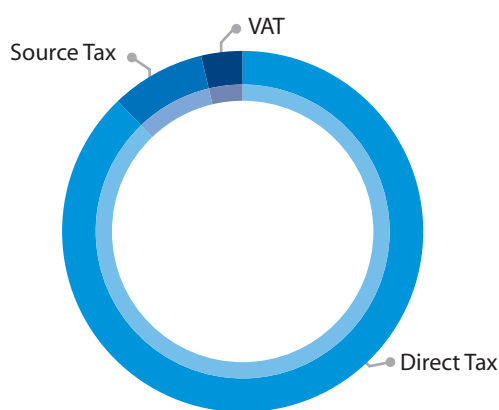
for the grassroot investors who do not have enough knowledge but active in the market to invest blindly without knowing the fact and giving importance to rumor and put their feet into the manipulators trap. For correct decision investors should have knowledge about different common items like price index, 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 400.00 million as income tax, BDT 38.48 million as against tax deduction at source and deducted value added tax BDT 16.88 million which was BDT 742.70 million, BDT 85.62 million and BDT 3.42 million respectively in the year 2014.



Payment of Tax and VAT 2015



direct contribution to the national economy

The Industry

By financing to various sectors like manufacturing and service industries, trade, housing, transport, information and communication technology and capital markets the non-bank financial institutions (NBFIs) are playing very vital role in the economy of Bangladesh. This sector consists of specialized financing companies, leasing companies, investment companies, merchant banks, etc. Upto end of December 2014 there are 31 NBFIs operating their business in the country of which 3 are government-owned, 18 are privately owned local companies and the remaining 10 are established under joint venture with foreign participation. NBFIs are operating with 198 branches throughout the country.

The cumulative investment of NBFIs at the end of 2014 is BDT 371 billion which was BDT 292 billion in 2013 means investments of FIs have increased by 27.05 percent. As reported by Bangladesh Bank in its Financial Stability Report 2014 published in June 2015 non performing loan of the industry have increased by BDT 20 million in 2014 which is 11.3 percent higher than 2013. The NPL of 2014 is 5.3 percent of total loan and lease which was 5.6 percent in the year 2013. In the year the FIs made provision of BDT 11 billion against

requirement of BDT 10 billion. Applications for rescheduling the loans have been received by the banks and FIs. However, the amount of deposit in NBFIs have increased to BDT 246 billion in 2014 which was BDT 198 billion in 2013 recording a growth rate of 24.24 percent.

AS per Bangladesh Bank Stress test results, based on data for the year end December 31, 2014 out of 31NBFIs, 4 were positioned as green and 19 were positioned as yellow and therefore, 23 NBFIs performed as resilient institutions during October - December 2014 quarter whereas 8 NBFIs were positioned as red. In the year 2013 out of 30 institutions 3 was green, 16 institutions were yellow and the rest 11 institutions were red. However, a majority of the NBFIs were resilient in the face of different shock scenarios.

Industry outlook for 2016

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.

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. To meet up with more development expenditures if the government borrowed more from different commercial

banks, the stability of money market is likely to be uncertain thus interest rate in the money market is likely to be increased further 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.

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 behavior 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 2016. 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 2015 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 2014. Total business contracts processed in 2015 increased to BDT 1,452.18 crore against targets of BDT 1,450 crore. In 2015 disbursement has been made for BDT 1,308.11 crore against targets BDT 1305 crore. Disbursement of 2015 is 3.02 percent higher than the disbursement of 2014 of BDT 1,269.74 crore. In the year 2015 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 2015 and growth percentage over the last year are as given below:

	Amount in crore		% of growth over last year
	2015	2014	
Business Performances			
Contract Processed	1,452.18	1,453.71	(0.11%)
Contract disbursed	1,308.11	1,269.71	3.02%
Financial performances			
Operational Revenues	394.09	348.83	12.97%
Profit before provision and Tax	150.28	102.82	46.16%
Net profit after tax	55.17	17.65	212.58%
Income from operation	164.86	110.73	48.88%
Profit from MBU	17.70	24.79	(29.40)%
Fixed assets	13.42	14.87	(9.75)%
Investment in lease	1,177.67	1,067.69	10.30%
Investment in term finance	921.03	848.65	8.53%
Investment in margin loan	199.49	176.16	13.24%
Investment in shares	139.34	99.93	39.44%
Shareholder's equity	524.26	491.85	6.59%

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 2015 have been audited by M/S. K. M. Hasan & 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;

- a) The Financial Statements prepared by the Management of the Company are fairly presented.
- b) Proper Books of Accounts have been maintained.
- c) 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.
- d) International Accounting Standards (IAS), as applicable in Bangladesh has been followed in preparation of the financial statements.
- e) Effectively implemented and monitored internal control system is sound.
- f) 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.
- g) 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 2015 the gross profit and net profit margin of the Company is 41.83 percent and 14.00 percent which were 31.74 percent and 5.06 percent respectively in the year 2014. During the year of reporting there was no extraordinary gain or loss in the reported profit. The year end results of 2015 with comparative figures of 2014 are as under:

Description	2015		2014	
	Taka	(%)	Taka	(%)
Operational Revenues	3,940,880,869		3,488,301,511	
Interest expenses	2,292,320,411	58.17	2,380,997,046	68.26
Gross profit	1,648,560,458	41.83	1,107,304,465	31.74
Operational Expenses	195,565,834	4.96	192,926,587	5.53
Non Operational income	49,789,438	1.25	113,832,706	3.16
Profit before Provision and Tax	1,502,784,062	38.13	1,028,210,584	29.48
Tax Expenses	350,000,000	8.88	360,000,000	10.31
Provisions	601,095,058	15.25	491,695,892	14.09
Profit after Tax	551,689,004	14.00	176,514,692	5.06
Earnings Per Share	4.41		1.55	

Significant deviation of operating results'

As per the audited financial statements for the year ended 31 December 2015 net profit earned is BDT 551.69 million which was BDT 176.51 million in the year 2014 means there are some deviation in profit earning of 2014 and 2015. Profit of 2014 was reduced due to a large amount of provision on investment made in 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 601.09 million in 2015 which was BDT 491.70 million in 2014. Lease investment increased by 10.30 percent than 2015 due to significant increase of

investment in lease during the year 2015 whereas Term Finance increased by 8.53 percent.

In the year 2015 net profit earned is BDT 231.49 million in first quarter (Q1), BDT 532.42 million at half year end and BDT 813.13 million at end of third quarter (Q3) which was BDT 251.49 million, BDT 515.60 million and BDT 805.32 million respectively in the year 2014 which means no significant deviation occurred between quarterly financial performances.

This profit is 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 30 percent cash dividend to the Shareholders of the Company.

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

Description	2015 Taka	2014 Taka
Statutory Reserve @ 20% of net profit	110,337,801	35,302,938
Dividend @ 30% (dividend @ 30% - 2014)	375,661,440	341,510,400
Retained Earnings for the year	65,689,763	(200,298,646)

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 2015 the amount of undistributed profit of the Company is BDT 2,255.28 million which was BDT 2,189.59 million at the end of 2014 maintained in the name of general reserve, dividend equalization fund and retained earnings excluding the statutory reserve BDT 1,207.07 million and BDT 1,096.73 million respectively for the year 2015 and 2014. 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 2015 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. Matiur Rahman, Mr. Mehdadur Rahman and Mr. Kazi Imdad Hossain retired from their office and being eligible offered themselves for re-election.

Directors' attendance in the Board of Directors meetings

During the year 2015 the Board of Directors met 7 times. Most of the Directors were present in all the meetings. During the year 2015 average presence of the Board Members was 78.57 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	No. of Position in the Board	Total Meeting	Meetings Attended
01	Mr. Rashidul Hasan (Nominee Director)	Chairman	7	6
02	Mr. Matiur Rahman (Nominee Director)	Vice Chairman	7	7
03	Mr. Mujibur Rahman (Nominee Director)	Director	7	6
04	Mr. Mehdadur Rahman	Director	7	4
05	Mr. Kazi Imdad Hossain (Nominee Director)	Director	7	6
06	Ms. Zakia Rahman	Director	7	7
07	Ms. Tahmina Rahman (Tina)	Director	7	4
08	Mr. N. G. Chin Keong	Director	7	-
09	Mr. Md. Showkat Hossain, FCA	Independent Director	7	5
10	Mr. A. T. K. M. Ismail	Independent Director	7	7
11	Mr. A J Masudul Haque Ahmed	Executive Director	7	7
12	Mr. S. M. Shamsul Arefin	Managing Director	7	7

Directors' remuneration

Upto November 2015 as per DFIM circular letter no. 03 dated 24 February 2010 the Company had paid @ BDT 5,000 and as per DFIM circular letter no. 13 dated 30 November 2015, the Company has been paying from December 2015 @ BDT 8,000 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 421,500 was paid to the Directors for their attendance in the meetings which was BDT 315,000 in 2013. 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. Details of directors' emoluments paid during the year are given in

notes 30 to the financial statements.

Pattern of shareholdings

As on December 31, 2015 the paid-up Capital of Uttara Finance and Investments Limited is BDT 1,252,204,800 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 2015 are given in the note no. 13 of the financial statements.

Sl. No.	Name of Shareholders	Status of Shareholder	No. of Shareholding
1.	Uttara Motors Limited	Sponsor	6,392,667
2.	Uttara Automobiles Limited	Sponsor	9,786,799
3.	Uttara Apparels Limited	Sponsor	10,956,792
4.	Mr. Rashidul Hasan	Chairman	433,873
5.	Ms. Chin Keong	Sponsor (retired)	4,891,425
6.	Mr. Matiur Rahman	Nominee Director	609,031
7.	Mr. Mujibur Rahman	Nominee Director	2,603
8.	Mr. Mehdadur Rahman	Sponsor	2,507,115
9.	Mr. Kazi Imdad Hossain	Nominee Director	5,082

Sl. No.	Name of Shareholders	Status of Shareholder	No. of Shareholding
10.	Ms. Zakia Rahman	Sponsor	2,507,115
11.	Ms. Tahmina Rahman (Tina)	Sponsor	2,507,115
12.	Mr. NG Chin Keong	Sponsor	4,891,425
13.	Uttara Automobiles Manufacturing Ltd.	Director	14,709,135
14.	Mr. Md. Showkat Hossain, FCA	Independent Director	nil
15.	Mr. A.T. K. M. Ismail	Independent Director	1,595
16.	Mr. S. M. Shamsul Arefin	CEO	nil
17.	Mr. Md. Jakir Hossain, FCA	SEVP & Company Secretary	762
18.	Mr. A J Masudul Haque Ahmed	Executive Director	36,064
19.	Mr. Muhammad Abdul Hamid, FCMA	SEVP	nil
20.	Mr. Anil Chandra Das	SEVP	nil
21.	Mr. Uttam Kumar Saha	VP	nil
22.	Mr. Ali Akbar Mollah	SAVP	1,262
23.	Mr. Faruk Jamil	SAVP	nil
24.	Mr. Mesbah Uddin Mahmud	SAVP	24
25.	Mr. Mainuddin	SAVP	nil
26.	Mr. Chowdhury Fazla Anwar	SAVP	nil
27.	Mr. Kazi Arifuzzaman	SAVP	413

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 and the tenure of Independent Directors will be expired on May 26, 2016.

Taking into consideration of section 1.2(vi) of the above said Notification, the Board of Directors unanimously appointed Mr. Md. Showkat Hossain, FCA and Mr. A. T. K. M. Ismail as Independent Directors for a period of further three years term subject to approval by the shareholders in the 21st AGM for the year 2015 to be held in 2016.

Auditors

M/S K. M. Hasan & Co., Chartered Accountants one of the leading Chartered Accountants firms in Bangladesh has carried out the audit of the Company for the year 2015 and has completed first year of audit of their term very creditably. 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 K. M. Hasan &

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 and an audit firm of repute to be the Auditor for the year 2016 to hold office from the conclusion of the 21st Annual General Meeting until the conclusion of the next 22nd Annual General Meeting of Uttara Finance and Investments Limited.

Risks and concerns

Risk is integral part of business and therefore risk management is important for making business successful. To ensure sustainable growth, execute the business plan, uphold the reputation the identification, evaluation and management of risk is very vital in business community.

To establish potential risk management system different committees have been formed where Company's senior management are members. All the committee work together but independently to mitigate different risks. All teams regularly reviews risk related issues, find out risk factors and recommend for necessary steps. Considering different rules, regulations, guidelines and recommendations of different committees, the company takes appropriate measures to minimize the risk.

Details about risk management policies and practices are discussed in the 'Statement of risk management report' on page no. 61

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. Detailed report on going concern is given in the page no. 98.

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. 107 to 116 as 'Annexure-I' and 'Annexure-II' respectively.

Professional certificate on status of compliance of corporate governance also given in the page no. 106

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

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 was responsible for submitting their report to the Board whether the financial statements of the company reflected true and fair view of the state 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 in 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 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 statement of significant related party transactions submitted by the Management;
- 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;
- Review statement of significant related party transactions submitted by the Management;
- 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 2015 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 21st 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 2016;

sd/-
Chairman
Audit Committee
April 07, 2016

REPORT ON FUND MANAGEMENT

Our Fund Management:

Maximizing Return, Minimizing Risk

Overview

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 lines 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
- Money laundering and terrorist financing risk analysis

Year 2015 was comparatively stable than the year 2014. The commercial banks manage its fund management activities more effectively and efficiently than the year 2014 due to manage liquidity position in the money market. Interest rates on all types of deposits and borrowings-lending came down from the beginning of 2015. 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 2015 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 installments, 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.

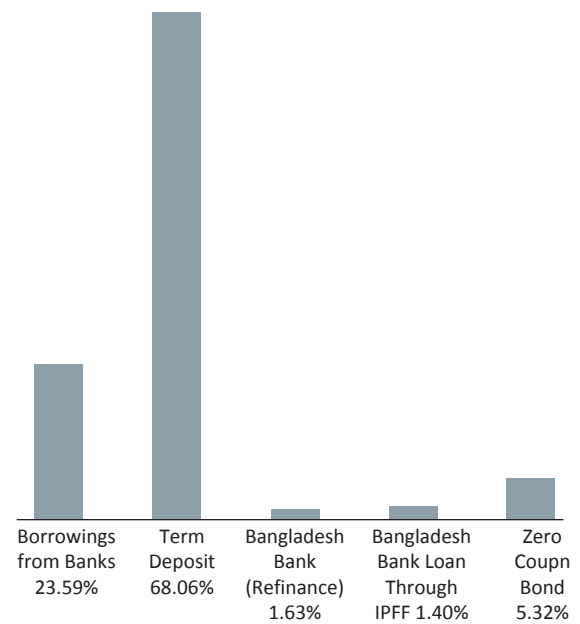
Sources of borrowed fund

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, 2015 total term deposit amount was BDT 14,209.77 million which was BDT 10,369.94 million in the year 2014 which means the growth rate of deposit is 37.04 percent. During the year of reporting BDT 4856.78 million deposits received as against BDT 8388.75 million in 2014 whereas BDT 101.60 million paid on maturity which was BDT 7,247.91 million in the previous year.

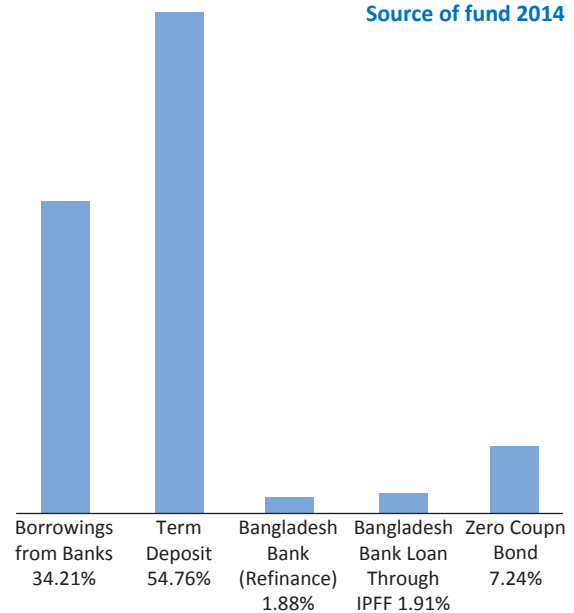
The treasury department of the Company has been trying to reduce reliance on conventional borrowing from the commercial banks. In the year 2015 the deposit borrowing ratio was 74.26:25.74 while deposits contributed 56.17 percent funding portfolio which was 44.33 percent in earlier year.

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 2015 balance of Bangladesh Bank refinance scheme was BDT 292.56 million and balance of loan through IPPF was 339.93 million against BDT 355.88 million and BDT 362.54 million of 2014 respectively. The company also issued Zero Coupon Bond balance of

Source of fund 2015



Source of fund 2014



which at the end of 2015 was BDT 1,110.00 million against 1370.00 million of 2014. A schedule of different sources of fund is given below:

Source of Fund	Balance as on 31 December 2015		Balance as on 31 December 2014	
	Amount	%	Amount	%
Borrowings from Banks and FIs	4,924,979,225	21.20	6,477,261,015	34.21
TermDeposit Receive	14,209,771,217	70.19	10,368,944,199	54.76
Bangladesh Bank Loan through IPFF	339,926,125	1.67	362,540,008	1.91
Bangladesh Bank (Refinance)	292,558,275	1.45	355,884,817	1.88
Zero Coupon Bond	1,110,000,000	5.48	1,370,000,000	7.24
	20,877,234,842	100.00	18,934,630,039	100.00

Cost of borrowings (COB)

During the year most of the Banks and NBFIs paid comparatively lower amount of interest due to reduced rate of interest of borrowings and deposits. In the year 2015 the rate of interest was comparatively lower than the previous year. During the year the company charged total financial cost BDT 2,186,040,957 Which was BDT 2,28,60,13,764 in the year 2014. The average cost of borrowings for the year 2015 was 9.01 percent against 9.03 percent of 2014.

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

The political unrest started from the beginning of the year and last late March. The period may be called as "Crisis Period" for Bangladesh economy. After the 1st quarter of 2015 the political situation of the country more or likely natural and favors the economic condition gradually. The Government of Bangladesh and Bangladesh Bank have taken several steps to outlive the situation.

Private investment was not raised remarkably due to political turmoil spread throughout the country. Business leaders openly stated that if the interest rate (lending rate) not reduces below 10% i.e. single digit the investment climate of the country will not rise.

In the Year 2015, foreign direct investment came 1700 USD million whereas in the year 2014 it was 1432 USD million. The growth rate was 18.72 percent at the end of the year 2015. Though the investment climate was not favor for financial institution throughout the year 2015, we have achieved our all target set by our honorable board.

Lastly, we thank our honorable investors, shareholders, stake-holders for being with us.

INTERNAL CONTROL SYSTEM OF UTTARA FINANCE AND INVESTMENTS LIMITED

Internal control is an integral process of UFIL that is caring by the management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit, the following general objectives are being achieved

- Executing orderly, ethical, economical, efficient and effective operations;
- Fulfilling accountability obligations;
- Complying with applicable laws and regulations;
- Safeguarding resources against loss, misuse and damage.

Internal control is a dynamic integral process of UFIL that is continuously adapting to the changes organization is facing. Management and personnel at all levels are involved in this process to address risks and to provide reasonable assurance of the achievement of the entity's mission and general objectives.

Internal control is not one event or circumstance, but a series of actions that permeate activities. These actions take place throughout UFIL's operations on an ongoing basis. Internal control is therefore different from the perspective of some observers who view it as something added on to UFIL's activities, or as a necessary burden. The internal control system is intertwined with UFIL's activities and is most effective when it is built into the UFIL's infrastructure and is an integral part of the essence of the organization.

An internal control system oversight the whole process in relation with the policies, processes, laws, regulations, tasks, behaviors and other aspects of UFIL to facilitate effective and efficient operation by enabling it to respond appropriately ICC Risk Management Guidelines to significant business, operational, financial, compliance and other risks to achieving of UFIL's objectives. Effective internal controls strengthen the base of safe and sound operations. Internal control is a process, rather than a structure. It is a continuing series of activities planned, implemented and monitored by the board of directors and management at all levels within an organization. It provides only reasonable assurance, not absolute assurance, with regard to achievement of the organization's objectives.

Structure of the Internal Control Unit

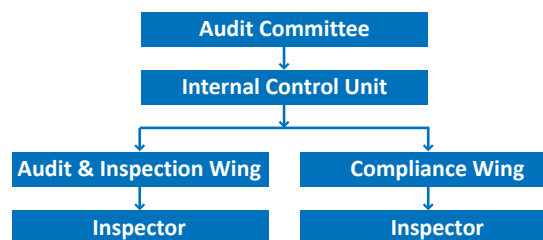
For an effective control system a separate organizational structure is also set by UFIL

- The audit committee of the board the contact point for the internal control unit. The unit adequately

staffed so that it can perform its duty properly. In order to ensure that availability of efficient people with internal control, UFIL make it mandatory for all middle to senior management staff to spend at least two years with internal control for understanding the duty properly;

- The head of internal control unit report directly to the Audit Committee of the Board. He is responsible for the both compliance and control related tasks which include compliance with laws and regulation, audits and inspection, monitoring activities and risk assessment;
- The audit team of the internal control unit performs periodic and special audit and inspection.
- The compliance unit responsible to ensure that UFIL complies with all regulatory requirements while conducting its business.

Structure of Internal Control Unit



Internal Control Environment

The control environment of UFIL reflects the overall attitude, awareness and actions of the board and management concerning the importance of internal control. It is the framework under which internal controls are developed, implemented and monitored. It consists of the mechanisms and arrangements that ensure internal and external risks to which UFIL is exposed to. Control environment factors include integrity, ethical values and competence of the employees, management's philosophy and operating style, the way management assigns authority and responsibility and how it organizes and develops human resources. The appropriate and effective internal controls are developed and implemented to sound and prudently manage these risks, reliable and comprehensive systems are to be put in place to appropriately monitor the effectiveness of these controls. The factors which together comprise the control environment are:

- Board of directors actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the company is appropriately and effectively managed and controlled;
- Management actively manages and operates the company in a sound and prudent manner;
- Organizational and procedural controls supported by an effective management information system to sound and prudently manage the company's exposure to risk; and
- Independent audit mechanism to monitor the effectiveness of the organizational and procedural controls.

Risk Assessment

Risk assessment is the process of identifying and analyzing relevant risks to the achievement of the UFIL's objectives and determining the appropriate response. It implies

1. Risk identification
 - related to the objectives of UFIL;
 - comprehensive;
 - includes risks due to external and internal factors, at both the UFIL and the activity levels;
2. Risk evaluation
 - estimating the significance of a risk;
 - assessing the likelihood of the risk occurrence;
3. Assessment of the risk appetite of the organization;
4. development of responses.
 - our types of responses to risk must be considered transfer, tolerance, treatment or termination; of these, risk treatment is the most relevant to these guidelines because effective internal control is the major mechanism to treat risk;
 - The appropriate controls involved can be either detective or preventive.

As governmental, economic, industry, regulatory and operating conditions are in constant change, risk assessment an ongoing interactive process. It implies identifying and analyzing altered conditions and opportunities and risks and modifying internal control to address changing risk. As stressed in the definition, internal control provides only reasonable assurance that the objectives of the organization are being achieved. Risk assessment as a component of internal control, plays a key role in the selection of the appropriate control activities to undertake. It is the process of identifying and analyzing relevant risks to the achievement of UFIL's objectives and determining the appropriate response. Consequently, setting objectives is a precondition to risk assessment. Objectives are defined before management can identify the risks to their achievement and take the necessary actions to manage those risks. That means having in place an ongoing process for evaluating and addressing the impact of risks in a cost effective way and having staff

with the appropriate skills to identify and assess the potential risks. Internal control activities are a response to risk in that they are designed to contain the uncertainty of outcome that has been identified.

Control Activities

Control activities are the policies and procedures established to address risks and to achieve the UFIL's objectives. Effective, control activities are appropriate, function consistently according to plan throughout the period, and cost effective, comprehensive, and reasonable and directly relate to the control objectives.

Control activities occur throughout UFIL, at all levels and in all functions. It includes a range of detective and preventive control activities as diverse, such are

1. authorization and approval procedures;
2. segregation of duties;
3. controls over access to resources and records;
4. verifications;
5. reconciliations;
6. reviews of operating performance;
7. reviews of operations, processes and activities;
8. supervision

UFIL reach an adequate balance between detective and preventive control activities. Corrective actions are a necessary complement to control activities in order to achieve the objectives. Control activities are the policies and procedures established and executed to address risks and to achieve the UFIL's objectives.

Information and Communication

Information and Communication Systems are systems established to ensure proper capture of data and information and generates reports that would make it possible to control of UFIL. Information and Communication systems produce report covering operational issues, financial information, control compliance, strategic information and staff accountability to the control system. Monitoring ensure that audit findings and recommendations are adequately and promptly resolved. Internal control system is monitored. Monitoring involves a process of assessment of the quality of the system's performing overtime. Monitoring is achieved by

- i. Ongoing monitoring includes regular management and supervisory activities and other actions personnel take in performing their duties; and
- ii. Specific separate evaluations cover the evaluation of the effectiveness of the internal control system and ensure that internal control achieves the desired results based on predefined methods and procedures. Internal control deficiencies are reported to the appropriate level of management.

Monitoring

Monitoring of UFIL ensures that audit findings and recommendations are adequately and promptly resolved. Internal control system needs are monitored. Monitoring involves a process of assessment of the quality of the system's performance overtime.

Identification of the risks UFIL is exposed to both internally and externally

Risk is the element of uncertainty or possibility of loss that prevails in any business transaction in any place, in any mode and at any time. Risk is an integral part of the financing business. Risk management entails the adoption of several measures to strengthen the ability of an organization to cope with the complex business environment in which it operates.

As a financial institution, UFIL is exposed to number of risks, among which the major ones include

- Credit risk;
- Market risk;
- Liquidity risk;
- Operational risk; etc.

A more detailed discussion of these risk and strategies adopted to manage and mitigate these are given in the statement of Risk management portion of the report. The adequacy of the system of internal controls is reviewed by the Board of Directors as well.

Board of Directors of UFIL, acknowledges its overall responsibility for maintaining the adequacy and effectiveness of the company's system of the view that the internal control framework is designed to manage the company's risks within an acceptable risk profile, rather than completely eliminate the risk of failure to achieve the policies, goals and objectives of the company. The Board therefore believes that it can provide only reasonable, rather than absolute, assurance regarding effectiveness against material misstatement of management and financial information or against financial losses and fraud.

Subject to the caveats of reasonable assurance mentioned above, the Board confirms that it has reviewed and assessed the company's system of internal controls with regard to its adequacy and effectiveness in providing reasonable assurance regarding the achievement of objectives relating to the effectiveness and efficiency of operations, reliability of both external and internal financial and non-financial reporting and compliance will applicable laws and regulations.

The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the objectives mentioned in the preceding paragraphs.

Management Committee (MANCOM)

UFIL already having a management committee, the meetings of which are presided over by Managing Director. MANCOM reviews and recommends all policies and strategies, which are forwarded to the Board for approval/ratification and after being prepared by the concerned related departmental heads. The Senior Management reviews the reports of internal & external audit, reports of regulatory bodies and takes appropriate steps to remove the irregularities, for compliance.

The success of UFIL within such a short time is the result

of hard working and efficiency of the work force of the company. UFIL has a team of well-educated, distinct 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.

Our Management Committee (MANCOM)-

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

Mr. A J Masudul Haque Ahmed, Executive Director

Mr. Anil Chandra Das, Sr. Executive Vice President

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

Credit Evaluation Committee

The activities of Credit Evaluation Committee of UFIL-

1. Approving transactions and setting and communicating credit;
2. Monitoring compliance with established credit exposure limits;
3. Assessing the likelihood that a counter-party will default on its payment obligations;
4. Measuring the UFIL's current and potential credit exposure and losses resulting out of counter-party default;
5. Reporting of credit exposure to the senior management, the Board and regulators. Use of credit risk litigators including collateral;
6. Communication and collaboration with other independent control and support functions such as operations, legal and compliance.

Remuneration Committee-

UFIL's remuneration committee is established to ensure that remuneration arrangements supports the strategic aims of a business and enable the recruitment, motivation and retention of senior executives while also complying with the requirements of regulation.

The remuneration committee delegated responsibility for setting remuneration for all executive directors and the chairman, including pension rights and any compensation payments. The committee also recommends and monitors the level and structure of remuneration for senior management. The definition of senior management for this purposes determined by the Board but normally includes the first layer of management below board level.

The CEO and Managing Director (MD) is the chairman of the committee and all members of the MANCOM are members of the Committee.

Frequency of holding meetings

Meetings of the HR and compensation committee are in-principle called by the head of human resources. The committee shall meet as often as required for its proper functioning and to review the company's overall human resource strategy and make recommendations to the

Board/Management for changes and improvements in this regard.

Attendance

Only members are entitled to attend the meetings of the HR and Compensation Committee, other department heads may attend the meetings on invitation by the committee from time to time.

Responsibilities

The responsibilities and functions of the committee are as follows

- Review the competitiveness of the company's executive compensation programmers to ensure
 - i. Attraction and retention of quality staff;
 - ii. Motivation of employees to achieve the company's overall business objectives;
 - iii. Alignment of interests of the key leadership with the long-term interests of the company's shareholders.
- Review trends in management compensation, oversee the development of new compensation planed and when necessary, approve the revision of existing plans;
- Review the performance of the management system;
- Approve salaries, bonus and other compensation for all employees. The committee will recommend appropriate salaries, bonus and other compensation to the Board for approval;
- Review and approve developmental activities for employees ;
- Review and make recommendations concerning long-term incentive compensation plans and policies.

Risk Management Forum (RMF)

The Risk Management Forum was constituted in accordance with the Bangladesh Bank's DFIM Circular No. 01 dated 07 April 2013 to introduce proactive risk management procedure in line with international best practices framework.

Responsibilities of RMF

- i. Designing overall risk management strategy of UFIL;
- ii. Communicating views of the Board and senior Management regarding the Risk Management Culture and Risk Appetite all over UFIL;
- iii. Prepare risk management policies and procedures;
- iv. Monitor prescribed/threshold limits of Risk Appetite set by the regulator and/or by the UFIL;
- v. Develop, test, and observe the use of models to measure and monitor the risks;
- vi. Develop and observe implementation of stress testing;
- vii. observe the Capital Management functions in accordance with the Risk Based Capital Adequacy measurement accord i.e. BASEL-II/ CAMD;

viii. Determined the most cost-effective way to minimize the risks;

ix. Highlight the risky portfolios and deficiencies of the UFIL's timely manner and reporting these analyses to the Managing Director as well as the Board of Directors with specific recommendations and suggestions;

x. Review the market conditions, identifying the external threats and providing with recommendations for precautionary measures accordingly; and

xi. Develop overall information system/MIS to support risk management functions of UFIL.

Members of Risk Management Forum

Mr. Uttam Kumar Saha, Sr. Vice President

Mr. Kazi Arifuzzaman, Sr. Assistant Vice President

Mr. Md. Mainuddin, Sr. Assistant Vice President

Mr. Md. Mesbah Uddin Mahmud, Sr. Assistant Vice President

Mr. Nizamul Haque, Sr. Principal Officer

Risk Analysis Unit (RAU)

Risk analysis is the review of the risks associated with a particular event and action. It is applied to projects, information technology, security issues and any action where risks are analyzed on a quantitative and qualitative basis. Risk analysis is a component of risk management.

Function of Risk analysis Unit

- Collect all relevant data from different models and information systems for analyzing risk;
- Assess the quality, completeness and correctness of all relevant data/information needed to analyze risks;
- Highlight risky portfolios and deficiencies of the bank on timely manner with recommendations and suggestions;
- Analyze data/information through preparation of paper named Risk Management paper;
- Identify, evaluate/measure, control and monitor major risks in line with the standard set in the policy guideline to avoid unnecessary loss and ensure the UFIL's in pricing all risk correctly;
- Oversee the capital management function of the UFIL's in consistency with the Risk Based Capital Adequacy Measurement Accord (Basel-II);
- Identify, Assess and quantify key transaction risks inherent in a given transaction to ensure that the quality of the assumption are tested against due diligence carried out by different operational business units;
- Review market conditions and take precautionary measures towards facing abnormal market situation and vulnerability of investments of the UFIL;

- Analyze the bank's own resilience capacity towards facing financial difficulties of the bank;
- Ensure through independent oversight that different risks are identified, evaluated, monitored, and reported within the established risk management framework;
- Take necessary steps to bring the position within limit and also assess and measure volatility of market and vulnerability of investment from time to time;
- Conduct periodic stress tests so that any errors/mistakes/lapses are eliminated gradually during daily operations of the Bank; and
- Exercise governance and oversight over the bank's risk rating systems to ensure that they are fit for purpose and adequately utilized to control risk in the bank.

Members of Risk Analysis Unit

Mr. Md. Aershad Hossian Khan, Senior Principal Officer
Mr. Rajib Kumar Saha, Principal Officer
Mr. Abu Kawsar, Principal Officer

Integrity Committee

In order to comply the Bangladesh Bank requirement followed by HR-1(O&D) FOCAL-1/2013-2, dated 10 October 2013, the below-mentioned responsible executives are engaged to be the member of the Integrity Committee

Mr. Anil Chandra Das (Focal point)
Mr. Kazi Arifuzzaman
Mr. Md. Mesbah Uddin Mahmud
Mr. Md. Mainuddin
Mr. Md. Nizamul Haque (Liton)

Functions

The functions of the Committee

- Create awareness on the code of integrity and good governance across the Company;
- Identify the scope where employee efficiency can be developed and arrange appropriate training in this regard;
- Amend existing policies and procedures as per requirements;
- Evaluate and reward respective employees for integrity and good work;
- Improve the e-governance system;
- Develop a complaint management system;
- Implement the Code of Conduct.

Central Compliance Unit (CCU)

Members of Central Compliance Unit (CCU) have been attending the meeting of Central Task Force and others meetings arranged by Bangladesh Bank and other agencies. Anti-Money laundering Division is very much adhere to the existing law/regulation & always ready to fully comply with the rules & regulations of Central Bank as well as other regulatory authorities.

Following members are responsible to perform the activities according to Anti Money Laundering Guidelines as "Central Compliance Unit (CCU)"

1. Mr. Md. Mainuddin
2. Mr. Kamruzzaman Molla (Baker)

Responsibilities of the Committee

CCU is the prime mover of UFIL for ensuring the compliance of AML & CFT measures. Its main responsibilities are to

- Develop UFIL's policy, procedure and strategies in preventing ML, TF & PF;
- Coordinate UFIL's AML & CFT compliance initiatives;
- Coordinate the ML & TF risk assessment of the UFIL and review thereon;
- Present the compliance status with recommendations before the CEO or MD on half yearly basis;
- Rearward STR/SAR and CTR to BFIU in time and in proper manner;
- Report summary of self assessment and independent testing procedure to BFIU in time and in proper manner;
- Impart training, workshop, seminar related to AML & CFT for the employee of UFIL;
- Take required measures to submit information, report or documents in time.

For shouldering these responsibilities UFIL's authority may consider to give the following authority to CCU

- appointment of BAMLCO and assign their specific job responsibilities;
- requisition of human resources and logistic supports for CCU;
- Make suggestion or administrative sanction for non compliance by the employees.

Basel II Implementation

UFIL came under the Basel-II accord from January 2012 aiming at consolidating capital base of the financial institutions. We've taken the move to strengthen financial base of the NBFIs and ensure management efficiency in the long run through maintaining the global practice. Now it has become obvious for the financial institutions to implement the advices as prescribed in the Basel accord, which will act as a guide to develop a risk-adjusted asset and liability portfolio and capital structure. It has also prepared an action plan for implementation of the Basel-II framework properly.

The Basel-II implemented with three specific approaches -standardized approach, standardized rule-based approach and basic indicator approach - as initial steps. The standardized approach will used for calculating risk-weighted amount against credit risk supported by external credit assessment institutions.

The standardized rule-based approach measure market risk and the basic indicator approach for the operational risk.

Responsibilities of BASEL Committee

The role and responsibilities of **BASEL Committee**

- i. Apply the action plan of Basel II in UFIL and review there-of;
- ii. Communicate issues related to Basel II implementation of UFIL Management;
- iii. Capacity Building program and training according to Training Need Assessment (TNA) for the concerned officials;
- iv. Establish planning and supervisory review as required by pillar-II of Basel II framework.

Communication and relationship with shareholders

It is the UFIL's policy that all external communication by the Company will

- Be factual and subject to internal vetting and authorization before issue;
- Not omit material information;
- Express information in a timely, clear and objective manner. UFIL strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives. The company's website www.uttarafinance.biz displays, inter-alia, the annual report, half yearly report, monthly business review, product offerings, recent announcements, presentations and events updates

The Company reports to its shareholders four times a year through quarterly and half-yearly report. All shareholders have the right to attend the Annual General Meeting (AGM) where they can meet and express their views regarding the Company's business, its future prospects and other matters of interest. The shareholders are always encouraged to attend the meetings or if they are unable to attend, to appoint proxies.

All disclosures required by the Bangladesh Securities and Exchange Commission, Listing Regulations of the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited and the Bangladesh Bank are made adequately and promptly. In addition to ensuring timely compliance, this also enables dissemination of information to all stakeholders and the public.

Preparation and presentation of financial statements and the Director's responsibility

Financial statements are prepared and presented by the management. The Board of Directors accepts the responsibility for the preparation of the financial statements, maintaining adequate records for safeguarding the assets of the Company, preventing and detecting fraud and/or other irregularities, selecting suitable accounting policies and applying those policies consistently and making reasonable and prudent judgments and estimate where necessary.

Ethics and compliance

UFIL remains committed to upholding the highest standards of ethics and compliance by its employees.

This commitment is reflected in the Company's Code of conduct which covers, among other issues, in the following areas

- Their relationship with and responsibilities to UFIL;
- Their relationship with and responsibilities to customers;
- Compliance with laws and regulations;
- Acting in a professional and ethical manner;
- Protection of business assets;
- Disclosure of conflicts of interest;
- Prohibition of any conduct involving dishonesty, fraud, deceit or misrepresentation including insider trading;

Existence of effective anti-fraud programmes and controls

In recent times, the Company has come to identify the risk of fraud as one of the emerging issues in the overall risk management framework.

Planned anti-fraud initiatives include the introduction of a whistle-blower mechanism. A whistle-blower policy has already been formulated additionally, emphasis is placed on strengthening existing processes or activity levels and anti-fraud controls are embedded within the overall system of internal controls.

Redress of investor complaints

UFIL has a formal complaint management process that is open to all stakeholders including both investors and customers. A dedicated complaints cell is headed by mid level officer for dealing with complaint boxes kept at all UFIL branches.

Members of Complain cell Unit

1. Mr. Abu Kawsar
2. Mr. Md. Imranul Haque
3. Ms. Hosne Ara

At UFIL, we embrace a uniquely distinct concept for environmental and social initiatives that are focused on bringing forth measurable results at the grassroots- for societies and communities whose basic needs remain unmet. Hence, we believe that aligning our corporate social responsibility (CSR) initiatives with strategies and efforts that create the maximum impact captures our deep sense of compassion towards humanity at large.

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, 2015, 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 2015 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 2015 is Tk. 11,956.56 million and Tk. 9,338.34 million means net current assets Tk. 2,618.22 million and the same was Tk. 657.86 million in 2014. 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 2015 the Company received fixed term deposits Tk. 4,856.78 million and on maturity repaid amount was Tk. 1,015.95 million. At the end of 2015 outstanding balance of fixed term deposit amount of the Company was Tk. 14,209.77 million (2014-Tk. 10,368.94 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 2015 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 2015 the Company received against credit facility Tk. 2,520.75 million and repaid Tk. 4,791.46 million. Outstanding balance of borrowed amount as on 31 December 2015 was Tk. 4,924.98 million. Very good and competitive terms of allowed credit facility in the year 2015 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 2015 was showing positive operating cash flows of Tk. 1,554.77 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 2015 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 2015 total disbursement of the Company was Tk. 13,372.72 million against approval of Tk. 14,813.42 million which in the year 2014 was Tk. 13,047.30 million and Tk. 14,839.50 million showing operating growth of 2.49 percent and (0.18) percent respectively over last year whereas operating revenue of the Company for the year 2015 was Tk. 3,940.88 million which was 12.97 percent higher over the last year amount of Tk. 3,488.30 million. During the year ended 31 December 2015 the Company earned net profit after tax of Tk. 551.69 million which was Tk. 176.51 million (restated) in the year 2014. All those indicators showed Company's continuance in foreseeable periods.

Strong equity base

As on 31 December 2015 total equity of the Company stood at Tk. 5,242.55 million which was Tk. 4,918.53 million (restated) in 2014 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 2015 stands at Tk. 5,242.55 million and the same was Tk. 4,918.53 million in 2014. At the end of 2015 the paid up capital of the Company was Tk. 1,252.2048 million while the minimum paid-up capital requirement of Bangladesh Bank is Tk. 1,000.00 million.

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 2015 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.

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 2015 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 2015 the Board of Directors met 7 times and the Executive Committee of the Directors also met 7 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. 8,000.00 (Taka eight 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 20th Annual General Meeting

The 20th Annual General Meeting of Uttara Finance and Investments Limited was held on Wednesday, July 29, 2015 in Spectra Convention Centre (Queens Hall), House # 19, Road # 7, Gulshan D1, Dhaka - 1212, Bangladesh at 10:30 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 124 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 2015 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 2014 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 2015

We have examined the Corporate Governance compliance of Uttara Finance and Investments Limited for the year ended 31 December 2015 as stipulated in notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission.

The Corporate Governance compliance 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, detailed in the accompanying Annex I, 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, Bangladesh
Dated, 2 May 2016



S. F. AHMED & CO
Chartered Accountants

Annexure-1**Uttara Finance and Investments Limited Details of Compliance with Corporate Governance For the year ended 31 December 2015**

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission vide notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Report under condition no. 7.00 of the above referred notification

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	BOARD OF DIRECTORS:			
1.1	Board's Size: Board members should not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	Independent Directors			
1.2 (i)	Appointment of Independent Directors: at least 1/5th of total no. of directors.	✓		
1.2 (ii)	Independent Director means a Director.	✓		
1.2 (ii) a)	Independent Director should not hold any share in the company or hold less than one percent (1%) shares of the total paid-up shares of the Company.	✓		
1.2 (ii) b)	Independent Director should not be a sponsor of the company and is not connected with the company's sponsors 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.	✓		
1.2 (ii) c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2 (ii) d)	Independent Director is not a member, director or officer of any Stock Exchange.	✓		
1.2 (ii) e)	Independent Director is not a shareholder, director or officer of any member of Stock Exchange or an intermediary of the Capital Market.	✓		
1.2 (ii) f)	Independent Director 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)	Independent Director 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)	Independent Director 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 (NBFIs).	✓		
1.2 (ii) i)	Independent Director 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).	✓		
1.2 (iv)	Post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
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.	✓		
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	Qualification of Independent Director (ID)s			
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.	NA		
1.4	Chairman of the Board and Chief Executive Officer			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. 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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.			N/A
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.			N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilisation of proceeds from public issues, rights issues and/or through any others instruments.			N/A
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.	✓		
1.5 (x)	Remuneration to directors including independent directors.	✓		
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.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
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.	✓		
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 preparation of the financial statements and any departure therefrom has been adequately disclosed.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
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.	✓		
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.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
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.	✓		
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-			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	N/A		
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);	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii) a)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- 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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):			
2.1	<p>Appointment</p> <p>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.</p>	✓		
2.2	<p>Requirement to attend the Board Meetings</p> <p>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.</p>	✓		
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.	✓		
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.	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
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 least 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).	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
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;	✓		
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	any other matter shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	Reporting to the Authorities If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.5	<p>Reporting to the Shareholders and General Investors</p> <p>Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.</p>	✓		
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.	✓		
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 services.	✓		
4(vii)	Any other service 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.	✓		
4(ix)	Audit/certification services on compliance of corporate government as require under clause (i) of condition no. 7.	✓		
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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 practicing 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.	✓		
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.	✓		

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 ð 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

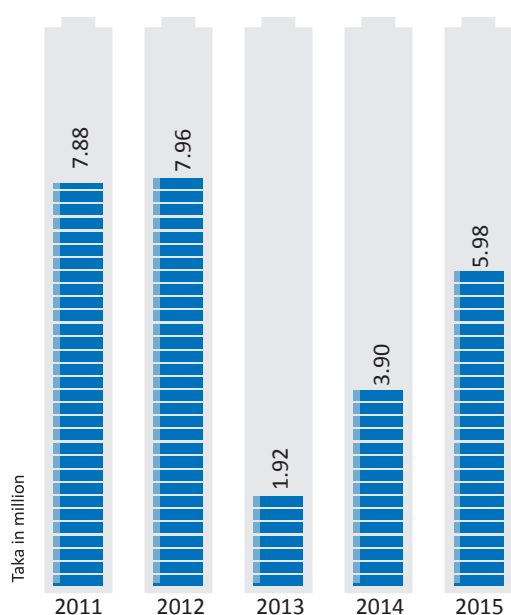
Sl. No.	Particulars	Compliance
3.	Responsibilities and Scope of CEO:	
i.	The CEO will perform the responsibilities regarding financial, business and administrative. The CEO will report to the board for achieving the goal of business and to enhance of business through business plan and implementation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

	2015		2014	
	Taka	%	Taka	%
Revenues	3,990,670,307		3,602,134,217	
Financial expenses	(2,292,320,411)		(2,380,997,046)	
	1,698,349,896		1,221,137,171	
Provision	(601,095,058)		(491,695,892)	
Operating expenditure excluding salary, allowances and depreciation	(74,828,637)		(85,291,026)	
	1,022,426,201		644,150,253	100.00
Distribution of added value				
Salary and allowances	102,550,769	10.03	90,043,760	13.98
Provision for tax	350,000,000	34.23	360,000,000	55.89
Statutory reserve	375,661,440	36.74	35,302,938	5.48
Dividend	110,337,801	10.80	341,510,400	53.02
General reserve	-		200,000,000	31.05
Dividend equalization fund	-		100,000,000	15.52
Retained earnings and depreciation	83,876,192	8.20	(517,890,447)	(74.94)
	1,022,426,201	100.00	644,150,253	100.00
No. of employees	171	-	165	-
Value added per employee	5,979,101	-	3,903,941	-

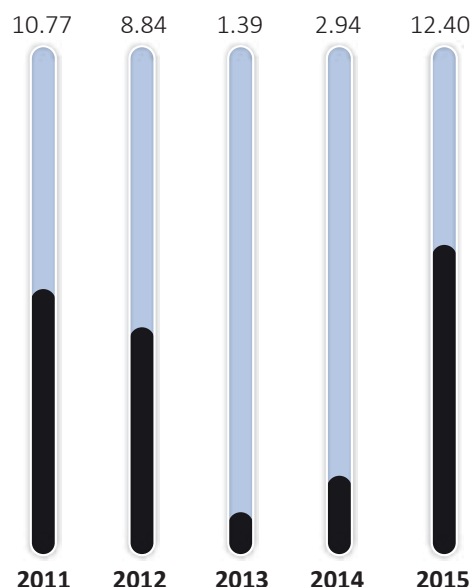


year wise value added per employee

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.

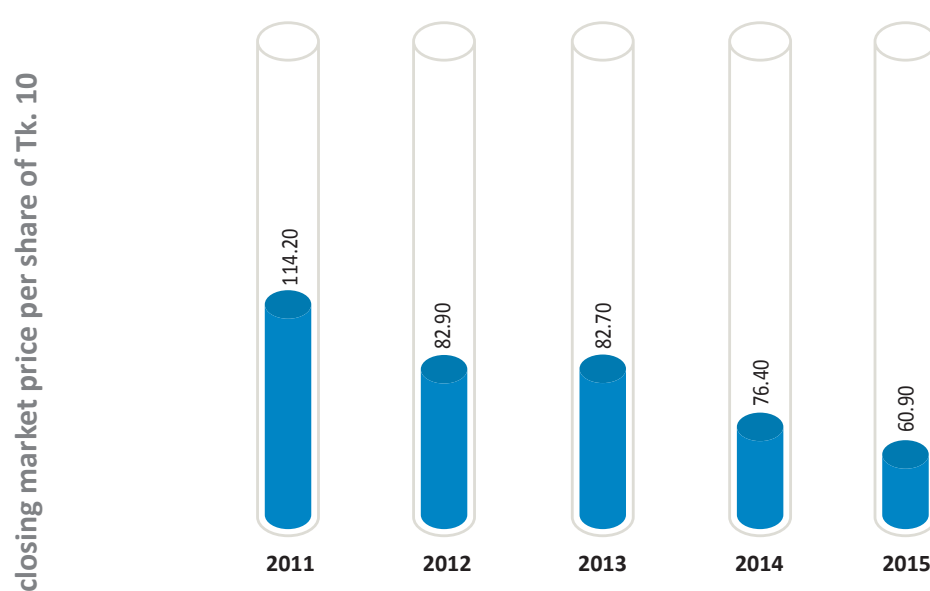
Sl. No.	Particulars	Amount in Taka			
		2015	2014	2013	2012
1	Profit before provision but after tax:				
2	Profit before provision and tax	1,511,015,201	1,028,210,584	869,583,968	1,276,990,328
3	Tax expenses	350,000,000	360,000,000	140,000,000	285,489,855
4	Profit before provision but after tax (4 = 2-3)	1,161,015,201	668,210,584	729,583,968	991,500,473
5	Charges for average capital employed:				
6	Average capital employed (calculation note no. 1)	5,626,938,109	5,581,802,004	5,610,511,003	4,922,227,107
7	Percentage of cost of average capital employed	8.23%	9.03%	11.61%	11.30%
8	Cost of average capital employed (8 = 6*7)	463,097,006	504,036,721	651,380,327	556,211,663
9	Economic value added (9 = 4-8)	697,918,195	164,173,863	78,203,641	435,288,810
10	Percentage of EVA on average capital employed	12.40%	2.94%	1.39%	8.84%
11	Percentage of EVA on operating revenue	17.71%	4.71%	2.28%	14.89%
12	Percentage of PAT on average capital employed	9.80%	3.16%	1.06%	16.56%

Calculation no. 1

a	Shareholders equity	5,242,550,336	4,918,534,932	5,083,530,640	4,935,880,079
b	Accumulated provision for doubtful accounts and future loss	601,095,058	491,695,892	669,842,543	531,768,743
c	Total capital employed (c = a + b)	5,843,645,394	5,410,230,824	5,753,373,183	5,467,648,822
d	Last year capital employed	5,410,230,824	5,753,373,183	5,467,648,822	4,376,805,391
e	Average capital employed (c + d)/2	5,626,938,109	5,581,802,004	5,610,511,003	4,922,227,107

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, 2015 and 2014 is appended below:

Particulars	Figures in Taka	
	2015	2014
Market value of outstanding shares	7,625,927,232	8,492,225,280
Book value of outstanding shares	1,252,204,800	1,138,368,000
Market value added	6,373,722,432	7,353,857,280
Total no. of outstanding shares of Tk.10	125,220,480	113,836,800
Market value added per share of Tk. 10	50.90	66.60
Market price per share of Tk. 10	60.90	74.60

FINANCIAL HIGHLIGHTS AS PER BANGLADESH BANK FORMAT

Sl. No.	Particulars	Amount in Taka	
		2015	2014
1	Paid-up Capital	1,252,204,800	1,138,368,000
2	Total Assets	30,539,761,548	28,306,408,256
3	Total Deposits	14,209,771,217	10,368,944,199
4	Total Loans and Advances	22,981,861,788	20,925,015,691
5	Total Contingent Liabilities and Commitments	-	-
6	Credit Deposit Ratio	161.73%	201.92%
7	Percentage of Classified Loans Against Total Loans and Advances	7.53%	5.07%
8	Profit After Tax and Provision	551,689,004	176,514,692
9	Amount of Classified Loans During Current Year	1,729,505,895	1,061,305,789
10	Provisions Kept Against Classified Loans	813,300,156	354,821,710
11	Provision Surplus against classified loan	-	-
12	Cost of Fund	8.23%	9.03%
13	Interest Earnings Assets	22,981,861,788	20,925,015,691
14	Non-interest Earnings Assets	7,557,899,760	7,381,392,565
15	Return on Investment (ROI)	2.40%	0.84%
16	Return on Assets (ROA)	1.81%	0.62%
17	Income from Investment	47,794,603	110,787,149
18	Earnings per Share	4.41	1.41
19	Net Income per Share	4.41	1.41
20	Price Earnings Ratio	13.81	53.13

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 60.45%
	2015	3,990.67	154.54%	
	2010	2,582.28	391.17%	
	2005	660.15		
2.	Total assets			114.34%
	2015	30,539.76	190.09%	
	2010	16,066.36	601.54%	
	2005	2,670.85		
3.	Investment in lease and term finance-cumulative			100.64%
	2015	11,205.18	198.97%	
	2010	5,631.51	505.81%	
	2005	1,113.36		
4.	Shareholders' equity			80.45%
	2015	5,242.55	158.40%	
	2010	3,309.63	507.85%	
	2005	651.69		
5.	Fixed assets			52.32%
	2015	134.25	75.56%	
	2010	177.67	692.40%	
	2005	25.66		
6.	Yearly business contract			58.25%
	2015	14,813.42	216.39%	
	2010	6,845.55	269.30%	
	2005	2,542.90		
7.	Yearly disbursement			75.89%
	2015	13,372.72	233.19%	
	2010	5,734.70	325.45%	
	2005	1,762.10		
8.	Cumulative investment			61.51%
	2015	25,340.62	247.28%	
	2010	10,247.69	248.74%	
	2005	4,119.84		
9.	Cumulative deposit			75.02%
	2015	14,209.77	365.58%	
	2010	3,886.92	205.22%	
	2005	1,894.04		

INDICATORS OF COMPANY'S DIFFERENT GROWTH THAN THE PREVIOUS YEAR i.e. 2014

Growth of profit after tax **212.53%**

Profit after tax for the year 2015- Tk. 551,689,004 & 2014- Tk. 176,514,692

Growth of profit before tax & provision **46.16%**

Profit before tax & provision for the year 2015- Tk. 1,502,784,062 & 2014- Tk. 1,028,210,584

Growth of gross profit **48.88%**

Gross profit (revenue-financial expenses) for the year 2015- Tk. 1,648,560,458 & 2014- Tk. 1,107,304,465

Growth of operating revenue **12.97%**

Operating revenue for the year 2015- Tk. 3,940,880,869 & 2014- Tk. 3,488,301,511

Growth of total investment in lease and TF **9.83%**

Total investment in lease and TF for the year 2015- Tk. 22,981,861,788 & 2014- Tk. 20,925,015,691

Growth of investment in lease **10.30%**

Investment in lease at end of 2015- Tk. 11,776,681,593 & 2014- Tk. 10,676,943,716

Growth of investment in finance **9.35%**

Investment in finance at end of 2015- Tk. 11,205,180,195 & 2014- Tk. 10,248,071,975

Growth of total investment 17.40%

Cumulative investment at year end of 2015 Tk. 27,211.51 million and 2014 Tk. 23,178.24 million

Growth of term deposit 37.04%

Term deposit balance as on December 31, 2015- Tk.14,209,771,217 & 2014- Tk.10,368,944,199

Growth of earning per share 212.77%

Per share earning for the year 2015- Tk. 4.41 & 2014- Tk. 1.41

Growth of shareholders equity 6.59%

Shareholders equity as on 31 December 2015- Tk. 5,242,550,336 & 2014- Tk. 4,918,538,932

Growth of business targets achievement (lease and TF) 0.22%

Business targets achievement for the year 2015- Tk. 14,521.8 million and 2014- Tk. 14,489.30 million

Growth of disbursement of lease and finance 3.02%

Disbursement of lease and finance in 2015- Tk. 13,081.10 million and 2014- Tk. 12,697.10 million

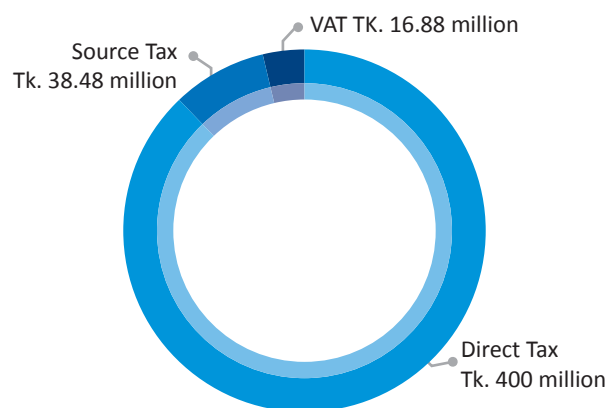
CONTRIBUTION TO GROSS DOMESTIC PRODUCT (GDP)



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, 2015 total number of active clients of the Company was around 1400 and total amount of lending was Tk. 22,981.86 million. Most of the investments of the Company in the form of lease & term loan were for procuring capital machineries and the Company also provided 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 2015 the company received total Tk. 4,856.78 million as deposit and the cumulative balance of deposit as on December 31, 2015 is Tk. 14,209.77 million which was Tk. 8,388.75 million and Tk. 10,368.94 million as on December 31, 2014.

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 7 employees in different discipline in the year 2015 which in 2014 was 19. 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.



direct contribution to the national economy

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 2015 the Company paid Direct Tax Tk. 400.00 million, Source Tax Tk. 38.48 million and VAT Tk. 16.88 million which were Tk. 742.70 million, Tk. 85.62 million and Tk. 3.42 million respectively in the year 2014.

MAJOR CORPORATE CLIENTS

- | | |
|--|----------------------------------|
| 01. Abdul Monem Group | 43. Quasem Group |
| 02. Abul Khair Group | 44. Popular Group |
| 03. Amber Group | 45. BTI |
| 04. Anwar Group | 46. Delta Pharma |
| 05. Avenue Builders Ltd. | 47. Abdul Monem Group |
| 06. Baizid Group | 48. Partex Star Group |
| 07. Bashundhara Group | 49. Globe Pharmaceutical Group |
| 08. Best Holdings Ltd. (Hotel Le-Meridian) | 50. Nasir Group |
| 09. Bengal Group | 51. Buro Bangladesh |
| 10. BSRM Group | 52. Noman Group |
| 11. Building Technology & Ideas Ltd. | 53. Modern Group |
| 12. Buro Bangladesh | 54. Amber Group |
| 13. City Group | 55. NPoly Group |
| 14. Delta Pharma Limited | 56. Deshbandhu Group |
| 15. Deshbandhu Group | 57. Golden Harvest Group. |
| 16. Energypac Group | 58. Northern Hatcheries Limited |
| 17. Envoy Group | 59. Abul Khair Group |
| 18. Esack Brothers Industries Ltd. | 60. Baizid Group |
| 19. Globe Pharmaceutical Group | 61. Sunman Group |
| 20. Golden Harvest Group. | 62. S.A. Group |
| 21. Habib Group | 63. Habib Group |
| 22. KDS Group | 64. KDS Group |
| 23. Modern Diagnostic Group | 65. Bashundhara Group |
| 24. National Polymer Industries Ltd. | 66. Esack Brothers Group |
| 25. Navana Group | 67. Saad Musa Group |
| 26. Nasir Group | 68. Western Marine Group |
| 27. Noman Group | 69. Avenue Builders Ltd. |
| 28. Partex Group | 70. G4s Group |
| 29. Partex Star Group | 71. Kanta Oil Tankers Ltd. |
| 30. Popular Group | 72. Carton Nirman Ltd. |
| 31. Quasem Drycells Ltd. | 73. Best Holdings Ltd. |
| 32. Saad Musa Group | 74. Energypac Engineering Ltd. |
| 33. Sanzi Textile Mills Ltd. (Well Group) | 75. Golden Harvest Ltd. |
| 34. Sheltech (Pvt.) Ltd. | 76. Asko International |
| 35. United Group | 77. Treatment Diagnostic Centre |
| 36. Western Marine Shipyard Ltd. | 78. Kamrul Agro Food Ind. Ltd. |
| 37. City Group | 79. Nam Jute Mills Ltd. |
| 38. Bengal Group | 80. Medimet Pharmaceuticals Ltd. |
| 39. Navana Group | 81. Sanzi Textiles Mills Ltd. |
| 40. United Group | 82. BSRM |
| 41. Anwar Group | 83. Armit Footware Ltd. |
| 42. Sheltech/Envoy Group | 84. B.J.Geo Textiles Ltd. |



Signing Ceremony with SABINCO



Different invested projects



Amber Super Yarn Limited



DELTA PHARMA LTD



Envoy Textiles Limited





Nasir Glassware and Tube Industries Ltd



Quasem Drycells Ltd



Anwar Ispat Ltd

Pictures of 20th AGM





Pictures of
20th AGM

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

We have audited the accompanying financial statements of UTTARA FINANCE AND INVESTMENTS LIMITED which comprise the balance sheet as at 31 December 2015, 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 and other explanatory information.

Management's responsibility for the financial statements

Management of UTTARA FINANCE AND INVESTMENTS LIMITED is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the Company give a true and fair view of the financial position as at 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) 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 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 and found them satisfactory;
- (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 company's balance sheet and profit and loss account of the company together with annexed notes from 1 to 41 dealt with this report are in agreement with the books of account;
- (iv) the expenditure incurred was for the purposes of the Company's business;
- (v) the information and explanations required by us have been received and found satisfactory;
- (vi) the financial statements of the Company have been drawn up in conformity with the Financial Institution Act 1993 and in accordance with the accounting rules and regulations issued by Bangladesh Bank to the extent applicable to the Company;
- (vii) the records and accounts of the branches have been properly maintained and consolidated in the financial statements;
- (viii) adequate provisions have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties collected and deposited to Government treasury by the Company as per Government instructions found satisfactory;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank and other regulatory authorities have been complied properly;
- (xiii) the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;
- (xv) the financial statements of the Company conform to the prescribed formats and standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting body of Bangladesh;
- (xvi) we have reviewed over 80% of the risk weighted assets of the Company during the course of our audit and we have spent over 1,500 person hours for the audit of books and accounts of the Company;
- (xvii) all other issues which are important for the stakeholders of the Company have been adequately disclosed in the audit report;

Place: Dhaka
Dated: 29 March 2016


K. M. HASAN & CO.
Chartered Accountants

FINANCIAL STATEMENTS

	2015	2014
Balance with other banks and financial institutions in Bangladesh	4	5
Balance with other banks and financial institutions Outside Bangladesh	5	5
Money at call and short notice	5	5
Investments	6	6
Government	1	1
Others	1	1
Leases, loans and advances	7	7
Leases, loans, cash advances, drafts, etc	7	7
Bills purchased and discounted	7	7
Fixed assets including premises, furniture and fixtures	2	2
Other assets	2	2
Non-financial institutional assets	2	2
Total Assets	30	30
LIABILITIES AND CAPITAL		
Liabilities		
Deposits from other banks and financial institutions and agents	10	4
Deposits and other liabilities	11	11
Deposits	11	11
Bank	11	11
Post	14	14
Office	14	14
Certificate of deposit	14	14
Shareholders' Equity	12	25
Reserves	12	25
Shareholders' Equity	13	12
Reserves	13	12
Shareholders' Equity	14	12
Reserves	14	12
Shareholders' Equity	15	12
Reserves	15	12
Shareholders' Equity	16	12
Reserves	16	12
Shareholders' Equity	17	12
Reserves	17	12
Shareholders' Equity	18	12
Reserves	18	12
Shareholders' Equity	19	12
Reserves	19	12
Shareholders' Equity	20	12
Reserves	20	12
Shareholders' Equity	21	12
Reserves	21	12
Shareholders' Equity	22	12
Reserves	22	12
Shareholders' Equity	23	12
Reserves	23	12
Shareholders' Equity	24	12
Reserves	24	12
Shareholders' Equity	25	12
Reserves	25	12
Shareholders' Equity	26	12
Reserves	26	12
Shareholders' Equity	27	12
Reserves	27	12
Shareholders' Equity	28	12
Reserves	28	12
Shareholders' Equity	29	12
Reserves	29	12
Shareholders' Equity	30	12
Reserves	30	12
Shareholders' Equity	31	12
Reserves	31	12
Shareholders' Equity	32	12
Reserves	32	12
Shareholders' Equity	33	12
Reserves	33	12
Shareholders' Equity	34	12
Reserves	34	12
Shareholders' Equity	35	12
Reserves	35	12
Shareholders' Equity	36	12
Reserves	36	12
Shareholders' Equity	37	12
Reserves	37	12
Shareholders' Equity	38	12
Reserves	38	12
Shareholders' Equity	39	12
Reserves	39	12
Shareholders' Equity	40	12
Reserves	40	12
Shareholders' Equity	41	12
Reserves	41	12
Shareholders' Equity	42	12
Reserves	42	12
Shareholders' Equity	43	12
Reserves	43	12
Shareholders' Equity	44	12
Reserves	44	12
Shareholders' Equity	45	12
Reserves	45	12
Shareholders' Equity	46	12
Reserves	46	12
Shareholders' Equity	47	12
Reserves	47	12
Shareholders' Equity	48	12
Reserves	48	12
Shareholders' Equity	49	12
Reserves	49	12
Shareholders' Equity	50	12
Reserves	50	12
Shareholders' Equity	51	12
Reserves	51	12
Shareholders' Equity	52	12
Reserves	52	12
Shareholders' Equity	53	12
Reserves	53	12
Shareholders' Equity	54	12
Reserves	54	12
Shareholders' Equity	55	12
Reserves	55	12
Shareholders' Equity	56	12
Reserves	56	12
Shareholders' Equity	57	12
Reserves	57	12
Shareholders' Equity	58	12
Reserves	58	12
Shareholders' Equity	59	12
Reserves	59	12
Shareholders' Equity	60	12
Reserves	60	12
Shareholders' Equity	61	12
Reserves	61	12
Shareholders' Equity	62	12
Reserves	62	12
Shareholders' Equity	63	12
Reserves	63	12
Shareholders' Equity	64	12
Reserves	64	12
Shareholders' Equity	65	12
Reserves	65	12
Shareholders' Equity	66	12
Reserves	66	12
Shareholders' Equity	67	12
Reserves	67	12
Shareholders' Equity	68	12
Reserves	68	12
Shareholders' Equity	69	12
Reserves	69	12
Shareholders' Equity	70	12
Reserves	70	12
Shareholders' Equity	71	12
Reserves	71	12
Shareholders' Equity	72	12
Reserves	72	12
Shareholders' Equity	73	12
Reserves	73	12
Shareholders' Equity	74	12
Reserves	74	12
Shareholders' Equity	75	12
Reserves	75	12
Shareholders' Equity	76	12
Reserves	76	12
Shareholders' Equity	77	12
Reserves	77	12
Shareholders' Equity	78	12
Reserves	78	12
Shareholders' Equity	79	12
Reserves	79	12
Shareholders' Equity	80	12
Reserves	80	12
Shareholders' Equity	81	12
Reserves	81	12
Shareholders' Equity	82	12
Reserves	82	12
Shareholders' Equity	83	12
Reserves	83	12
Shareholders' Equity	84	12
Reserves	84	12
Shareholders' Equity	85	12
Reserves	85	12
Shareholders' Equity	86	12
Reserves	86	12
Shareholders' Equity	87	12
Reserves	87	12
Shareholders' Equity	88	12
Reserves	88	12
Shareholders' Equity	89	12
Reserves	89	12
Shareholders' Equity	90	12
Reserves	90	12
Shareholders' Equity	91	12
Reserves	91	12
Shareholders' Equity	92	12
Reserves	92	12
Shareholders' Equity	93	12
Reserves	93	12
Shareholders' Equity	94	12
Reserves	94	12
Shareholders' Equity	95	12
Reserves	95	12
Shareholders' Equity	96	12
Reserves	96	12
Shareholders' Equity	97	12
Reserves	97	12
Shareholders' Equity	98	12
Reserves	98	12
Shareholders' Equity	99	12
Reserves	99	12
Shareholders' Equity	100	12
Reserves	100	12

BALANCE SHEET

As at 31 December 2015

	Notes	2015 Taka	2014 Taka
PROPERTY AND ASSETS			
Cash			
	3		
In hand (including foreign currencies)		107,299	2,535,515
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		373,358,156	313,967,230
		373,465,455	316,502,745
Balance with other banks and financial institutions			
	4		
In Bangladesh		2,820,532,343	3,188,661,195
Outside Bangladesh		-	-
		2,820,532,343	3,188,661,195
Money at call and short notice			
	5	-	100,000,000
Investments			
	6		
Government		-	982,607,000
Others		1,870,893,092	1,270,621,760
		1,870,893,092	2,253,228,760
Leases, loans and advances			
	7		
Leases, loans, cash credits, overdrafts, etc		22,981,861,788	20,925,015,691
Bills purchased and discounted		-	-
		22,981,861,788	20,925,015,691
Fixed assets including premises, furniture and fixtures	8	134,248,252	148,718,017
Other assets	9	2,358,760,618	1,374,281,848
Non-financial institutional assets		-	-
Total Assets		<u>30,539,761,548</u>	<u>28,306,408,256</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	4,924,979,225	7,195,685,840
Deposits and other accounts	11	-	-
Current deposits		-	-
Bills payable		-	-
Savings bank		-	-
Term Deposit		14,209,771,217	10,368,944,199
Other deposit		-	-
Bearer certificate of deposit		-	-
		14,209,771,217	10,368,944,199
Other liabilities	12	6,162,460,770	5,823,243,285
Total Liabilities		<u>25,297,211,212</u>	<u>23,387,873,324</u>
Capital/Shareholders' Equity			
Paid-up capital	13	1,252,204,800	1,138,368,000
Statutory reserve	14	1,207,070,066	1,096,732,265
General reserves	15	1,500,000,000	1,500,000,000
Share Premium	16	528,000,000	528,000,000
Dividend equalization fund		600,000,000	600,000,000
Retained earnings	17	155,275,470	55,434,667
Total Shareholders' Equity		<u>5,242,550,336</u>	<u>4,918,534,932</u>
Total Liabilities and Shareholders' Equity		<u>30,539,761,548</u>	<u>28,306,408,256</u>

BALANCE SHEET

As at 31 December 2015

	<u>Notes</u>	<u>2015 Taka</u>	<u>2014 Taka</u>
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.



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 29 March 2016



K. M. HASAN & CO.
Chartered Accountants

PROFIT AND LOSS ACCOUNT


For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
Interest income	19	3,191,735,711	2,814,124,370
Interest paid on deposits, borrowings, etc.	20	(2,186,040,957)	(2,286,013,764)
Net interest income		1,005,694,754	528,110,606
Investment income	21	47,794,603	110,787,149
Commission, exchange and brokerage	22	-	-
Other operating income	23	457,525,844	323,975,823
Total operating income (A)		1,511,015,201	962,873,578
Salary and allowances	24	90,900,769	82,279,792
Rent, taxes, insurance, electricity, etc.	25	30,571,194	33,560,845
Legal expenses	26	2,858,158	2,055,918
Postage, stamp, telecommunication, etc.	27	2,949,271	99,598
Stationery, printings, advertisements, etc.	28	7,145,366	7,281,149
Managing Director's salary and allowances	29	11,650,000	11,650,000
Directors' fees	30	644,772	461,798
Auditors' fees	31	386,500	345,000
Depreciation and repair of company's assets	32	20,987,023	20,102,488
Other expenses	33	17,165,316	24,707,824
Total operating expenses (B)		185,258,369	182,544,412
Profit before provision (leasing) (C=A-B)		1,325,756,832	780,329,166
Profit transferred from merchant banking operation		177,027,230	247,881,418
Total profit before provision (D)		1,502,784,062	1,028,210,584
Provision for loan	34	441,280,129	162,571,926
Provision for diminution in value of investments	35	98,565,077	73,919,204
Other provisions	36	61,249,852	255,204,762
Total provision (E)		601,095,058	491,695,892
Profit before taxes (D-E)		901,689,004	536,514,692
Provision for taxation			
Current tax	12.3.3	350,000,000	360,000,000
Deferred tax		-	-
		350,000,000	360,000,000
Net profit after tax		551,689,004	176,514,692
Retained earnings brought forward		55,434,667	555,733,313
		607,123,671	732,248,005
Appropriations			
Statutory reserve		110,337,801	35,302,938
General reserve		-	200,000,000
Dividend equalization fund		-	100,000,000
Issue of bonus share		113,836,800	-
Cash dividend		227,673,600	341,510,400
Retained surplus for the year		155,275,470	55,434,667
		607,123,671	732,248,005
Earnings per share (EPS) - (2014: Restated)	37	4.41	1.41

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


Mujibur Rahman
 Director


S. M. Shamsul Arefin
 Managing Director


Uttam Kumar Saha
 Chief Financial Officer

Signed in terms of our separate report of even date annexed.

Place: Dhaka
 Dated: 29 March 2016


K. M. HASAN & CO.
 Chartered Accountants

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

Merchant Banking Operation

	2015 Taka	2014 Taka
Operational income		
Commission income	4,642,182	7,835,585
Capital gain on sale of Securities	86,869,824	83,263,362
Dividend income	15,082,649	7,110,170
Interest on loan to investors	173,946,484	234,436,293
Portfolio management fees	10,942,001	17,150,818
Documentation fees	136,174	102,166
Issue Management fees	-	-
Underwriting Commission	-	302,924
	291,619,314	350,201,318
Operational expenses		
Financial expenses	106,279,454	94,983,282
Management expenses	10,307,465	10,382,175
	116,586,919	105,365,457
Profit from operation	175,032,395	244,835,861
Non-operational income		
Interest on deposits	1,994,835	3,045,557
Net profit transferred to profit and loss account (main operation)	177,027,230	247,881,418

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



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 29 March 2016



K. M. HASAN & CO.
Chartered Accountants

CASH FLOW STATEMENT

For the year ended 31 December 2015

	2015 Taka	2014 Taka
(A) Cash Flows from Operating Activities		
Interest receipts	3,697,438,109	3,537,855,550
Interest payments	(2,186,040,957)	(1,172,310,790)
Dividend receipts	7,999,623	2,229,218
Capital gain from sale of securities	86,869,824	83,263,361
Cash payments to employees	(112,858,234)	(93,929,792)
Cash payments to suppliers and Management expenses	(63,325,880)	(54,131,021)
Income tax paid	(438,438,340)	(742,698,176)
Receipt from other operational activities	563,125,060	555,541,507
Cash generated before changes in operating assets and liabilities	1,554,769,205	2,115,819,857
Increase/(decrease) in operating assets and liabilities		
Net Loans and advances to customers	(4,070,069,341)	(2,204,188,730)
Loans and deposits from banks and other customers	1,570,120,403	2,343,533,896
Investment in call money	450,000,000	(100,000,000)
Bank Overdraft	-	-
Cash generated from operating assets and liabilities	(2,049,948,938)	39,345,166
Net cash generated from operating activities	(495,179,733)	2,155,165,023
(B) Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(3,716,664)	(12,656,155)
Redemption of Zero Coupon Bond	(260,000,000)	710,000,000
Investments in Treasury bills	982,607,000	(490,527,976)
Sale of Securities	375,200,254	500,338,026
Investment in Securities	(682,403,399)	(823,837,215)
Net Cash used in investing activities	411,687,191	(116,683,320)
(C) Cash Flows from Financing Activities		
Dividend paid	(227,673,600)	(317,870,400)
Issuance of shares	-	-
Net cash (used in) investing activities	(227,673,600)	(317,870,400)
(D) Net increase in cash and cash equivalents (A+B+C)	(311,166,142)	1,720,611,303
(E) Effects of exchange rate changes on cash and cash equivalents	-	-
(F) Cash and cash equivalents at beginning of the year	3,505,163,940	1,784,552,637
(G) Cash and cash equivalents at the end of the year (D+E+F)	3,193,997,798	3,505,163,940
Cash and Cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	107,299	2,535,515
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	373,358,156	313,967,230
Balance with other Banks and financial institutions	2,820,532,343	3,188,661,195
Total cash and cash equivalents	3,193,997,798	3,505,163,940



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Place: Dhaka

Dated: 29 March 2016

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

Particulars	Amount in Taka						
	Paid up capital	Share Premium	Statutory reserve	General reserve	Dividend equalization fund	Retained earnings	Total
Balance on 01 January 2015	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
Transfer to statutory reserve	-	-	110,337,801	-	-	(110,337,801)	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency transaction difference	-	-	-	-	-	-	-
Net gains/(losses) not recognized in the income statement	-	-	-	-	-	-	-
Net profit for the year 2015	-	-	-	-	-	-	-
Dividend paid in cash	-	-	-	-	-	551,689,004	551,689,004
Bonus dividend for 2014	113,836,800	-	-	-	-	(227,673,600)	(227,673,600)
Dividend equalization fund	-	-	-	-	-	(113,836,800)	-
Transfer to general reserve	-	-	-	-	-	-	-
Balance as at 31 December 2015	1,252,204,800	528,000,000	1,207,070,066	1,500,000,000	600,000,000	155,275,470	5,242,550,336
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 recognized in the income statement	-	-	-	-	-	-	-
Net profit for the year 2014	-	-	-	-	-	-	-
Dividend paid in cash	-	-	-	-	-	176,514,692	176,514,692
Bonus dividend for 2013	-	-	-	-	-	(341,510,400)	(341,510,400)
Dividend equalization fund	-	-	-	-	100,000,000	(100,000,000)	-
Transfer to general reserve	-	-	-	200,000,000	-	(200,000,000)	-
Balance as 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



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer



K. M. HASAN & CO.
Chartered Accountants

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: 29 March 2016

STATEMENT OF LIQUIDITY ANALYSIS (MATURITY OF ASSETS AND LIABILITIES)

As at December 2015

Particulars	Amount in Taka					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	above 5 years	
Assets						
Cash in hand	107,299	-	-	-	-	107,299
Balance with Bangladesh Bank and its agent bank(s)	373,358,156	-	-	-	-	373,358,156
Balance with banks and other financial institutions	1,125,532,343	-	1,605,000,000	90,000,000	-	2,820,532,343
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	1,393,410,858	477,482,234	-	1,870,893,092
Leases, loans and advances	1,130,057,478	1,857,338,272	2,112,995,948	16,550,743,359	1,330,726,731	22,981,861,788
Fixed assets including premises, furniture and fixtures	-	-	-	11,189,807	123,058,445	134,248,252
Other assets	-	-	2,358,760,618	-	-	2,358,760,618
Non-financial institutional assets	-	-	-	-	-	-
Total assets (A)	2,629,055,276	1,857,338,272	7,470,167,424	17,129,415,400	1,453,785,176	30,539,761,548
Liabilities						
Borrowings from banks, other financial institutions and agents	1,014,664,276	705,559,070	1,199,616,251	1,770,259,187	234,880,441	4,924,979,225
Deposits	793,437,606	1,197,169,962	2,457,473,996	9,707,971,093	53,718,560	14,209,771,217
Other deposits	-	-	450,000,000	660,000,000	-	1,110,000,000
Provision and other liabilities	450,000,000	-	1,070,421,842	3,532,038,928	-	5,052,460,770
Total Liabilities (B)	2,258,101,882	1,902,729,032	5,177,512,089	15,670,269,208	288,599,001	25,297,211,213
Net Liquidity Gap (A - B)	370,953,394	(45,390,760)	2,292,655,335	1,459,146,191	1,165,186,175	5,242,550,335



Mujibur Rahman
Director



S. M. Shamsul Arefin
Managing Director



Uttam Kumar Saha
Chief Financial Officer

Place: Dhaka

Dated: 29 March 2016

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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 Gulshan Dhaka, Chittagong and Bogra.

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 Circular No. 11 dated 23 December 2009 of Bangladesh Bank. These financial statements have been presented 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. Depreciation

Depreciation is provided on the straight-line method with a pro-rata charge based on the date of acquisition. Depreciation on addition of fixed assets is charged on the date of acquisition of assets and depreciation is charged at the end of disposal of assets on concerned date. 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 40%.

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.

Deferred tax has not been provided in the financial statements. The management has determined that deferred tax will be computed as per BAS-12 and in compliance with DFIM circular no. 07 dated 31 July 2011 for the year ended 31 December 2016.

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 Ratio

The Company maintains cash reserve requirements and statutory liquidity ratio 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 Earnings 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 2015 to 31 December 2015.

2.26 Events after the Reporting period

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

(a) Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) Those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

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

2.27 Proposed Dividend

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

BAS 1: Presentation of financial statements also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statement.

2.28 Comparative information

Comparative information has been disclosed in respect of the year 2014 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

	Notes	2015 Taka	2014 Taka
3. Cash		107,299	2,535,515
3.1 Cash in hand			
In local currency		107,299	2,535,515
In foreign currency		-	-
		107,299	2,535,515
3.2 Balance with Bangladesh Bank and its agent bank(s)			
In local currency		373,358,156	313,967,230
In foreign currency		-	-
		373,358,156	313,967,230
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)			
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been 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 Ratio (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)		306,557,000	259,223,605
Actual reserve maintained		373,358,156	313,967,230
Surplus		66,801,156	54,743,625
(b) Statutory Liquidity Ratio			
5% of total liabilities			
Required reserve (including CRR)		933,950,000	1,113,645,533
Actual reserve maintained (including CRR)	3.4	3,193,997,798	3,505,163,940
Surplus		2,260,047,798	2,391,518,407
Total required reserve		933,950,000	1,113,645,533
Actual reserve held		3,193,997,798	3,505,163,940
Total surplus		2,260,047,798	2,391,518,407
3.4 Actual reserve maintained (including CRR)			
Cash in hand		107,299	2,535,515
Balance with Bangladesh bank and its agent bank(s)		373,358,156	313,967,230
Balance with other banks and other financial institutions	4	2,820,532,343	3,188,661,195
		3,193,997,798	3,505,163,940
4. Balance with Other Banks and Financial Institutions			
In Bangladesh			
Current account	4.1	19,870,871	42,922,783
Short-term deposit accounts	4.2	1,105,661,472	710,103,722
Fixed deposit receipts		1,695,000,000	2,435,634,690
		2,820,532,343	3,188,661,195
Outside Bangladesh		-	-
		2,820,532,343	3,188,661,195

		Notes	2015 Taka	2014 Taka
4.1	Current account			
	Name of Banks			
	Bank Account No.			
	Commercial Bank of Ceylon Plc		264,788	405,184
	IFIC Bank Ltd		(3,232,347)	9,058,089
	Uttara Bank Ltd		1,435,253	571,123
	Rupali Bank Ltd		95,420	98,445
	Social Islami Bank Ltd		287,358	289,008
	State Bank of India		363,138	363,138
	The City Bank Ltd		79,846	180,747
	Mercantile Bank Ltd		13,970	15,810
	NCC Bank Ltd		23,002	23,002
	Eastern Bank Ltd		398,087	1,401,637
	UCBL		1,772,396	1,800,541
	Standard Chartered Bank		14,408,477	23,824,456
	BRAC Bank Ltd		1,610,190	3,807,643
	The City Bank Ltd		63,585	64,425
	Shahajalal Islami Bank Ltd		1,470,275	492,369
	Premier Bank Ltd		817,433	527,166
			19,870,871	42,922,783
4.2	Short-term deposit accounts			
	AB Bank Ltd		71,906	69,876
	Bank Alfalah Ltd		94,484	98,494
	Bank Asia Ltd		2,294,944	466,760
	Bank Asia Ltd		14,680,671	9,929,315
	Bank Asia Ltd		153,854,473	75,024,831
	Bank Asia Ltd		23,805,467	38,497,906
	Bangladesh Commerce Bank Ltd		53,190,546	69,122,125
	NCC Bank Ltd		51,020,064	20,626,338
	Dhaka Bank Ltd		434,268	420,492
	Dutch Bangla Bank Ltd		796,194	3,092,891
	Dutch Bangla Bank Ltd		9,896,553	33,218,418
	Bank Asia Ltd		87,855,313	112,578,686
	Exim Bank Ltd		51,385,670	87,096,600
	First Security Bank Ltd		108,603	106,342
	Farmers Bank Ltd.		4,764,606	4,860,390
	IFIC Bank Ltd		199,037,445	133,516,774
	IFIC Bank Ltd		946,864	1,150,444
	IFIC Bank Ltd		-	44,354
	IFIC Bank Ltd		59,027	59,246
	IFIC Bank Ltd		48,021	20,003,365
	Islami Bank Bangladesh Ltd		355,142	383,825
	Jamuna Bank Ltd		251,428	156,576
	Midland Bank Ltd.		17,391,483	139,717
	Mercantile Bank Ltd		1,567,877	15,822,957
	Mercantile Bank Ltd		91,681	92,940
	Mutual Trust Bank Ltd		129,469	126,255
	Mutual Trust Bank Ltd		1,545,299	2,891,728
	National Bank Ltd		10,269,893	76,283,059
	National Bank Ltd		13,124	13,669
	One Bank Ltd		1,284,116	2,841,657
	One Bank Ltd		64,537	63,598
	One Bank Ltd		4,865,813	1,930,131
	One Bank Ltd		866,028	419,889
	The Premier Bank Ltd		108,014	106,264
	The Premier Bank Ltd		3,163,901	9,535,224
	Prime Bank Ltd		112,703,734	676,928
	Prime Bank Ltd		10,518,865	(162,773,887)

		2015 Taka	2014 Taka
4.2	Short-term deposit accounts		
	Prime Bank Ltd	72,369,712	11,146,047
	Pubali Bank Ltd	1,224,577	183,374
	Shahjalal Islami Bank Ltd	486,281	471,638
	Social Islami Bank Ltd	3,008,704	2,994,263
	Social Islami Bank Ltd	647,966	650,191
	Social Islami Bank Ltd	110,860,604	49,123,148
	Social Islami Bank Ltd	680,912	683,137
	Social Islami Bank Ltd	91,106	89,893
	Sonali Bank Ltd	8,233,279	2,351,612
	Southeast Bank Ltd	237,468	24,637,208
	Standard Bank Ltd	464,121	449,527
	Standard Chartered	37,431,817	31,215,812
	The City Bank Ltd	505,708	503,420
	The City Bank Ltd	9,874,901	4,370,982
	United Commercial Bank Ltd	26,215,422	265,124
	United Commercial Bank Ltd	13,720,514	22,155,971
	United Commercial Bank Ltd	72,857	118,198
		1,105,661,472	710,103,722
4.3	Maturity grouping of balance with other banks and financial institutions		
	Up to 1 month	1,125,532,343	753,026,505
	Over 1 month but not more than 3 months	-	864,435,341
	Over 3 months but not more than 1 year	1,605,000,000	1,508,037,500
	Over 1 year but not more than 5 years	90,000,000	63,161,849
	Over 5 years	-	-
		2,820,532,343	3,188,661,195
5.	Money at call and short notice		
	Jamuna Bank	-	100,000,000
		-	100,000,000
6.	Investments		
	Government securities		
	Treasury bills	-	982,607,000
	National investments bond	-	-
	Bangladesh Bank bill	-	-
	Government notes/ bonds	-	-
	Prize bonds	-	-
	Others	-	-
		-	982,607,000
	Other investments		
	Investment in marketable securities	6.1 1,393,410,858	999,337,888
	Investment in non-marketable securities	-	-
	Investment in merchant banking unit	477,482,234	271,283,872
		1,870,893,092	1,270,621,760

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 2015 was as under:

	No. of company	Market value (closing 2015)	2015	2014
Quoted				
Bank and FIs	26	452,480,569	533,280,477	345,671,848
Insurance	13	217,125,699	349,917,139	324,477,164
Investment	4	24,319,468	39,169,560	38,828,468
Power and energy	34	292,551,350	341,087,266	168,690,117
Manufacturing and others	2	21,256,000	27,386,966	19,100,841
	79	1,007,733,086	1,290,841,408	896,768,438
Unquoted				
Shandhani Life Growth fund	1	73,420,675	100,000,000	100,000,000
	1	73,420,675	100,000,000	100,000,000
	80	1,081,153,761	1,390,841,408	996,768,438
Investment in non-marketable securities				
CDBL	1	5,711,810	2,569,450	2,569,450
	81	1,086,865,571	1,393,410,858	999,337,888

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 made 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	2015 Taka	2014 Taka
7. Loans, Advances and Leases			
Inside Bangladesh			
Lease Finance	7.1	11,776,681,593	10,676,943,716
Term Finance Institutions	7.2	9,203,278,255	8,479,357,245
Term Finance Personal loan	7.3	7,047,191	7,133,855
Margin Loan	7.4	1,994,854,749	1,761,580,875
Housing Finance	7.5	-	-
		22,981,861,788	20,925,015,691
7.1 Lease Finance			
Balance at January 1		10,676,943,716	9,112,585,679
Add: Addition during the year		6,734,519,805	5,214,767,148
		17,411,463,521	14,327,352,827
Less: Realization during the year		5,634,781,928	3,650,409,111
Balance at December 31		11,776,681,593	10,676,943,716
Aging analysis of lease finance			
Upto 1 month		502,378,252	-
Over 1 month but not more than 3 months		31,430,289	341,074,590
Over 3 months but not more than 1 year		1,721,812,730	3,269,427,696
Over 1 year but not more than 5 years		9,422,619,079	6,323,242,352
Over 5 years		98,441,243	743,199,078
		11,776,681,593	10,676,943,716

	Notes	2015 Taka	2014 Taka
7.2 Term Finance Institutions			
Balance at January 1		8,479,357,245	7,355,582,991
Add: Disbursement made during the year		4,126,825,064	4,467,620,000
		12,606,182,309	11,823,202,991
Less: Realization during the year		3,402,904,054	3,343,845,746
Balance at December 31		9,203,278,255	8,479,357,245
Aging analysis of Term finance			
Upto 1 month		627,679,226	-
Over 1 month but not more than 3 months		1,825,907,984	756,883,827
Over 3 months but not more than 1 year		390,945,051	2,777,765,790
Over 1 year but not more than 5 years		5,126,460,507	4,906,464,838
Over 5 years		1,232,285,487	38,242,790
		9,203,278,255	8,479,357,245
7.3 Term Finance Personal loan			
Balance at January 1		7,133,855	7,795,829
Add: Disbursement made during the year		3,382,724	3,290,000
		10,516,579	11,085,829
Less: Realization during the year		3,469,388	3,951,974
Balance at December 31		7,047,191	7,133,855
Aging analysis of Term finance-personal loan			
Upto 1 month		-	-
Over 1 month but not more than 3 months		-	178,762
Over 3 months but not more than 1 year		238,167	548,930
Over 1 year but not more than 5 years		6,809,024	6,406,163
Over 5 years		-	-
		7,047,191	7,133,855
7.4 Margin Loan to portfolio investors			
Balance at January 1		1,761,580,875	1,586,812,883
Add: Disbursement made during the year		233,273,874	174,767,992
		1,994,854,749	1,761,580,875
Less: Realization during the year		-	-
Balance at December 31		1,994,854,749	1,761,580,875
<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 is 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 become 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 763,600,863 provision made in the year 2014 as much as required and amounting taka 61,249,852 provision made in the year 2015 as much as required, thus 100% provision made.</p>			
7.5 Housing Finance			
Balance at January 1		-	-
Add: Disbursement made during the year		-	-
		-	-
Less: Realization during the year		-	-
		-	-
Balance at December 31		-	-

	Notes	2015 Taka	2014 Taka
7.6 Maturity grouping of investments are as follows:			
Upto 1 month		1,130,057,478	-
Over 1 month but not more than 3 months		1,857,338,272	1,098,137,179
Over 3 months but not more than 1 year		2,112,995,948	6,036,195,468
Over 1 year but not more than 5 years		16,550,743,359	13,009,241,176
Over 5 years		1,330,726,731	781,441,868
		22,981,861,788	20,925,015,691
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		7,047,191	7,133,855
Advances to industries		20,979,959,848	19,156,300,961
Margin loan		1,994,854,749	1,761,580,875
		22,981,861,788	20,925,015,691
7.8 Advances to Customers for more than 15% of FI's Total Capital			
Number of clients		6	3
Amount of outstanding advances		8,872,005,651	3,369,580,109
Amount of classified advances		-	-
Measures taken for recovery		n/a	n/a
7.9 Industry-wise loans, Advances and Leases:			
Agriculture		130,509,155	59,234,956
Chemicals & pharmaceuticals		237,614,313	450,944,577
Electronics & electrical		34,635,626	49,821,184
Food & beverage		2,363,349,855	3,021,326,357
Garments & accessories		821,586,416	557,026,472
Glass & ceramics		597,795,789	1,219,085,116
Home loan		2,066,298,159	1,969,601,709
Information technology		178,264,692	170,251,208
Steel & Engineering		3,425,515,744	2,451,556,967
Printing & Packaging		376,176,710	173,416,571
Working Capital		719,791,353	979,084,463
Commercial lending		8,257,148,360	6,309,958,661
Plastic industries		248,527,717	217,997,710
Textile		1,796,513,013	431,914,527
Transporting		1,468,446,321	2,420,072,663
Others		259,688,565	443,722,550
		22,981,861,788	20,925,015,691
7.10 Geographical Location-wise (Division)			
In Bangladesh			
Dhaka		16,097,879,883	17,421,706,693
Chittagong		6,729,557,126	3,366,789,986
Bogra		154,424,779	136,519,012
Sylhet		-	-
Barisal		-	-
Rajshahi		-	-
		22,981,861,788	20,925,015,691

	Notes	2015 Taka	2014 Taka
7.11 Classification as per Bangladesh bank rules			
Unclassified			
Standard		17,108,572,294	15,116,309,143
SMA		2,148,928,850	2,985,819,884
		19,257,501,144	18,102,129,027
Classified			
Sub-standard		306,599,254	530,274,333
Doubtful		218,876,435	208,298,860
Bad		1,204,030,206	322,732,596
		1,729,505,895	1,061,305,789
Total		20,987,007,039	19,163,434,816
Margin loan		1,994,854,749	1,761,580,875
Total		22,981,861,788	20,925,015,691
7.12 Particulars of loans advances and leases			
i) Loans/investments considered good in respect of which the bank is fully secured;		7,942,177,563	11,219,920,509
ii) Loans/investments considered good for which the bank holds no security other than the debtors personal security;		15,039,684,225	9,705,095,182
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		-	-
		22,981,861,788	20,925,015,691
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;		2,428,873	2,483,326
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;		8,100,000	1,258,652
ix) Due from other banking companies		-	-
x) Total amount of Classified loans and advances/investments on which interest is not credited to income.		1,729,505,895	1,061,305,789
a) Movement of classified loans and advances			
Opening balance on January 01, 2014		1,061,305,789	838,223,997
Increase/(decrease) during the year		668,200,106	223,081,792
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

Amounts in Taka

PARTICULARS	COST			Rate (%)	DEPRECIATION			Written down value at 31 Dec. 2015
	Balance as at 01 Jan. 2015	Addition during the year	Disposals/adjustment during the year		Balance as at 31 Dec. 2015	Charged during the year	Adjustment during the year	
Land and Building	74,409,295	-	-	0%	-	-	-	74,409,295
Building and Premises	121,338,500	-	-	10%	66,808,388	12,133,850	78,942,238	42,396,262
Furniture and fixtures	4,975,050	136,079	-	15%	4,137,584	240,024	4,377,608	733,521
Office equipment	10,826,642	455,106	-	15%	6,379,640	1,133,035	7,512,675	3,769,073
Computer	7,708,602	390,300	-	15%	5,739,743	608,865	6,348,608	1,750,294
Office decoration	19,416,437	125,178	-	20%	13,074,237	1,798,665	14,872,902	4,668,713
Motor vehicles	16,899,515	2,610,000	-	20%	10,716,432	2,271,989	12,988,421	6,521,094
At 31 December 2015	255,574,041	3,716,663	-		106,856,024	18,186,428	125,042,452	134,248,252
At 31 December 2014	242,917,886	12,656,155	-		89,264,223	17,591,801	106,856,024	148,718,017

	Notes	2015 Taka	2014 Taka
9. Other Assets			
Interest receivable	9.1	328,362,800	46,310,575
IDCP receivable	9.2	121,149,467	159,212,357
Advance, Deposits and Prepayments	9.3	1,909,248,351	1,168,758,916
Zero Coupon Bond issue expenses	9.4	-	-
		2,358,760,618	1,374,281,848
9.1 Interest receivable			
Interest receivable on term finances	9.1.1	152,239,451	2,461,000
Interest receivable on lease income earned	9.1.2	159,772,030	584,871
Interest receivable on FDR	9.1.3	16,351,319	31,938,480
Interest receivable on call money	9.1.4	-	49,444
Interest receivable on treasury bills	9.1.5	-	11,276,780
		328,362,800	46,310,575
9.1.1 Interest receivable on term finances			
Opening balance		2,461,000	66,230,829
Add: Addition during the year		152,239,451	16,980,076
		154,700,451	83,210,905
Less: Received / adjustment		2,461,000	80,749,905
Closing balance		152,239,451	2,461,000
9.1.2 Interest receivable on lease income earned			
Opening balance		584,871	112,023,435
Add: Addition during the year		159,772,030	38,138,413
		160,356,901	150,161,848
Less: Received / adjustment		584,871	149,576,977
Closing balance		159,772,030	584,871
9.1.3 Interest receivable on FDR			
Opening balance		31,938,480	17,354,511
Add: Addition during the year		16,351,319	31,938,480
		48,289,799	49,292,991
Less: Received / adjustment		31,938,480	17,354,511
Closing balance		16,351,319	31,938,480
9.1.4 Interest receivable on call money			
Opening balance		49,444	-
Add: Addition during the year		-	49,444
		49,444	49,444
Less: Received / adjustment		49,444	-
Closing balance		-	49,444
9.1.5 Interest receivable on Treasury bills			
Opening balance		11,276,780	-
Add: Addition during the year		-	11,276,780
		11,276,780	11,276,780
Less: Received / adjustment		11,276,780	-
Closing balance		-	11,276,780
9.2 IDCP receivable			
Opening balance		159,212,357	32,109,474
Add: Addition during the year		121,149,467	159,212,357
		280,361,824	191,321,831
Less: Received / adjustment		159,212,357	32,109,474
Closing balance		121,149,467	159,212,357

	<u>Notes</u>	<u>2015 Taka</u>	<u>2014 Taka</u>
9.3 Advance, Deposits and Prepayments			
Advance			
Advance Income Tax	9.3.1	939,109,450	990,058,695
Rent		19,864,080	3,514,200
		958,973,530	993,572,895
Deposits		26,500	26,500
security deposit		26,500	26,500
Prepayments			
Opening balance		175,159,521	613,041,922
Add: Addition during the year		775,088,800	-
Less: Received / adjustment		-	(437,882,401)
Closing balance		950,248,321	175,159,521
		1,909,248,351	1,168,758,916
9.3.1 Advance Income Tax			
Advance corporate tax	9.3.1.1	900,626,049	942,698,236
Advance income tax at source		38,483,401	47,360,459
		939,109,450	990,058,695
9.3.1.1 Advance corporate tax			
Opening balance		942,698,236	200,000,000
Add: Paid during the year		438,483,341	742,698,236
		1,381,181,577	942,698,236
Less: Adjustment		480,555,528	-
Closing balance		900,626,049	942,698,236
9.4 Zero Coupon Bond issue expenses			
Opening balance		-	112,500
Add: Addition during the year		125,000	125,000
		125,000	237,500
Less: Received/adjustment		125,000	237,500
Closing balance		-	-
Management has taken decision that the zero coupon bond are written off and charged to profit and loss account for the financial year of 2015 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	4,924,979,225	7,195,685,840
Outside Bangladesh		-	-
		4,924,979,225	7,195,685,840
Opening balance		7,195,685,840	5,992,997,719
Add: Addition during the year		2,520,750,000	6,423,957,290
		9,716,435,840	12,416,955,009
Less: Repayments made during the year		4,791,456,615	5,221,269,169
Closing balance		4,924,979,225	7,195,685,840

	Notes	2015 Taka	2014 Taka
10.1 In Bangladesh			
Secured long term loans			
Mercantile Bank Limited		82,246,707	482,389,561
Uttara Bank Limited		-	270,683,478
BRAC Bank Limited		654,166,667	463,833,356
United Commercial Bank Limited		210,956,993	409,088,976
Prime Bank Limited		229,724,664	866,197,509
Social Investment Bank Limited		181,008,903	165,917,433
Pubali Bank Limited		-	180,040,008
Shahjalal Bank Limited		187,197,390	525,209,246
Bank Alfalah Limited		-	26,288,910
Standard Bank Limited		-	122,498,014
Exim Bank Limited		-	188,688,409
Southeast Bank Limited		213,596,896	72,317,059
Mutual Trust Bank Ltd.		298,461,853	-
Commercial Bank of Ceylon		33,333,344	91,666,660
Dhaka Bank Limited		48,998,452	96,610,708
Bangladesh Commerce Bank Limited		109,163,831	153,722,250
National Bank Limited		-	174,494,504
Eastern Bank Limited		229,166,667	-
Dutch Bangla Bank Limited		332,625,743	376,285,679
Mutual Trust Bank Ltd.		-	466,004,532
Premier Bank Ltd.		394,575,513	587,063,837
Bank Asia Ltd.		378,405,435	394,885,088
Modhumoti Bank Ltd.		366,410,375	-
Standard Chartered Bank Ltd.		200,000,000	200,000,000
NCC Bank Ltd.		141,773,673	160,794,846
		4,291,813,106	6,474,680,063
Unsecured long term loans			
IPFF from Bangladesh Bank		339,926,125	362,540,008
Refinance from Bangladesh Bank		292,558,275	355,884,817
United Finance		-	456,454
International Leasing and financial services Ltd.		681,719	2,124,498
National Finance Ltd.		-	-
		633,166,119	721,005,777
		4,924,979,225	7,195,685,840
10.2 Analysis by security			
Secured loan		4,291,813,106	6,474,680,063
Unsecured loan		633,166,119	721,005,777
		4,924,979,225	7,195,685,840
10.3 Nature of repayment			
Repayable on demand		4,291,813,106	6,474,680,063
Repayable on maturity		633,166,119	721,005,777
		4,924,979,225	7,195,685,840
11. Deposits and other accounts			
Current deposits		-	-
Bills payable		-	-
Savings bank deposit		-	-
Term deposits	11.1	14,209,771,217	10,368,944,199
Bearer certificates of deposits		-	-
other deposits		-	-
		14,209,771,217	10,368,944,199

	Notes	2015 Taka	2014 Taka
11.1 Term deposits			
Household		2,494,524,593	1,883,685,955
Corporate		11,134,392,562	7,830,463,153
Insurance		580,854,062	654,795,091
		14,209,771,217	10,368,944,199

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 8.00% to 11.00%. Deposits are of revolving in nature and renewed for further periods.

Balance on 01 January	10,368,944,199	9,228,098,424
Receipt during the year	4,856,780,970	8,388,752,233
Adjustment during the year	(1,015,953,952)	(7,247,906,458)
Balance at 31 December	14,209,771,217	10,368,944,199

Maturity analysis

Upto 1 month	793,437,606	-
Over 1 month but not more than 3 months	1,197,169,962	2,030,000,000
Over 3 months but within 1 year	2,457,473,996	4,709,493,424
Over 1 year but within 5 years	9,707,971,093	3,623,802,293
Over 5 years	53,718,560	5,648,482
	14,209,771,217	10,368,944,199

12. Other liability

Accumulated provision for loans, advances and leases	12.1	1,100,067,957	658,787,829
Interest suspense account	12.2	557,214,804	392,299,292
Provisions	12.3	1,735,094,917	1,714,712,574
Call money		450,000,000	-
Unclaimed dividend		73,011,506	57,808,937
Advance rental and discount payables		40,318,657	40,318,365
Zero Coupon Bond		1,110,000,000	1,370,000,000
Accrued Liabilities	12.4	1,096,752,929	1,589,316,288
		6,162,460,770	5,823,243,285

12.1 Accumulated provision for loans, advances and leases

Status	Outstanding	Base for provision	Rate	Provision	Provision
General provision					
Standard - excluding SME	18,846,844,633	18,846,844,633	1%	188,468,446	166,666,220
Standard - SME	256,582,410	256,582,410	0.25%	641,456	557,037
Special mention account	2,148,928,850	1,953,157,963	5%	97,657,898	136,742,862
	21,252,355,893			286,767,801	303,966,119
Specific provision					
Sub-standard	306,599,254	258,284,000	20%	51,656,800	94,994,816
Doubtful	218,876,435	178,216,990	50%	89,108,495	64,813,091
Bad/loss	1,204,030,206	672,534,861	100%	672,534,861	195,013,803
	1,729,505,895			813,300,156	354,821,710
Total	22,981,861,788			1,100,067,957	658,787,829
Total provision required				1,100,067,957	658,787,829
Total provision maintained				1,100,067,957	658,787,829
Total provision surplus				-	-

12.1.1 Movement on unclassified loans, advances and lease

Opening balance	329,836,361	277,535,546
Provision for the year	(43,068,560)	52,300,815
Closing balance	286,767,801	329,836,361

	Notes	2015 Taka	2014 Taka
12.1.2 Movement on classified loans, advances and lease			
Opening balance		328,951,767	218,680,356
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		484,348,389	110,271,411
Provision at the end of the year		813,300,156	328,951,767
12.2 Interest suspense account			
Lease finance		315,839,915	270,223,413
Term finance - institutions		241,374,889	122,075,879
Term finance - Individual		-	-
Housing finance		-	-
		557,214,804	392,299,292
Opening balance		392,299,292	302,595,320
Add: Amount transferred/accrued to "interest suspense" account during the year		-	89,703,972
Less: Amount recovered in "interest suspense" account during the year		(76,459,377)	-
Less: Amount written off during the year		-	-
Balance at the end of the year		315,839,915	392,299,292
12.3 Provisions			
Provision for margin loan	12.3.1	824,850,715	763,600,863
Provision for loss in value of shares	12.3.2	309,676,788	211,111,711
Provision for income tax	12.3.3	600,567,414	740,000,000
		1,735,094,917	1,714,712,574
12.3.1 Provision for margin loan			
Opening balance		763,600,863	568,202,877
Addition during the year		61,249,852	195,397,986
Less: Adjustment/ Write off		-	-
Closing balance		824,850,715	763,600,863
12.3.2 Provision for loss in value of shares			
Opening balance		211,111,711	137,192,507
Adjustments during the year		98,565,077	73,919,204
Closing balance		309,676,788	211,111,711
12.3.3 Provision for income tax			
Opening balance		740,000,000	380,000,000
Add: Provision for current tax during the year		350,000,000	360,000,000
Add: Provision for deferred tax during the year		-	-
Less: Adjustment during the year		489,432,586	-
Closing balance		600,567,414	740,000,000
12.4 Accrued Liabilities			
Financial expenses	12.4.1	1,069,226,842	1,532,032,056
Accrued expenses	12.4.2	1,195,000	1,400,000
Other payables	12.4.3	26,331,087	55,884,232
		1,096,752,929	1,589,316,288

	Notes	2015 Taka	2014 Taka
12.4.1 Financial expenses			
Provision for term deposit		934,964,063	1,361,052,230
Provision for Zero Coupon Bond		134,262,779	170,979,826
		1,069,226,842	1,532,032,056
12.4.2 Provision for expenses			
Auditor's fees	12.4.2.1	345,000	345,000
Office maintenance		500,000	750,000
Motor vehicle expenses		200,000	200,000
Printing and stationery		150,000	105,000
		1,195,000	1,400,000
12.4.2.1 Auditor's fees			
Statutory		172,500	172,500
IPFF		115,000	115,000
Corporate Governance		57,500	57,500
		345,000	345,000
12.4.3 Other payables			
Suspense receipt-others		12,342,197	41,136,112
Withholding tax		13,988,890	14,748,120
		26,331,087	55,884,232
13 Share capital			
Authorized capital			
500,000,000 ordinary shares of Taka 10 each		5,000,000,000	5,000,000,000
Issued, subscribed and fully paid up capital:			
125,220,480 ordinary shares of Taka 10 each		1,252,204,800	1,138,368,000
		1,252,204,800	1,138,368,000
	% of Holding	Number of shares	Taka
Sponsor shareholders			Taka
Local	6.01	7,521,345	75,213,450
Foreign	7.81	9,782,850	97,828,500
Company	33.42	41,845,393	418,453,930
	47.24	59,149,588	591,495,880
General:			
Institutions	33.24	41,622,791	416,227,910
General public	19.52	24,446,390	244,463,900
Foreign investors	0.00	1,711	17,110
	52.76	66,070,892	591,495,880
Total holdings	100.00	125,220,480	1,252,204,800

	Notes	2015 Taka	2014 Taka
Supplementary capital (Tier - II)			
General provision (Unclassified loan up to specified limit+SMA+Off Balance sheet exposure)*		398,449,262	401,200,000
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		398,449,262	401,200,000
(C) Total eligible capital		5,640,999,598	5,319,734,932
Total assets including off-balance sheet exposures		-	-
(D) Total risk weighted assets		36,258,194,106	36,022,400,000
(E) Required capital based on risk weighted assets (10% on D)		3,625,819,411	3,602,240,000
(F) Surplus (C-E)		2,015,180,188	1,717,494,932
Capital Adequacy Ratio (%)		15.56%	14.77%
*Limited to 1.25% of RWA as per CDMD 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 2015 has been transferred to Statutory Reserve Fund amounting to Tk 110,366,801.			
Balance on 1 January		1,096,732,265	1,061,429,327
Transfer during the period		110,337,801	35,302,938
Balance at 31 December		1,207,070,066	1,096,732,265
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		1,500,000,000	1,300,000,000
Transfer during the period		-	200,000,000
Balance at 31 December		1,500,000,000	1,500,000,000
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		55,434,667	555,733,313
Add: Net profit after taxation		551,689,004	176,514,692
Less: Transfer to statutory reserve		110,337,801	35,302,938
Less: Transfer to general reserves		-	200,000,000
Less: Transfer to Dividend equalization fund		-	100,000,000
Less: Issue of bonus share		113,836,800	-
Less: Cash dividend		227,673,600	341,510,400
		155,275,470	55,434,667

	<u>Notes</u>	<u>2015 Taka</u>	<u>2014 Taka</u>
18. Income Statement			
Income:			
Interest, discount and similar income	18.1	3,191,735,711	2,814,124,370
Dividend income		15,082,649	7,110,170
Fees, commission and brokerage		17,715,192	28,437,050
Gains less losses arising from dealing in securities		145,941,207	176,657,829
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		620,195,548	575,805,117
Profit less losses on interest rate changes		-	-
		3,990,670,307	3,602,134,536
Expenses:			
Interest paid on deposits, borrowings, etc.		2,292,320,411	2,380,997,365
Losses on loans and advances		-	-
Administrative expenses	18.2	157,413,495	148,116,275
Other operating expenses		17,165,316	24,707,824
Depreciation and repairs of company's assets		20,987,023	20,102,488
		2,487,886,245	2,573,923,952
		1,502,784,062	1,028,210,584
18.1 Interest, discount and similar income			
Interest income		3,191,735,711	2,814,124,370
		3,191,735,711	2,814,124,370
18.2 Administrative expenses			
Salary and allowances		90,900,769	82,279,792
Rent, taxes, insurance, electricity, etc.	25	30,571,194	33,560,845
Legal expenses	26	2,858,158	2,055,918
Postage, stamp, telecommunication, etc.	27	2,949,271	99,598
Stationery, printings, advertisements, etc.	28	7,145,366	7,281,149
Managing Director's salary and allowances	29	11,650,000	11,650,000
Directors' fees	30	644,772	461,798
Auditors' fees	31	386,500	345,000
Other (M.B.Unit)		10,307,465	10,382,175
		157,413,495	148,116,275
19. Interest Income			
Interest income on lease finance		1,712,833,513	1,526,457,954
Interest income on term finance		1,020,774,965	943,406,618
Interest income on merchant banking unit		106,279,454	94,983,282
Interest income on FDR		280,258,387	190,911,225
Interest income on other sources		71,589,392	58,365,291
		3,191,735,711	2,814,124,370
20. Interest Paid on Deposits, Borrowings, etc.			
Interest on term deposits		1,396,250,541	1,340,451,552
Interest on loan from financial institutions	20.1	622,275,350	678,329,114
Interest on Short term loan		17,222,235	53,791,549
Interest on coupon bond		148,596,234	213,077,243
Interest on call money		1,696,597	364,306
		2,186,040,957	2,286,013,764

	Notes	2015 Taka	2014 Taka
20.1 Interest on loan from financial institutions			
Bangladesh Commerce Bank Limited		16,535,689	3,712,250
Bank Alfalah Limited		1,502,680	6,189,141
Bank Asia Ltd.		39,041,671	46,226,782
BRAC Bank Limited		29,616,003	37,481,127
Commercial Bank of Ceylon		7,780,992	19,415,816
Dhaka Bank Limited		8,755,701	16,587,157
Dutch Bangla Bank Limited		53,641,372	46,781,957
Eastern Bank Limited		7,950,521	-
Exim Bank Limited		9,008,153	16,838,409
International Leasing Ltd.		293,621	-
IPFF from Bangladesh Bank		28,154,965	4,729,009
Islami Bank Bangladesh Ltd.		-	4,575,320
Mercantile Bank Limited		41,531,379	58,463,819
Modhumoti Bank Limited		40,300,931	-
Mutual Trust Bank Ltd.		42,895,735	45,357,520
National Bank Limited		6,967,482	27,014,616
NCC Bank Ltd.		19,031,982	21,459,675
Premier Bank Ltd.		61,928,585	43,237,321
Prime Bank Limited		10,463,740	31,747,557
Pubali Bank Limited		9,879,554	30,771,581
Refinance from Bangladesh Bank		17,216,746	26,392,920
Shahjalal Bank Limited		49,304,672	61,239,431
Social Investment Bank Limited		28,594,591	17,821,893
Southeast Bank Limited		19,944,255	3,713,096
Standard Bank Limited		1,326,198	23,257,160
State Bank of India Limited		-	2,046,518
United Leasing Ltd.		21,950	-
UBICO		-	1,596,152
United Commercial Bank Limited		42,256,281	46,267,215
Uttara Bank Limited		28,329,901	35,405,671
		622,275,350	678,329,114
21 Investment Income			
Bills		-	-
Treasury bills		39,794,980	108,527,931
Notes		-	-
Bond		-	-
Share		7,999,623	2,259,218
Others		-	-
		47,794,603	110,787,149
22. Commission, Exchange and Brokerage		-	-
23. Other Operating Income			
Commission from letter of credit		19,069	695,612
Interest during construction period		109,495,639	219,462,286
Lease income earned		23,078,277	22,078,216
Interest on short term loan		-	10,626,178
Delinquent charges		6,357,238	25,774,566
Interest on call money		10,518,806	19,207,361
Service charge		1,862,600	2,133,820
Miscellaneous receipts		306,194,215	23,997,784
		457,525,844	323,975,823

	<u>Notes</u>	<u>2015 Taka</u>	<u>2014 Taka</u>
24. Salary and Allowances		90,900,769	82,279,792
25. Rent, Taxes, Insurance, Electricity, etc.			
Rent, rates and taxes		6,646,501	5,269,544
Power and electricity		2,684,181	2,516,366
Other maintenance		21,240,512	25,774,935
		30,571,194	33,560,845
26. Legal Expenses			
Legal expenses		1,681,911	425,550
Other professional charges		1,176,247	1,630,368
		2,858,158	2,055,918
27. Postage, Stamps, Telecommunication, etc.			
Postage & courier		236,362	99,598
Revenue stamps		-	-
Telecommunication and internet etc.		2,712,909	-
		2,949,271	99,598
28. Stationery, Printings, Advertisements, etc.			
Stationery & printing		912,621	2,747,169
Advertisement and publicity		6,232,745	4,533,980
		7,145,366	7,281,149
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
		11,650,000	11,650,000
In addition to remuneration, he is also provided with company's cars and cell phone.			
30. Directors' Fees			
Honorarium for attending meeting		421,500	315,000
Incidental expenses for attending meeting		223,272	146,798
		644,772	461,798
Each Director is paid Taka 5,000 per meeting per attendance as per DFIM circular letter no. 03 dated 24 February 2010.			
31. Auditor's Fees			
Statutory audit		172,500	172,500
Other audit (note-31.1)		214,000	172,500
		386,500	345,000
31.1 Other audit			
IPFF		115,000	115,000
Corporate Governance		99,000	57,500
		214,000	172,500
32. Depreciation and Repair of Company's Assets			
Depreciation	8	18,186,428	17,591,801
Repairs and maintenance	32.1	2,800,595	2,510,687
		20,987,023	20,102,488

	Notes	2015 Taka	2014 Taka
32.1 Repairs and maintenance			
For premises and vehicles		1,989,407	1,986,267
For computer and computers accessories		811,188	227,410
Others		-	297,010
		2,800,595	2,510,687
33. Other Expenses			
Travelling, conveyance and labour	33.1	2,148,914	735,810
Subscriptions and donation	33.2	2,734,614	7,782,060
Entertainment	33.3	834,088	683,560
Training expense	33.4	94,000	71,000
Car expenses	33.5	4,611,923	4,476,191
AGM expenses		1,366,197	3,769,336
Books and periodicals	33.6	82,952	75,490
Utilities	33.7	351,905	2,478,990
Amortization of Zero Coupon Bond issue expenses		125,000	237,500
Repossessing expenses	33.8	2,276,418	2,786,208
Levies	33.9	2,539,305	1,611,679
		17,165,316	24,707,824
33.1 Travelling, conveyance and labour			
Travelling			
Domestic		383,388	203,142
		383,388	203,142
Foreign		1,163,712	8,352
		1,163,712	8,352
Total travelling		1,547,100	211,494
Conveyance		601,814	524,316
		601,814	524,316
		2,148,914	735,810
33.2 Subscription and Donation			
Donation		226,000	6,897,470
DSC and CSE		821,507	200,000
Trade license		77,305	44,255
Asian leasing association fees		19,830	39,335
Bangla leasing association fees		200,000	210,000
CDBL charges		184,972	212,000
National credit rating		138,000	120,000
RJSC		22,000	20,000
BAPLC membership fees		1,030,000	30,000
Bankers club		15,000	9,000
		2,734,614	7,782,060
33.3 Entertainment			
Office entertainment		344,934	241,218
Client entertainment		489,154	442,342
		834,088	683,560
33.4 Training expense			
General training		57,000	37,000
Local seminar		37,000	34,000
		94,000	71,000

	Notes	2015 Taka	2014 Taka
33.5 Car expenses			
Car fuel		3,689,211	3,488,891
Garage rent		247,000	195,500
Vehicle parking tolls		29,330	41,930
Vehicle insurance		316,870	289,605
Vehicle fitness		17,190	49,805
Vehicle tax token		91,404	113,450
Others		220,918	297,010
		4,611,923	4,476,191
33.6 Books and periodicals			
Daily newspaper bill		63,287	63,170
Books		19,665	12,320
		82,952	75,490
33.7 Utilities			
Gas and Others		351,905	2,478,990
		351,905	2,478,990
33.8 Repossessing expenses			
Travelling and conveyance		244,681	132,515
Advertisement		353,071	210,409
Court fee		2,168	6,830
Thana, police station		-	42,000
Vehicle repossessing bill		968,749	1,772,361
Garage Rent		185,800	144,672
Accommodation and fooding		124,534	161,705
Recovery expense others		397,415	315,716
		2,276,418	2,786,208
33.9 Levies			
Bank charges		249,895	353,180
Levies excise duties, commissions etc.		2,121,554	1,046,570
Outside bank charges		167,856	211,929
		2,539,305	1,611,679
34. Provision against leases, loan and advances			
Provision for classified loans, advances and leases		825,727,573	328,951,767
Provision for unclassified loan, advances and leases		274,340,384	329,836,061
		1,100,067,957	658,787,828
Less: Last year provision			
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
		658,787,828	496,215,902
Provision made during the year		441,280,129	162,571,926
35. Provision for diminution in value of investments			
Investment in securities			
In quoted shares		98,565,077	73,919,204
In unquoted shares		-	-
		98,565,077	73,919,204

	Notes	2015 Taka	2014 Taka
36. Other Provisions			
Transfer Price written off		-	59,806,776
Margin loan (negative equity)		61,249,852	195,397,986
Balance on 31 December		61,249,852	255,204,762
37. Earnings per share			
Basic earnings per share have been calculated as follows:			
a) Earnings attributable to ordinary shares (net profit after tax)		551,689,004	176,514,692
b) Weighted average number of ordinary shares outstanding during the year		125,220,480	125,220,480
Earnings per share		4.41	1.41

38. Related party disclosure**a. Particulars of Directors and their interest in different entities as on 31 December 2015:**

Sl. No.	Name of the Director	Status in UFIL	Name of the firm/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc.	Status in interested entity	(%) of Holding/Interest in the concern as on 31 December 2015
1	Mr. Rasidul Hasan	Chairman	Bata Shoe Company (Bangladesh) Limited	Independent Director	-
			Reckitt and Benckiser Bangladesh Limited	Independent Director	-
2	Mr. Matiur Rahman	Vice Chairman	Uttara Motors Limited	Chairman & Managing Director	30%
			Menoka Motors Limited	Chairman & Managing Director	32.5%
			Uttara Automobiles Limited	Chairman & Managing Director	33.33%
			Uttara Apparels Limited	Chairman & Managing Director	30%
			Uttara Tyre Retreading Co. Limited	Director	20%
			Eastern Insurance Company Limited	Director	5.14%
			National Life Insurance Company Limited	Director	1.14%
			Uttara Automobiles Manufacturers Limited	Chairman & Managing Director	33%
			Hallmark Pharmaceuticals Limited	Vice Chairman	20%
			Uttara Motor Corporation Ltd.	Chairman & Managing	30%
3	Mr. Mujibur Rahman	Nominee Director	Uttara Motors Limited	Deputy Managing Director	10%
			Uttara Apparels Limited	Deputy Managing Director	10%
			Uttara Tyre Retreading Co. Limited	Deputy Managing Director	20%
			Eastern Insurance Company Limited	Chairman	2%
			Uttara Automobiles Manufacturers Limited	Deputy Managing Director	33.5%
			Hallmark Pharmaceuticals Limited	Deputy Managing Director	14%
			Uttara Motor Corporation Ltd.	Deputy Managing Director	30%
4	Mr. Mehdadur Rahman	Sponsor Director	Uttara Motors Limited	Deputy Managing Director	50%
			Uttara Automobiles Limited	Deputy Managing Director	55.50%
			Uttara Apparels Limited	Deputy Managing Director	50%
			Uttara Knitting and Dyeing Limited	Deputy Managing Director	0.96%
			Uttara Tyre Retreading Co. Limited	Deputy Managing Director	33.35%
			Eastern Insurance Company Limited	Sponsor Director	7.02%
			National Life Insurance Company Limited	Sponsor Director	3.42%
			Hallmark Pharmaceuticals Limited	Deputy Managing Director	35.34%
			Uttara Automobiles Manufacturers Limited	Deputy Managing Director	33.5%
			Uttara Motor Corporation Ltd.	Deputy Managing Director	30%
5	Mr. Kazi Imdad Hossain	Nominee Director	Eastern Insurance Company Limited	Nominee Director	-
			Uttara Motors Limited	Nominee Director	-

6	Mr. A J Masudul Haque Ahmed	Executive Director	-	-	-
7	Mr. N.G. Chine Keong	Sponsor Director	-	-	-
8	Ms. Zakia Rahman	Sponsor Director	Uttara Knitting and Dyeing Limited	Share holder	1.91%
			Hallmark Pharmaceuticals Limited	Share holder	14%
			Eastern Insurance Company Limited	Share holder	0.15%
			National Life Insurance Company Limited	Share holder	0.49%
			Z. R. Corporation	Proprietor	100%
9	Ms. Tahmina Rahman (Tina)	Sponsor	Uttara Knitting and Dyeing Limited	Share holder	1.91%
			Eastern Insurance Company Limited	Share holder	1.95%
			Hallmark Pharmaceuticals Limited	Share holder	16.66%
			National Life Insurance Company Limited	Share holder	0.79%
			Uttara Motor Corporation Ltd.	Share holder	10%
10	Mr. A.T.K.M. Ismail	Independent Director	-	-	-
11	Mr. Md. Showkat Hossain FCA	Independent Director	-	-	-

b. Significant contract where the company is party and where in Directors have interest - Nil

c. 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

Details of transactions with related parties and balances with them as at 31 December 2015 as follows:

Amount in crore

Name of the related party	Transaction nature	Relationship	Balance as at January 1, 2015	Addition	Adjustment	Balance at year end receivable/ (Payable)
			Taka	Taka	Taka	Taka
Uttara Motors Ltd.	Term deposit	Sponsor	242.80	279.43	0.00	522.23
Uttara Apparels Ltd.	Term deposit	Sponsor	5.29	26.34	0.00	31.63
Uttara Automobile Manuf. Ltd.	Term deposit	Sponsor	25.11	0.00	4.10	21.01
Uttara Motors Corp.Ltd.	Term deposit	Sponsor	59.29	0.00	7.24	52.05
Uttara Automobile Ltd	Term deposit	Sponsor	31.77	0.00	0.86	30.91

d. Share issued to Directors and executives without consideration or exercisable at a discount - Nil

e. Lending policy to related parties

Related parties are allowed Loans and Advances as per General Loan Policy of the company.

f. Loans, advances and leases to Directors and their related concern-Nil

g. Investment in the Securities of Directors and their related concern - Nil

39 Number of employees

The Company paid an aggregate amount more than Tk 102,550,769 Per annum to 171 employees.

40 Subsequent events**Dividend for the year 2015**

The Board of Directors at the 121st Board meeting held on 29 March 2016 recommended to the shareholders 30.00% cash dividend (Amounting to Tk. 375,661,440. This will be considered for approval by the shareholders at the 21st annual General Meeting (AGM) to be held on Wednesday, May 30, 2016.

41 General

- 41.1** 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.
- 41.2** The Company does not have any restriction on distribution and payment of dividends.
- 41.3** During the year under report, no matters were submitted to a vote of shareholders of the Company.
- 41.4** Previous year's figures have been rearranged where necessary to confirm to current year's presentation.
- 41.5** Figures have been rounded off to the nearest Taka.

HIGHLIGHTS ON THE OVERALL ACTIVITIES

(Amount in Taka)

Sl. No.	Particulars	2015	2014
1	Paid-up Capital	1,252,204,800	1,138,368,000
2	Total Assets	30,539,761,548	28,306,408,256
3	Total Deposits	14,209,771,217	10,368,944,199
4	Total Loans and Advances	22,981,861,788	20,925,015,691
5	Total Contingent Liabilities and Commitments	-	-
6	Credit Deposit Ratio	161.73%	201.92%
7	Percentage of Classified Loans Against Total Loans and Advances	7.53%	5.07%
8	Profit After Tax and Provision	551,689,004	176,514,692
9	Amount of Classified Loans During Current Year	1,729,505,895	1,061,305,789
10	Provisions Kept Against Classified Loans	813,300,156	354,821,710
11	Provision Surplus against classified loan	-	-
12	Cost of Fund	8.23%	9.03%
13	Interest Earnings Assets	22,981,861,788	20,925,015,691
14	Non-interest Earnings Assets	7,557,899,760	7,381,392,565
15	Return on Investment (ROI)	2.40%	0.84%
16	Return on Assets (ROA)	1.81%	0.62%
17	Income from Investment	47,794,603	110,787,149
18	Earnings per Share	4.41	1.41
19	Net Income per Share	4.41	1.41
20	Price Earnings Ratio	13.81	53.13



www.uttarafinance.biz

Registered Office

Jiben Bima Tower (6th Floor), 10 Dilkusha C/A

Dhaka-1000, Bangladesh.

Phone : +880-2-9568207 (Hunting)

Fax : +880-2-9552461

E-mail : info@uttarafinance.com

Share Department

Uttara Centre (11th Floor)

102 Shahid Tajuddin Ahmed Sarani

Tejgaon, Dhaka-1208, Bangladesh.

Phone : +880-2-8170281-5

Fax : +880-2-8170277