

Directors' Report

**Respected Shareholders,
Assalamu Alaikum.**

The Board of Directors of Uttara Bank Limited is pleased to welcome you in the 38th Annual General Meeting of the Bank. Directors' Report along with the audited Financial Statements and auditors' Report there on for the year ended on December 31, 2020 are presented before you. A short overview of the World Economic Scenario and Developments in the Bangladesh Economy has been provided in the report. Uttara Bank Limited has been able to maintain satisfactory growth amidst stiff competition in the concerned year.

World Economic Scenario

Global economic growth decelerated in 2019 compared to that of 2018 due mainly to weak demand and trade disputes between the USA and China. The outbreak of COVID-19 pandemic and its massive adverse effects have pushed the global economic growth into negative zone in 2020. Governments worldwide have imposed widespread closures, lock-down, isolation and restrictions of movement of domestic and international transports in order to contain the spread of the virus. As a result, the COVID-19 pandemic has triggered the deepest global recession since World War II and global economic activity is projected to contract sharply by 4.4 percent in 2020. However, growth is anticipated to pick up to 5.2 percent in 2021 subject to effective implementation of monetary and fiscal stimulus packages, restoration of normal economic activities and fading of the pandemic. In advanced economies, growth declined to 1.7 percent in 2019 from 2.2 percent in 2018 and it is projected to decline to -5.8 percent in 2020 and increase to 3.9 percent in 2021. In emerging market and developing economies, growth is forecasted to decline to -3.3 percent in 2020 and then pick up to 6.0 percent in 2021.

In the United States, growth declined to 2.2 percent in 2019 from 3.0 percent in 2018. It is projected to further decrease to -4.3 percent in 2020 and rebound to 3.1 percent in 2021. In the euro area, growth decreased to 1.3 percent in 2019 from 1.8 percent in 2018 and is projected to drop further to -8.3 percent in 2020 and bounce back to 5.2 percent in 2021. However, growth in the United Kingdom increased to 1.5 percent in 2019 from 1.3 percent in 2018 and is projected to decline to -9.8 percent in 2020. Japan's economy is set to shrink by 5.3 percent in 2020. In China, growth decreased to 6.1 percent in 2019 from 6.7 percent in 2018. China's growth is projected to slow down further to 1.9 percent in 2020 and then pick up to 8.2 percent in 2021. India's economic growth also decelerated from 6.1 percent in 2018 to 4.2 percent in 2019 and is projected to decrease further to -10.3 percent in 2020 and then pick up to 8.8 percent in 2021.

World trade volume growth declined considerably to just 1.0 percent in 2019 from 3.9 percent in 2018. It is projected at -10.4 percent in 2020 reflecting weaker demand for goods and services and at 8.3 percent in 2021.

Developments in the Bangladesh economy

Bangladesh Bureau of Statistics (BBS) estimated real GDP growth of 5.2 percent in FY20, much lower from 8.2 percent in FY19. Though Bangladesh recorded robust growth rates during the last couple of years, the outbreak of COVID-19 pandemic during the last quarter of FY20 affected national economy adversely, leading to the fall in growth. Following negative impacts of COVID-19, all major sectors witnessed a lower growth. However, the growth rate in FY20 was highest in South Asian region.

According to the provisional estimates by BBS, gross domestic product (GDP) of Bangladesh grew by 5.2 percent in FY20, while it was 8.2 percent in FY19. Agriculture sector contributed 13.3 percent of GDP and growth of this sector moderated from a base of 3.9 percent in FY19 to 3.1 percent in FY20. This growth was mainly supported by the growth of fishing, forest related services and animal farming sub-sector. Industry sector contributed 35.4 percent of GDP and grew by 6.5 percent in FY20, lower from 12.7 percent in FY19. This growth was mainly supported by the growth of manufacturing and

construction. As a result of COVID-19, both large and medium and small scale industrial sub-sector recorded lower growth of 5.5 percent and 7.8 percent respectively. The services sector accounts for the largest share of GDP. In FY20, 51.3 percent of GDP came from this sector which was 51.4 percent in FY19. Service sector grew by 5.3 percent, much lower than 6.8 percent growth in FY19. The twelve month average general CPI inflation was recorded 5.7 percent in June 2020 with gradually increasing by 17 basis points during FY20, which exceeded the targeted ceiling of 5.5 percent. Broad money (M2) growth accelerated in FY20 to 12.7 percent from 9.9 percent in FY19 but ended up slightly short of the FY20 monetary program target growth of 13.0 percent.

Private sector credit grew by 8.6 percent in FY20, much lower than the targeted growth of 14.8 percent for FY20 and actual growth of 11.3 percent in FY19. However, the lower growth in credit to private sector might be attributed to banks' adherence towards quality credit and COVID-19 led lockdown. Exports shrank by a larger margin than imports did in FY20. Exports fell by 17.1 percent while imports' decline was 8.6 percent. The total exports (FOB) in FY20 stood at USD 32,830 million, which was USD 39,604 million in FY19. On the other hand, the total imports (FOB) was USD 50,691 million in FY20 in contrast to USD 55,439 million in FY19. Workers' remittances inflow, which was USD 18,205 million in FY20, set the base for improved current account position. FY20's overall balance (USD 3,655 million) was higher than that of the preceding fiscal year by a large margin riding on huge financial account build-up. Gross international foreign exchange reserves stood at USD 36,073 million at the end of June 2020 covering 8.5 months of import payments. Workers' remittances which grew by 10.9 percent constituted the main pillar of the reserves.

In spite of weaker growth performance in FY20, the government of Bangladesh has set the real GDP growth target for FY21 at 8.2 percent. This growth outlook is underpinned by both the domestic and external demand recovery prospects. The COVID-19 pandemic broke out in the last quarter of FY20, which eventually lead to country-wide lockdown till May 2020. Economic activities almost stalled during the lockdown period as the government enforced closure of offices and factories and ban on transportation. However, the government immediately undertook massive stimulus packages which acted as a buffer against economic losses.

Banking Industry Outlook

Bangladesh Bank has announced its monetary policy stance (MPS) for FY21. The stance is essentially expansionary and accommodative for all growth support needs while ensuring inflation target as well. The prime objectives of the MPS FY21 are the economic recovery from the adversity of the pandemic and rehabilitation of production capacity. The MPS undertakes a strategy to provide adequate financial support to the priority sectors like agriculture, CMSMEs, and manufacturing industries. In order to restore normal administrative and economic activities, the government withdrew general lockdown in June 2020. Gradual easing of restrictions was implemented with strict health guidelines. There have been signs of improvement in respect of health issues and economic recovery. However, the subsequent spells of the pandemic are still feared to pose serious risks to the economy.

Uttara Bank Limited

Uttara Bank Limited is one of the front ranking first generation private sector commercial banks in Bangladesh. The Bank has been carrying out business through its 241 branches, 11 sub-branches and 27 ATM booths spreading all over the country. The Management of the Bank consists of a team led by senior bankers with vast experience in national and international markets.

Performance of Uttara Bank Limited

Uttara Bank has successfully achieved improved operational results showing an impressive upward trend. Bank's operation has achieved the confidence of its customers with sound fundamentals in respect of deposit accumulation and loans & advances, import & export, remittance and profit earning. As a result the bank has been able to earn a steady after tax profit growth.

Financial result of the Bank

To uphold the continuous growth, the management of Uttara Bank Limited is always striking optimum balance between liquidity and profitability. The Management emphasizes on the growth of quality of assets in addition to the quantity. Our financial highlights are growing year to year mainly due to operational efficiency and an increasing customer base. The financial results of the Bank are as under:

ASSETS

As of 31 December 2020, total asset of the Bank stood at Tk. 222,600.2 million with an increase of 15.24 percent as against Tk. 193,161.6 million of 2019. The increase in Asset was mainly driven by significant growth of customers' deposits which were used for funding in loans & advances and holding of securities.

Cash

Cash in hand stood at Tk. 3,097.6 million in 2020 as against Tk. 3,638.2 million of the previous year.

Balances with Bangladesh Bank and its agents

During the year 2020, Balances with Bangladesh Bank and its agents stood at Tk. 11,872.4 million as against Tk. 11,620.4 million of the previous year 2019.

Balances with other Banks/ Financial Institutions

During the year 2020 balances maintained with other banks and financial institutions stood at Tk. 26,475.8 million as against Tk. 7,624.3 million of the previous year.

Investment

The Bank always gives emphasis on investment of Funds in high yield areas simultaneously maintaining Statutory Liquidity Requirement (SLR) as fixed by Bangladesh Bank.

Uttara Bank Limited is a primary dealer of Government securities. The Bank as a primary dealer is to purchase the Bond/Bill which is put to auction in order to keep underwriting commitment. Besides, one of the investment activities of the bank is to maintain Statutory Liquidity Reserve (SLR) which mainly comprises of Government Treasury Bill and Treasury bond of different tenure, Prize Bonds, Government approved Debenture and ICB shares. The Bank invested total Tk. 31,347.3 million in 2020 as compared to Tk. 29,903.1 million of the previous year which shows an increase of Tk. 1,444.2 million.

Head wise position of Bank's Invested Fund at the end of the year 2020 is given below:

Heads of Investment	(Taka million)
Treasury Bills and Bonds	24,777.1
Share and Debenture of ICB sponsored companies	6.6
Subordinated bond	5,370.0
Commercial Paper	177.0
Corporate Bond	200.0
Preference Share	300.0
Shares of companies- Quoted	490.8
Shares of companies- Unquoted	22.5
Others	3.3
Total	31,347.3

Loans and Advances

The Bank continued its participation in different credit programmes for financing new industrial projects, working capital, trade finance, international trade etc. The Bank continued to consolidate and diversify its portfolio in 2020 to have a diversified client base and portfolio distribution across the sectors to reduce client specific concentration and industry specific concentration and to reduce overall portfolio risk. In 2020 Uttara Bank Limited registered a steady growth in the credit portfolio posting a growth of 7.4 percent. Total loans and advances of the Bank stood at Tk. 133,854.0 million during the year 2020 as compared to Tk. 124,670.7 million of the previous year. Average loan per Branch stood at Tk. 555.4 million. Sector wise allocation of advances revealed a well-diversified portfolio of the Bank with balanced exposure in different sectors.

Agriculture Loan

The overall economic development of our country depends on Agricultural growth. With a view to augmenting agricultural output, creating employment opportunities and generating income of the rural people, Uttara Bank Limited intensified its efforts to extend credit facilities to all sections of rural population under various rural credit schemes, programs and projects pertaining to agricultural and of farming activities. At present the Bank is disbursing agri-loan to the farmers directly through all its branches with simple terms and conditions. The persons interested in agricultural work, including men and women, landless/ marginal farmers and shared croppers are eligible for receiving agri-loan from the Bank. The agri-credit sectors of the Banks are crops, irrigation, equipments, agricultural machineries, livestock, fisheries (including shrimp) and poverty alleviation etc. The outstanding balance in this sector stood at Tk. 3,398.1 million at the end of the year 2020 as against Tk. 2,423.7 million of the previous year which shows an increase of 40.20 percent over the previous year.

SME Financing

SMEs are important to almost all economies of the world but especially to those in developing countries like Bangladesh. Financing in SME sector is a good opportunity to diversify the portfolio risks. Small & Medium Enterprise (SME) remains the engine of growth in the emerging economy. Uttara Bank Limited has been putting its emphasis on Small and Medium Enterprise Financing in line with the Prudential Regulations/Guidelines of Bangladesh Bank. The Bank's strategy is to provide working capital and term loan to different small and medium scale manufacturers, traders and service providers those fall under SME sector.

The Bank disbursed Tk. 27,590.8 million in SME sector during the year 2020 out of which small enterprise Tk.19,676.2 million and medium enterprise Tk. 7,914.6 million. The outstanding balance of the same as on 31.12.2020 stood at Tk. 66,060.6 million which was Tk. 61,069.4 million at the end of 2019. As a vision to diversify the credit portfolio as well as to minimize credit risk, the bank is now focusing more on SME sector.

Consumer Credit Schemes (CCS)

The outstanding balance of "consumer credit scheme " stood at Tk 9,850.1 million at the end of the year 2020 under which Tk. 9,376.0 million was for "Uttaran House Repairing and Renovation Scheme", Tk 294.5 million was for "Home loan / Flat loan", Tk 95.1 million was for "Credit card" and Tk 84.5 million was for Consumer Loan - others. The outstanding balance of the Consumer Credit Scheme (CCS) was Tk. 8,505.3 at the end of the previous year. It may be mentioned here that the recovery rate in these schemes is satisfactory.

Poverty alleviation sector financing

Bank continued to extend commercial loan to the enthusiastic youths and small entrepreneurs for various sectors through its different branches on priority basis during the year. For this purpose, the Bank disburses loan in dairy and poultry to obliterate the poverty and to create employment opportunities for the destitute. The outstanding balance in this sector stood at Tk. 120.0 million at the end of the year 2020.

Financing in Women Empowerment Development Scheme

Uttara Bank believes that empowerment of women can be truly achieved if they get opportunity to attain their economic emancipation. Women Empowerment Development Scheme has been introduced in the Bank named "Nari Shanirvar Rin Prokalpa" to encourage women in doing business in Small & Cottage industry and others. The outstanding balance in this sector stood at Tk 68.6 million at the end of the year 2020.

Syndicated Finance

Syndicated loans allow arranging funds for large projects spreading the risk amongst the partner Banks. Clients also enjoy the benefits of having access to larger pool of funds from multiple financial institutions but have to deal with one Agent Bank and one set of documentation. The outstanding balance of the same at the end of the year 2020 stood at Tk. 255.6 million. The Bank worked as a participating financial institution in syndication finance.

Corporate Finance

Uttara Bank Limited always adopts strategy for widespread service for the large and medium sized corporate customers. Bank's business is focused to a considerable extent on the corporate clients by maintaining a relationship and extending financial assistance based on a deep understanding of the clients' business environments, financial needs and internal strategies for growth. The Bank extends its financial support to the corporate clients either from own finance or by arranging syndicated/club finance. The investment in corporate sector is the combination of a mixed and balanced allocation in various natures of business/industries based on the socio-economic perspectives and long term planning.

Lease Finance

This scheme has been designed to assist and encourage the genuine and capable entrepreneurs and professionals for acquiring capital machineries, medical equipments, computers, vehicles and other items. As part of its diversification of credit products, Uttara Bank Limited introduced Lease financing Scheme. The Bank continues to disburse loan under this Scheme and the outstanding balance stood at Tk. 299.8 million on 31 December 2020 showing an increase of Tk. 14.5 million over 31 December 2019.

Major sectors where the Bank has extended its business are mainly Imports and Exports, Commercial Enterprises, Steel Re-rolling Mills, Readymade Garments, Textiles, Edible oil and Cement Factories etc.

Bad Loan Management

Credit Monitoring is a continuous process to maintain and upgrade the health of assets of the Bank. The Bank continued its efforts to maintain high quality assets. Besides giving emphasis on the satisfactory business performances of the customers and collateral support, the Bank geared up loan monitoring and follow up systems through Credit Administration & Monitoring Department to check the loans from becoming non-performing. As a result non-performing loans of the Bank stood at Tk. 8,509.6 million at the end of 2020 compared to Tk. 9,732.4 million in 2019 which is Tk. 1222.8 million lower than that of the previous year.

LIABILITIES

Total liabilities of the Bank stood at Tk. 205,131.1 million on 31 December 2020 registering a growth of 15.6 percent over the last year. This was mainly due to increase in customers' deposits.

Borrowings from other Banks, Financial Institutions and Agents

The function of the Treasury Division is borrowing fund from and lending fund to money market. Borrowing from other Banks, financial institutions and agents including overnight borrowing stood at Tk 1,719.9 million at the end of 2020 compared to Tk. 1,393.7 million at the end of 2019. The Bank's borrowing includes borrowing against refinance from Bangladesh Bank for financing under SME scheme and financing against SME (women entrepreneurs).

Deposit

Deposit is the principal source of fund invested to generate revenue in banking business. The Bank's deposit stood at Tk. 181,275.5 million as on 31 December, 2020 compared to Tk. 156,921.2 million in 2019, thus recording 15.5 percent growth. Competitive interest rates, attractive deposit products, deposit mobilization efforts of the Bank and confidence reposed by the customers in the Bank contributed to the notable growth in deposits.

Share Capital

The Authorized Capital of the Bank was Tk. 10,000.0 million as on 31.12.2020. The paid up capital of the Bank stood at Tk. 5,019.4 million. The total equity of shareholders of the Bank at the end of the year 2020 stood at Tk. 17,469.1 million and in 2019 at Tk. 15,662.2 million.

Statutory and Other Reserve

The Statutory and Other Reserve increased to Tk. 12,449.7 million during the year by registering 7.50 percent increase over last year Tk 11,581.4 million.

Other Liabilities

During the year 2020, other liabilities of the Bank stood at Tk. 22,135.6 million as against Tk. 19,184.6 million of the previous year.

Interest Income

During the year 2020, interest income of the Bank was Tk. 11,153.6 million as against Tk. 12,856.6 million of the previous year. The interest income of the Bank was decreased by 13.25 percent over the previous year due to decrease in interest rate of loans and advances as well as outcome of COVID-19 pandemic throughout the year.

Interest Expense

Interest expenses moved up from Tk. 5,922.4 million in 2019 to Tk. 5,881.7 million in 2020 posting a decrease of 0.69 percent. The interest expenses of the Bank were decreased due to significant growth of low cost / no cost Deposits.

Net Interest Income

The net interest income of the Bank for the year under review stood at Tk. 5,271.9 million as against Tk. 6,934.2 million for the previous year thereby making a decrease of 23.97 percent over the year 2020 which caused due to decrease in interest rates as well as Corona pandemic.

Investment Income

The Bank's investment income during the year 2020 was mostly in long term Govt. Securities which stood at Tk. 3,009.7 million as against Tk. 2,821.5 million in 2019 showing an increase of Tk. 188.2 million over the last year.

Commission, Exchange & Brokerage

In the year under review, commission, exchange and Brokerage earnings was Tk. 902.0 million which was Tk. 854.0 million in 2019 resulting an increase of 5.7 percent over the previous year.

EXPENSES

In the year 2020, total operating expenses stood at Tk. 5,968.3 million as against Tk. 6,496.5 million of the previous year.

Profit before Tax

Profit of the Bank before tax stood at Tk. 3,739.0 million as against Tk. 3,716.3 million of the previous year, thus records a growth of 0.61 percent.

Profit after Tax

Profit of the Bank after tax stood at Tk. 2,143.5 million in 2020 as against Tk. 1,870.0 million of the previous year, thus records a growth of 14.63 percent.

Operational Success and Appropriation of Profit

The operating profit of the Bank during the year 2020 was Tk. 3,882.3 million as against Tk. 4,806.3 million in 2019. The Bank was able to earn gross income of Tk. 15,732.3 million during the year 2020 whereas the gross expenses were Tk. 11,850.0 million.

The financial results and recommended appropriation of profit for the year 2020 are given below:

(Amount in Taka)

Particular	2020	2019
Net profit after tax	2,143,538,894	1,869,976,866
Add: Retained earnings brought forward from previous year	65,250,029	69,518,993
Profit available for appropriation	2,208,788,923	1,939,495,859

Appropriations recommended by the Board of Directors:		
Transfer to Statutory Reserve	638,570,861	450,000,000
Transfer to General Reserve	-	200,000,000
Proposed Dividend:		
Stock dividend (2020-12.50%, 2019-23%)	627,425,988	938,588,470
Cash dividend (2020-12.50%, 2019-7%)	627,425,990	285,657,360
Retained earning carried forward		65,250,029

Provision for loans & advances:

For making required provision and 1% special general provision for COVID-19 amounting to Tk. 4,468.1 million against classified and unclassified advances as per revised directives of Bangladesh Bank by December 2020, the Bank made provision for Tk. 4,470.5 million during the year under report. At present there is no shortfall in provision against classified and unclassified loans and advances and Off Balance Sheet Exposures.

Provision for Tax

Provision for tax for the year was Tk. 1,595.4 million compared to Tk. 1,846.3 million of the previous year. According to International Accounting Standard (IAS) 12, Current Tax of the Bank has been calculated.

Adoption of IAS and IFRS

Institute of Chartered Accountants of Bangladesh (ICAB) adopted the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank also mandated the implementation of IAS and IFRS. These standards and reporting system have also been complied by our Bank in preparation of the Financial Statements.

Dividend

The Board of Directors recommended 12.50% stock dividend and 12.50% cash dividend for the year 2020 subject to the approval of the shareholders in the 38th Annual General Meeting.

Treasury Operations

In keeping with international standard and the Central Bank Guidelines for Core Risk Management Policy, the Bank has restructured its treasury into three segments (1) Treasury Front Office (2) Treasury Mid Office & (3) Treasury Back Office. Proper utilization of surplus fund through maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) is one of the major functions of Treasury Division. Treasury Division operates with a view to activate the functions of Treasury Bills and Bonds, Commercial Securities, Purchase and Sale of the same in the secondary market. During the year under discussion, the Bank's treasury function continued to concentrate on local money market operations, which included primarily term investment of surplus funds and inter-bank lending and borrowing at call. Besides, Money Market Department of the Bank's Treasury Division is working efficiently with products of Repo & Reverse Repo. Foreign Exchange Money Market and Primary Dealer encountered multidimensional challenges and new regulations were introduced with various associated risks during this year. In spite of that Bank has also managed fund requirement in local currency efficiently. Treasury operations of the Bank are operated in the light of the Core Risk Management guidelines issued by the Bangladesh Bank.

Capital Adequacy

Capital adequacy focuses on the total position of capital held against the requirement as per policy of Bangladesh Bank and aims at protecting the depositors from potential shocks of losses that a Bank might incur. At the end of the year 2020, the total Regulatory Capital of the Bank stood at Tk. 16,604.9 million against Minimum Capital Requirement (MCR with conservation buffer @ 12.50%) of Tk. 14,817.4 million on the basis of tier-1 and tier-2 showing surplus capital of Tk. 1,787.5 million. Risk weighted assets increased by Tk. 6,587.8 million and stood at Tk. 118,539.0 million in 2020. The capital adequacy rate of the Bank stood at 14.01 percent against Minimum capital requirement (with conservation buffer 12.50 percent as fixed by Bangladesh Bank), which is indicating a sound Capital base of the Bank.

Implementation of BASEL-III

The purpose of Basel-III is to create an international standard that Banking regulators can use when creating regulations about how much capital banks need to put aside to guard against the types of financial and operational risks banks face. The establishment of the risk based capital adequacy as per Basel-III framework has put the total Banking system in a challenging position in these days. In view of Basel-III recommendation, the revised policy of Bangladesh Bank on capital adequacy takes into account of different degrees of credit risk and covers both on balance and off balance sheet transactions. To give comparative effect to this purpose, capitals are categorized into two tiers: Tier-1 defined as core capital comprising the quality capital elements and Tier-2 defined as supplementary capital represents other elements which fall short of some of the characteristics of the core capital but supplement the over all strength of the Bank.

Credit Rating of the Bank

Surveillance rating of Uttara Bank Limited was rated as on 08 September 2020 on the information of 31 December 2019 by the Emerging Credit Rating Limited (ECRL) which is a local rating company. The Bank has achieved AA (Very High Quality and Very Low Credit Risk) in long term and ST-2 (High Grade) in short term. The above surveillance rating has been done in consideration of Bank's visible improvement in fundamentals such as asset quality, capital adequacy, liquidity position, profitability and limited market share.

Segment Reporting

Following table also summarizes both the stand alone performance of the Bank and its two subsidiaries.

(Figure in Tk.)

Particulars	Uttara Bank Ltd.	UB Capital & Investment Ltd.	Uttara Bank Securities Ltd.
Total Operating Income	9,850,597,366	7,021,830	26,852,944
Total Operating Expense	(5,968,304,381)	(259,294)	(23,996,245)
Profit before Provisions	3,882,292,985	6,762,536	2,856,699
Total Provisions	-	-	-
Profit before Tax (PBT)	3,738,969,985	6,762,536	2,856,699
Provision for Taxation	(1,595,431,091)	(3,871,946)	(2,714,263)
Profit after Tax (PAT)	2,143,538,894	2,890,590	142,436

International Trade Operation

The international trade financing is one of the major business activities conducted by the Bank. The foreign trade related activities of the Bank carried out through 39 Authorized Dealer branches across the country, have earned confidence of importers and exporters. The Bank's 39 Authorized Dealer branches are well equipped with highly trained professionals to handle varied needs of import and export based clients.

Import Business

During the year, performance of import business of the Bank was satisfactory. In 2020 import business stood at Tk. 61,235.8 million as compared to the volume of Tk. 56,307.7 million in 2019 which is increased by 4928.1 million.

Export Business

Export business handled by the Bank during the year 2020 amounted to Tk. 26,022.4 million as against Tk. 23,322.2 million of the preceding year which is increased at 11.58%.

Foreign Remittance

The Bank has been active in remittance operations to facilitate disbursement of remittances received from Bangladeshi wage earners working abroad. Inward Foreign Remittance played a significant role in reducing the Bank's dependence on inter-bank market for payment of import bills in foreign currency. This Bank has drawing arrangement with 66 Banks and Exchange Companies of the different important

countries of the world. The volume of foreign remittance in the year 2020 stood at Tk. 24,589.5 million as compared to Tk. 32,649.1 million of 2019. Besides, expatriates can remit their money to home country instantly at low cost, through its 434 or more correspondents worldwide under SWIFT system.

Foreign Currency Deposit Account

With a view to delivering the hard-earned foreign remittances sent by Bangladeshi expatriates to the payees at home and enabling them to utilize the same in their chosen sectors, Uttara Bank Limited has in operation a number of modalities such as, Foreign Currency (FC) Account in US Dollar, Euro and Pound, Non Resident Foreign Currency Deposit (NFCD) Account and Resident Foreign Currency Deposit (RFCD) Account.

Besides, they can purchase Five Years Wage Earners Development Bond (WEDB), US Dollar Investment Bond and US Dollar Premium Bond with their foreign remittances.

Foreign Correspondents and Exchange Houses

The Bank has continued efforts and endeavors to develop relationship with foreign correspondents worldwide to facilitate the international trade services. Correspondent Banks are the trade partners of the bank in international trade. The bank has already achieved tremendous success in foreign trade. In order to encourage wage earners for remitting funds through banking channels and ensure smooth facilities for the remittance to send money from any corner of the world, the bank is constantly trying to make arrangements with reputed exchange houses all over the world. As a consequence of effective expansion of strong correspondent network and enlistment of the bank as a member of SWIFT, the inter-bank remittance has increased and as a result the bank is able to remit the fund to the customers quickly. The total number of correspondents and agents of the bank in our country and abroad was 434 as on 31.12.2020. At the same time the bank maintained drawing arrangements against wage earners' foreign remittance with 66 exchange houses worldwide. Among these 66 exchange houses, the bank has arrangements with well regarded exchange houses like Money Gram, Western Union, National Exchange, Trans-Fast, UAE Exchange Centre, BRAC Saajan Exchange, NEC Money Transfer etc. With the best effort to provide our customers the best services in the quickest possible time, the bank has recently launched a web portal in the name of "Remittance Management Software" through which all the wage earners' foreign remittance can be processed and managed quickly and easily with the support of the bank's 241 online branches and 11 sub branches throughout the country.

Products and Services

The Bank has continued to improve its activities untiringly in the delivery of products and services. Our first step in building superior customer responsiveness is through motivating the whole company to focus on the customers. The Bank has launched a number of financial products and services since its inception. Among these Monthly Deposits Scheme, Double Benefit Deposit Scheme, Mashik Munafa Prokalpa, Uttaran Bibaha Sanchay Prokolpa, Uttaran Swapnopuran Sanchay Prokolpa, Uttaran Shikkhaya Sanchay Prokolpa, School Banking Deposit, FDR, SND, Uttaran Millionaire Deposit Scheme, Uttaran Lakhpoti Deposit Scheme, Foreign Currency Deposit Account etc. are for deposit mobilization in one hand and consumer credit scheme, lease finance, Uttaran house repairing and renovation scheme, SME financing, Agri loan, Trade finance loan etc. are in another hand. Besides, the Bank has also some electro-banking products based on information technology of which UBL ATM Debit cards/Visa Cards and Credit Cards, SMS Banking, Internet Banking, e-Tendering, locker service etc. are worth mentioning for providing 24 hours services to customers.

Risk Management

Risk Management is a dynamic process interrelated with the philosophy, culture and functionalities of the Bank. By nature, risks are extremely unpredictable. This makes it urgent for the Bank to evolve its risk management strategy in a way that best protects our interests against any insidious transactions. The management of Uttara Bank Ltd. is fully cognizant of the importance of various risks involved in the banking business. Risk Management is one of the critical factors in banking. Bangladesh Bank has identified 06 (six) core risk Management of Banks and has provided necessary guidelines for prevention there from. The six core risks are:

- * **Credit Risk Management.**
- * **Asset Liability Management.**
- * **Foreign Exchange Risk Management.**
- * **Prevention of Money laundering.**
- * **Internal Control and Compliance.**
- * **Information and Communication Technology (ICT) Risk**

Effective risk management is indispensable for smooth commercial operation in all spheres of business. So, Uttara Bank Ltd. has implemented the following risk management system prepared in line with guidelines of Bangladesh Bank to prevent relevant risks.

Credit Risk Management

Credit risk is the risk of loss arising from the failure of a borrower, issuer, counterparty or customer to meet its financial obligations to the Bank. The Bank is exposed to credit risk both through direct exposures and through contingent exposures. Our endeavor in identifying, measuring, monitoring and controlling credit risk for each borrower and also at the portfolio level are working as the guiding principles of credit risk management. Uttara Bank Limited always acknowledges effective Risk Management as the key to steady and stable growth for the Bank. The Bank's own lending policy has been introduced in the Bank in line with the directives received from Bangladesh Bank and the Government. The Branches are the business unit of the banking system. The loan application assessment process starts at branch level by the Relationship Managers (RM). The Relationship Manager team assess the particulars/information of the application and present the proposal to Branch Manager if it is within the delegated power of Branch Manager (BM). But if it is not within the delegated power of Branch Manager, Relationship Manager (RM) recommends the limit for approval to Zonal Head, who sanctions loans & Advances as per delegation given to him and for loans and advances beyond his discretionary power send to Corporate Banking Division at Head Office for scrutiny. After examining the proposals, they forward the same to Credit Division, Approval Department mentioning that the proposal may be taken up for decision. The Credit approval analyses the proposal from different perspectives in line with lending policy of the Bank. If the proposal is found business worthy, the CRM Unit places it to the Credit Committee with its recommendations. Mentionable that Credit approval authority has been delegated to the individual Executives. Proposal beyond their delegation is submitted to the top Management, the Executive Committee and the Board of Directors.

Asset Liability Management

Asset Liability Management (ALM) is an integral part of Bank Management that manages the Bank's on and off-Balance sheet position to offer competitively priced products and services to customers. The Asset-Liability Management Committee (ALCO) holds meetings regularly to discuss both the opportunities and threats to the Bank's Balance Sheet & Liquidity. As per Bangladesh Bank guidelines, the Bank formed Asset Liability Committee with combination of following members:

- **Managing Director & CEO**
- **Deputy Managing Directors**
- **Chief Financial Officer**
- **Head of Treasury**
- **Head of International Division**
- **Head of Banking Control and Common Services Division**
- **Head of Risk Management Department**
- **In charge of Asset Liability Department**

ALCO members sit at least once in a month to review mainly the aspects of economic and money market status risks as a whole, liquidity risks related with Balance Sheet, transfer pricing risk, risks related to interest rate on deposits and advances and various important aspects including monetary policy of Bangladesh Bank.

Foreign Exchange Risk Management

Foreign Exchange Risk arises from the variation in rates of exchange that prevail at domestic and international markets. The introduction of market based exchange rate of Taka has resulted in both trading opportunities and associated Foreign Exchange volatility risk. Foreign Exchange risks are the potential change in earning arising due to change in foreign currency prices. The front office of the Bank's Treasury Division continues to determine foreign exchange rate & tries to reduce the associated risk while the Back office settles all foreign exchange transactions and reconciliation. As a result treasury activities of the Bank are being operated smoothly and efficiently.

Prevention of Money Laundering

Money Laundering, a criminal act which is recognized all over the world has very severe consequences in the economy and security of the society. For strengthening the AML/CFT activities, Bangladesh Government has enacted Money laundering Prevention Act-2012 (Amended in 2015) and Anti-Terrorism Act-2009 (Amended in 2012 & 2013). Beside that Bangladesh Financial Intelligence Unit (BFIU) has been formed in 2012. BFIU is issuing circulars from time to time and has issued "Money Laundering & Terrorist Financing Risk Management Guidelines for Banking Sector" in September, 2015 with instruction to implement the same by June 2016. In response to the growing concern about money laundering and terrorist activities, the international community has acted on many fronts. In order to prevent and control illegal hundi, unauthorized transfer of money abroad and money laundering, the Bank has taken various steps. The Bank continued its anti money laundering campaign through training programme and seminars. The regulatory requirements are complied with and the KYC (Know Your Customers) and TP (Transaction Profile) are followed for opening new accounts for prevention of Money Laundering. Manual for prevention of Money Laundering has been established as per Bangladesh Bank guidelines and the Bank has taken all types of steps to prevent acts of money laundering.

Internal Control and Compliance

The audit Committee of the Board of Directors supervises the internal control, audit and compliance functions. Framework of the Bank is designed to manage the Bank's risks within an acceptable risk profile to implement the policies and achieve the goals and objective of the Bank. The Bank has taken various steps for ensuring internal control and compliance as per directives and guidelines of Bangladesh Bank for managing core risks in banking with a view to conducting banking business more effectively and efficiently. The Management through Internal Control and Compliance Division undertakes periodical and special audit of the branches and Departments of Head Office for review of the operation.

ICT Security Risk

Information Technology has brought momentous transformation in the Banking industry. Moreover, Information and Communication Technology System is essential asset of the bank as well as of customers and stakeholders. The use of ICT in Uttara Bank Limited is increasing extensively. Considering the increased use of ICT, it became necessary to be more careful to address the Risk associated to ICT Security. Bank has formulated well-defined ICT Policy in line with the international best practices and prudential guidelines of Bangladesh Bank on ICT Security.

Customer Services

Customers are the first priority to the Bank and the company philosophy is to satisfy the clients who act as ambassadors of the Bank for image building. Our prime focus is to give total solution to customer problems. The Bank is providing different customized services for our valued customers. Customers are the main contributing agent to our success. Our customers come from all walks of life.

Brand Image

The Bank's policy is to make all employees more proactive to the clients irrespective of their socio-economic background. The employees are self-motivated and committed to uphold the slogan "Nourished by the age old heritage of Bengal". Our prime objective is to uphold the slogan in all activities of the Bank. This creates extra image of our Bank among the stakeholders at all levels.

Information Technology

Banking operations of the branches have been computerized to minimize costs and risks and to optimize benefits and increase overall efficiency for improved services. The Branches have ability to prepare the financial statements at the end of the day. Bank has a guideline named “ICT Security Policy of Uttara Bank Limited” as per Bangladesh Bank BRPD circular no. 09 dated: 17.09.2015.

Computer Lab

Information and Communication Technology has become an inevitable part for today’s modern banking business and transactions. In order to increase the efficiency in ICT of our employees, the Bank has launched a Computer Lab with sufficient number of computers at our own Training Institute at 145, Shantinagar (Eastern Plus Building), Dhaka. Information and Communication Technology Division of the Bank organizes various computer training programmes throughout the year.

Online Banking

IT based Banking has a major role to play in rendering improved services to the valued customers and stakeholders in today’s competitive Banking environment. The Bank has taken various measures for automation of its functions and services. For providing better and faster services and to coup up with fast growing customer base, Bank acquired a Core Banking Solution (CBS) Software named “**Bank Ultimus**” and all branches and sub-branches have been brought under online Banking facilities and thus better and prompt service is being rendered to the customers of the Bank without any intervention.

BEFTN

Electronic payment systems are the most sophisticated and advanced part of the modern payment system. Uttara Bank has successfully established electronic fund transfer network to transfer foreign and local remittance successfully connected to Bangladesh Electronic Fund Transfer Network (BEFTN) which facilitates online payment settlement with other participating banks.

RTGS

RTGS is a realtime interbank large value electronic funds transfer mechanism for both local and foreign currency transactions. Participating banks are able to transfer funds on ‘real time’ and on ‘gross’ basis. Settlement in ‘real time’ means transaction is not subjected to any waiting period. ‘Gross settlement’ means the transaction is booked in central bank’s account on one to one basis without netting with any other transaction. RTGS accommodates only credit transfers from participating banks while Bangladesh Bank and other payment system operator(s) may be allowed to settle both credit and debit transactions.

E-mail & Internet

Above all in order to ensure speedy services in International business, E-mail and Internet services are in operation at Head office and all branches. A major portion of correspondences between branches and departments of Head Office are being conducted through e-mail by which speedy and secured communication as well as green banking policy are implemented

SWIFT

At present International Division of Head Office and 39 authorized dealer branches are under SWIFT operation. As a result the bank has been able to conduct international trade and transmit letter of credit, fund and message instantly throughout the world in a secured manner at low cost.

REUTERS

The Bank continues maintenance of the latest financial service products REUTERS- 3000Xtra and REUTERS Dealing System (RDS) for collecting accurate information of rapid changing position of international money market with Bank’s own independent Dealing Room. As a result, the Bank has been able to render Treasury service up to the international standard through its Treasury Division which is equipped with most modern technology and expertise manpower.

ATM Services

Uttara Bank Limited offers ATM Card facility in the name of UBL- ATM Debit Card, Credit Card, VISA Brand ATM cards namely Visa Debit (Local) and Visa prepaid (Dual currency). Any card holder has 24

hour access to cash withdrawal facilities. Such facilities are available with almost all ATM booths of BRAC Bank Ltd., Dutch Bangla Bank Ltd. and other Banks around the country. There are 27 (Twenty seven) ATM booths in Motijheel, Shantinagar, Azimpur, Dar-us-Salam Road, Badda, National Heart Foundation Hospital, South Banasree, Taltola Khilgaon, Kalabagan, Uttara in Dhaka, Agrabad and KAFCO in Chittagong, Ambarkhana and Zinda Bazar in Sylhet, Rail Road in Jessore, KDA and Daulatpur in Khulna, Meherpur Sadar, Meherpur, Station Road in Rajshahi, Bhagalpur in Kishoregonj, Mymensingh, Barisal, Bogra, Bot Toli Bazar in Joypurhat, Chasara in Narayangoanj, Daulatkhan in Bhola and Janata Jute Mills Ltd, Palash, Narsingdi owned by the Bank. The number of ATM booths and related products & services are being expanded by the Bank day by day.

Website

www.uttarabank-bd.com is the Bank's web site address. It is kept updated and maintained by the Information & Communication Technology Division under Head Office.

Reconciliation of Inter Branch transaction

Inter branch transactions (UBL General Account transactions among the branches and Head Office) play a vital role in the daily activity of the Banks and require matching / reconciliation of the transactions on regular basis. It is very much difficult to perform the job manually. Any mistake in this process may lead the Bank into huge financial risk and so a modern software is being used to reconcile inter branch transactions quickly and accurately and the software is functioning very efficiently since 2014 in an effective manner.

Corporate Governance

One of the basic policies of the Bank is to strengthen its corporate governance status by establishing responsible management system and strengthening supervision. Corporate governance is the system by which business companies are directed and controlled. Since its inception, Uttara Bank has actively and fully adhered to the principles of sound corporate governance. Fairness, Transparency, Accountability and Responsibility are the minimum standard of acceptable corporate behavior today. Uttara Bank Limited continues to ensure the compliance of Corporate Governance as per Securities and Exchange Commission rules and regulations. Corporate Governance establishes specific responsibility to ensure accountability.

Corporate Social Responsibility

Uttara Bank Limited manages its business in a responsible way and contributes to the society and environment in which it operates. Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development. It also improves the quality of life of the workforce and their families as well as of the local community and society at large. Uttara Bank Limited considers socially responsible activities as an important part of its culture, identity and business practice. We have a deep commitment, loyalty and a high sense of responsibility to our nation and its people. Uttara Bank Ltd. conforms to all of the stringent regulations issued by the Government and Bangladesh Bank. As part of our corporate social responsibility, Bank contributes greatly to the nourishment of the country's all calamities, arts, culture and sports. During the year 2020 Bank donated Tk. 79.2 million in different CSR activities.

Green Banking

Green banking is a part of global initiative to save the environment from environmental hazards. Our Corporate Social Responsibility contributes generously to the development of Green Banking. As a prudential and time befitting initiative Bank has incorporated a number of green banking projects in its business operation which are highly beneficial for the environment and the health of the society as well. The policies with regard to environmental management are being observed in our lending practices. We are always against financing the trade and business having potentially harmful impacts on environment. Our lending policies are supportive and nourishing to environment. Bank has already invested near about Tk. 1,541.8 million as green finance which was Tk. 1,515.9 million in 2019.

Modernization and Development of the Branches

Uttara Bank Limited has one of the most wide spread distribution networks amongst private Banks in the country. At present the bank is operating its all types of business activities through 241 branches and 11 sub branches in prime locations of the country. In accordance with the demand of the time and business the shifting of branches of the bank to the newly decorated premises in more important and commercially potential places, renovation and decoration of old branches with modern amenities are also being continued.

In order to increase its business the Bank has opened 2 (two) new branches and 7 (seven) new sub branches in 2020. The 2 (two) new Branches are Bhangura Branch, Pabna and Keshorhat Branch, Rajshahi and 7 (seven) sub branches are Durgapur sub branch (under the control of Netrokona Branch), Kaliakair sub branch (under the control of AERE-EPZ Branch), Kalmakanda sub branch (under the control of Netrokona Branch), Kuliarchar sub branch (under the control of Bhagalpur Branch), Kunjerhat sub branch (under the control of Tajumuddin Branch), Shiberhat sub branch (under the control of Sandwip Branch), and Sujanagar sub branch (under the control of Pabna Branch).

Vehicles

The total number of the vehicles of the Bank in the year 2020 was 99. The vehicles are generally used for carrying cash from/to feeding branches to/from other branches and for providing transport facility to the executives. The total expenditure for vehicle in the year 2020 was Tk. 41.5 million as against Tk. 42.6 million in the year 2019.

Bank's Own Premises

A magnificent 18 Storied Bank's own building namely Uttara Bank Bhaban located at the hub of Motijheel Commercial Area within the Metropolitan City of Dhaka signifies the concrete symbol of tradition and stability of the Bank. Different Departments of Head Office and Corporate Branch have been functioning in the same building. Local Office, Eastern Plaza Branch, Hotel Ishakha International Branch, Dar-us-Salam Road Branch, Elephant Road Branch, Ramna Branch, Dhaka North Zonal Office, Satmosjid Road Branch, Savar Branch, Moulvibazar Branch, Dhaka, Training Institute of the Bank at Eastern Plus (145 Shantinagar), Dhaka, Eskaton Branch at Eastern Tower Building, Dhaka, Nabagram Branch in Manikgonj, Zonal Office and KDA Branch in Khulna, Zonal Office and Ambarkhana Branch in Sylhet, Shaheb Bazar Branch, Rajshahi, Zonal Office and Mymensingh Branch in Mymensingh are also working in Bank's own Building.

Bank's own Auditorium

Considering the necessity of a large space for training/workshop/conference the management of Uttara Bank Limited has set up its auditorium having 300 seating capacity with modern facilities in Bank's own premises at 145, Shantinagar (Eastern plus building), Dhaka. Managers' conferences, workshops, trainings are arranged in this auditorium.

Human Resources Development

Competent and high quality workforce is pre-condition for continuous growth and success of the Bank and to achieve the same we keep improving the skill, knowledge and productivity of the employees. The HR strategy of the Bank is to ensure sustainable growth in business and to create confidence and value for our customers, Shareholders, Stakeholders, Employees and the Society by providing efficient manpower. Knowledge and skill development is a continuous process and to keep our employees abreast of all the latest developments in the banking sector, the Bank continues to organize various training programmes, workshops and seminars.

The Bank's own Training Institute is nicely decorated and equipped with the sophisticated instruments has been striving to bring about a qualitative change and improvement in human resources of the Bank by imparting continuous different training throughout the year. Guest speakers specialized in Banking participate in each training program of the Bank in addition to the highly educated faculty members of the Institute. Besides, a number of executives and officers were sent to various Training Institutions including Bangladesh Institute of Bank Management (BIBM) and abroad for higher training.

During the year 2020 the training Institute of the Bank arranged 14 different training courses for the officers and members of the staff of the Bank in which as many as 417 officers of the Bank participated. At the same time 2 officers and members of the staff of the Bank attended training courses/ workshops/ seminars conducted by BIBM and 10 officers received training from Bangladesh Bank and 09 officers received training from others. The institute is focused to ensure a formal platform where employees can exchange their ideas, update their knowledge base and open up their eyes to the complexities of banking world.

Human Resources

Human Resources are the real capital of our Bank. We always give due recognition to the contribution made by the officers and staff members. We consider the human resources as a tool for development. Human Resources are the key to our success. Uttara Bank is an employer of equal opportunity irrespective of gender, locality or ethnicity. The total manpower of the bank as on 31 December 2020 is 3,801 out of which 2,897 are officers and 904 are the supporting staffs. Efforts have been made to rationalize the use of manpower by improving their efficiency and productivity.

The total manpower of the Bank in different grades as on 31.12.2020 was as under:

(a) Executive (Asstt. General Manager & above)	185	4.87%
(b) Officers	2,403	63.22%
(c) Asstt. Officers	309	8.13%
(d) Others	904	23.78%
Total	3,801	100.00%

Audit and Inspection

Audit & Inspection department conducts audit and inspection on the branches both on regular and surprise basis under specific guidelines. 239 branches thorough Audit, 39 branches Foreign Exchange Audit, 239 branches ICT Audit, 3 DCFCL Inspection, 12 Zonal Offices audit and 40 Departments/Divisions of Head office Audit were made by the Audit & Inspection Department of ICCD during the year -2020. Moreover 10 branches Comprehensive Inspection, 04 branches Special Inspection, 03 branches Foreign Exchange Inspection, 04 branches Special Inspection on core risks were made by Bangladesh Bank during the year-2020. Besides, the Zonal Heads of the Bank conducted their inspection on the branches under their control on quarterly basis.

Appointment of Auditors

M/s. G. Kibria & Co. and M/s. Rahman Mostafa Alam & Co. Chartered Accountants were appointed statutory auditors of the Bank jointly in the 37th Annual General Meeting and have audited the books of accounts for the period covering 1 January 2020 to 31 December 2020.

Audit Committee of the Board of Directors

In compliance with Bangladesh Bank & BSEC Guidelines the Board has formed an Audit Committee comprising of 4 (four) members of the Board to review various audit/inspection and compliance activities at regular intervals. During the year 2020 the Audit Committee held 12 (twelve) meetings. In these meetings, the Audit Committee reviewed the inspection reports of different branches of the Bank conducted by the Bank's internal inspection teams from time to time and examined the financial statements of the Bank and expressed satisfaction that the same has been prepared in accordance with Bangladesh Accounting Standard and as per instruction of Bangladesh Bank and other controlling agencies. The Committee also exchanged views with the management and external auditors on the issue.

The Audit Committee of the Board takes initiatives to keep the Bank safe from any possible untoward incident. The Committee also reviewed the financial statements of the subsidiary companies.

Meetings

The following meetings were held during the year 2020:

Particulars	Number of meetings	
	2020	2019
Board of Directors	24	25
Executive Committee	48	46
Audit Committee	12	12
Risk Management Committee	04	05

Senior Management Team (SMT)

Senior Management Team consists of senior executives and departmental heads of the Bank. The head of this committee is the Managing Director & CEO of the Bank. The committee meets every month and helps the Board of Directors to formulate policies/guidelines and implements the same. During the year 2020, SMT organized 12 meetings.

Directors' Honorarium

During the year, an amount of Tk. 5,016,000.00 has been paid to the Directors including Independent Directors as honorarium for attending the meeting of Directors. It may be mentioned here that each Director receives Tk. 8,000.00 for attending each meeting as per BRPD circular letter No. 11 dated 04.10.2015.

Compliance of Section 1.5 (XX) of Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012.

Board Meeting during the period from 1st January 2020 to 31st December 2020 and attendance by each Director:

SI No	Name	Position	Total Meeting Held	Attendance
1	Mr. Azharul Islam	Chairman	24	23
2	Mr. Iftekharul Islam	Vice-Chairman	24	16
3	Mrs. Badrunnesa Sharmin Islam	Director	24	23
4	Mr. Arif Rahman	Director	24	23
5	Mr. Asif Rahman	Director	24	23
6	Mr. Md. Kamal Akhtar (Resigned on 19.11.2020)	Independent Director	24	17
7	Mr. Kazi Masudur Rageb	Director	24	24
8	Mr. Waliul Huq Khandker	Independent Director	24	24
9	Col. Engr. M. S. Kamal (Retd.)	Director	24	24
10	Mr. Wasiful Hoq	Director	24	24
11	Mr. Shaikh Abdul Aziz	Director	24	23
12	Mr. Abul Barq Alvi	Director	24	24
13	Mr. Md. Shahiduzzaman	Director	24	24
14	Prof. Iqbal Ahmad (Appointed on 21.07.2020)	Independent Director	24	11
15	Mr. Mohammed Rabiul Hossain	Managing Director	24	24

Compliance of Section 1.5 (XXI) of Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012.

The pattern of shareholdings as on 31.12.2020

- a). Parent/ Subsidiary/ Associated Companies and other related parties: Nil
 b). Shareholding of Directors:

SI No	Name	Position	Total Shares held	% of Shares as on 31.12.2020
1	Mr. Azharul Islam	Chairman	25,756,585	5.131
2	Mr. Iftekharul Islam	Vice-Chairman	14,995,381	2.987
3	Mrs. Badrunnesa Sharmin Islam (nominated by Wealth Max Asset Management Ltd)	Director	13,111,062	2.612
4	Mr. Arif Rahman	Director	10,042,006	2.001
5	Mr. Asif Rahman	Director	12,148,103	2.420
6	Mr. Md. Kamal Akhtar (Resigned on 19.11.2020)	Independent Director	-	-
7	Mr.Kazi Masudur Rageb	Director	11,025,424	2.197
8	Mr. Waliul Huq Khandker	Independent Director	-	-
9	Col. Engr. M. S. Kamal (Retd.) (nominated by Blue Sky Asset Management Ltd.)	Director	12,174,964	2.426
10	Mr. Wasiful Hoq (nominated by SBC)	Director	23,764,057	4.734
11	Mr. Shaikh Abdul Aziz (nominated by Sun Flower Asset Management Limited)	Director	10,086,000	2.009
12	Mr. Abul Barq Alvi (nominated by Corporate Statagic Capital Limited)	Director	10,089,690	2.010
13	Mr. Shahiduzzaman (representative of Smart Corporate Solution Ltd.)	Director	10,086,000	2.009
14	Prof. Iqbal Ahmad (Appointed on 21.07.2020)	Independent Director	-	-
15	Mr. Mohammed Rabiul Hossain	Managing Director & CEO	-	-
Total			153,279,272	30.536

Shareholding of CEO, CFO, Company Secretary & Head of Internal Audit:

1	Chief Executive Officer and his spouse and minor children	Nil
2	Company Secretary and his spouse and minor children	Nil
3	Chief Financial Officer and his spouse and minor children	Nil
4	Head of Internal Audit and his spouse and minor children	Nil

- c). Shareholdings of Executives (Top five salaried persons other than the Directors, CEO, CFO, CS and HIA): Nil

- d). Shareholders holding 10% or more voting interest in the company: Nil

Directors' declaration as to Financial Statements

The directors solemnly declare that:

- a) The Financial Statements prepared by the management fairly present its statement of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts as required by law have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement.
- d) International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed.
- e) The system of internal control in the bank is sound in design and has been effectively implemented and monitored.
- f) There is no doubt upon the banks ability to continue as a going concern.

Conclusion

The Board of Directors expresses gratitude to the almighty Allah for the success of the Bank in 2020. The Board extends thanks to the valued Clients, Shareholders and Patrons for extending support and cooperation in the activities of the Bank during the year 2020.

The Board offers thanks to the Government of Bangladesh, Bangladesh Bank, Registrar of Joint Stock Companies and Firms, Bangladesh Securities & Exchange Commission, Dhaka and Chittagong Stock Exchanges Limited for their co-operation and guidance to the Bank.

The Board also expresses its appreciation to M/s. G. Kibria & Co. and M/s. Rahman Mostafa Alam & Co. Chartered Accountants, the Auditors of the Bank, for their efforts for timely completion of Audit. The Directors also wish to place on record their sincere appreciation and thanks for the effort and dedicated services and cooperation extended by the employees towards overall improved performance of the Bank.

On behalf of the Board of Directors



(Azharul Islam)
Chairman