

Delta Brac Housing Finance Corporation Limited
Independent Auditor's Report
For the year ended 31st December 2021

Independent Auditor's Report
To the Shareholders of Delta Brac Housing Finance Corporation Limited

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Delta Brac Housing Finance Corporation Limited (the Company), which comprise the balance sheet as at 31 December 2021, and the profit and loss account and statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards' Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Risk | Our response to the risk |
|--|--|
| Measurement of provision for loans and advances | |
| The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual (party-wise) analysis, these provisions consider the estimates of future | We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; |



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|---|--|
| <p>business performance and the market value of the collateral provided for credit transactions.</p> <p>At year end the Company reported total gross loans and advances of BDT 43,830,505,644 (2020: BDT 42,750,381,474) and provision for loans and advances of BDT 1,105,800,154 (2020: BDT 879,511,679).</p> <p>We have focused on the following significant judgments and estimates which could give rise to a material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006, FID circular no.03 dated 29 April 2013 and DFIM circular no.04 dated 26 July 2021; • For assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Provision measurement is primarily dependent upon key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates. | <ul style="list-style-type: none"> • Reviewed the process of Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the company's general and specific provisions; • Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. |
| <p>See note # 7, note # 12.1.1 and note #12.1.2 to the financial statements.</p> | |
| <p>Legal and regulatory matters</p> | |
| <p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p> | <p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigations and regulatory matters.</p> <p>We also assessed the Company's contingent liabilities disclosure.</p> |

See note # 2.27, note # 17.1 and note # 17.2 to the financial statements.

Accuracy and completeness of revenue recognized

The Company reports revenue of BDT 537.27 crore from Interest on loans, short-term investment, term deposit receipts, Commission, exchange and brokerage income, investment income and related activities.

The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates, including those applied on revenue arrangements with multiple elements and those contracts where there is the existence of *principal* and agent relationship.

Due to the estimates and judgment involved in applying the revenue recognition accounting standards and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter.

Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:

- We understood the significant revenue processes, including the performance of an end-to-end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces, and reports);
- We tested the design and operating effectiveness of the relevant controls;
- We reviewed significant new contracts and regulatory determinations, the accounting treatments opted and testing the related revenues recognized during the period;
- We performed data analysis and analytical reviews of significant revenue streams;
- We performed specific procedures to test the accuracy and completeness of adjustments relating to multiple-element arrangements and grossing up certain revenue and costs; and
- We performed procedures to ensure that the revenue recognition criteria adopted by the entity for all major revenue streams is appropriate and in line with the accounting policies.

See notes # 18, 20, 21 and 22 to the financial statements

Investment and provision for diminutions in the value of investments

The Company reports investments of BDT 67.82 crore, which is comprised of Government securities BDT 0.82 crore, marketable securities of BDT 59.95 crore, non-marketable securities of BDT 6.45 crore, and preference shares BDT 0.60 crore.

The process for estimating the provision against the investments associated with credit risk is significant and complex.

We focused on this area because of the significance of the investments in the financial statements and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 &

Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:

- We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that the management of the Company consistently applied valuation policies.
- We assessed the controls' design and operating effectiveness, measurement, and oversight of financial assets' valuation risk.
- We verified the existence and legal ownership of equity investment and mutual funds by confirming the investment

| | |
|--|---|
| <p>IAS 32 to comply with the circulars of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the Company.</p> | <p>holdings with the portfolio statements of brokerage houses and CDBL.</p> <ul style="list-style-type: none"> We tested the calculations of provision for diminution in value of the investment and checked if the presentation and disclosure of investment are in compliance with FID circular no. 8 dated 3 August 2002 and DFIM circular no. 2 dated 31 January 2012 issued by Bangladesh Bank. |
| <p>See note # 06 and 12.1.3 to the financial statements</p> | |
| <p>IT systems and controls</p> | |
| <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT-dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> | <p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, change-management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p> |

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Draft Annual Report is expected to be made available to us after the date of this auditor's report but before the finalization of the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the Annual Report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained on note # 2 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

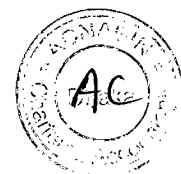
In accordance with the Companies Act 1994, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;
- d) the expenditure incurred was for the purposes of the Company's business for the year;





- e) the financial statements of the Company have been drawn up in conformity with Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank to the extent applicable to the Company;
- f) adequate provisions have been made for loans, leases, advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- i) statements sent to Bangladesh Bank have been checked on a sample basis and no inaccuracy has come to our attention;
- j) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- k) 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;
- l) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- m) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- n) 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;
- o) We have reviewed over 80% of the risk-weighted assets of the Company, and we have spent around 1784 person-hours for the audit of the books and accounts of the Company;
- p) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- q) the Company has complied with the "First Schedule" of the Financial Institutions Act, 1993 in preparing these financial statements; and



- r) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka

02 MAR 2022

ACNABIN, Chartered Accountants



Muhammad Aminul Hoque, FCA

Partner

ICAB Enrollment# 1129

DVC:2203021129AS356262

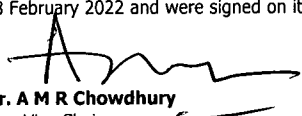
Delta Brac Housing Finance Corporation Limited
Balance Sheet
As at 31 December 2021

| | | Amount in Taka | |
|--|------|-----------------------|-----------------------|
| Notes | | 31 December 2021 | 31 December 2020 |
| PROPERTY AND ASSETS | | | |
| Cash | | 558,066,972 | 575,240,921 |
| In hand | 3.1 | 101,102 | 132,671 |
| Balance with Bangladesh Bank and its agent Bank | 3.2 | 557,965,870 | 575,108,250 |
| Balance with other banks and financial institutions | | 14,725,958,032 | 14,338,776,038 |
| In Bangladesh | 4.1 | 14,725,958,032 | 14,338,776,038 |
| Outside Bangladesh | | - | - |
| Money at call on short notice | | - | - |
| Investments | | 678,218,185 | 489,024,228 |
| Government | | 8,241,093 | 1,040,323 |
| Others | | 669,977,092 | 487,983,905 |
| Loans and advances | | 43,830,505,644 | 42,750,381,474 |
| Loans and advances | 7 | 43,830,505,644 | 42,750,381,474 |
| Fixed assets including land, building, furniture and equipments | | 262,581,058 | 289,880,948 |
| Other assets | 9 | 223,282,992 | 163,712,258 |
| Total Assets | | 60,278,612,883 | 58,607,015,867 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowing from other banks, financial institutions and agents | | 6,175,673,065 | 5,571,061,010 |
| Deposits and other accounts | | 43,978,360,429 | 43,826,874,936 |
| Fixed deposits | 11.1 | 43,978,360,429 | 43,826,874,936 |
| Other deposits | | - | - |
| Other liabilities | | 2,880,448,299 | 2,777,623,932 |
| Total Liabilities | | 53,034,481,793 | 52,175,559,878 |
| Shareholders' equity | | | |
| Paid-up capital | 13.2 | 1,772,639,680 | 1,541,425,810 |
| Share premium | 14 | 55,000,000 | 55,000,000 |
| Statutory reserve | 15 | 1,693,914,189 | 1,486,425,811 |
| Other reserves | 16 | 3,125,040,000 | 2,825,040,000 |
| Retained earnings | 33 | 597,537,221 | 523,564,368 |
| Total equity | | 7,244,131,090 | 6,431,455,989 |
| Total liabilities and Shareholders' equity | | 60,278,612,883 | 58,607,015,867 |
| OFF-BALANCE SHEET ITEMS | | | |
| Contingent liabilities | | - | - |
| Acceptances and endorsement | 17.1 | - | - |
| Letter of guarantee | | - | - |
| Irrevocable letter of credits | | - | - |
| Bills for collection | | - | - |
| Other contingent liabilities | | - | 54,040,388 |
| Total contingent liabilities | | - | 54,040,388 |
| Other commitments | | - | - |
| Documentary credit & short-term trade related transaction | 17.2 | - | - |
| Forward assets purchased and forward deposit placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | 578,220,000 |
| Total other commitments | | - | 578,220,000 |
| Total Off-Balance Sheet items including contingent liabilities | | - | 632,260,388 |

Notes:

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 February 2022 and were signed on its behalf by:


Nasir A. Choudhury
Chairman

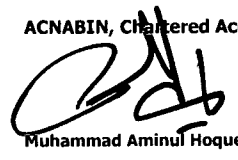

Dr. A M R Chowdhury
Vice Chairman


Nasimul Baten
Managing Director & CEO

Dated, Dhaka

02 MAR 2022

ACNABIN, Chartered Accountants


Muhammad Aminul Hoque, FCA
Partner
ICAB Enrollment # 1129

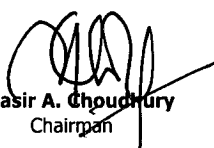
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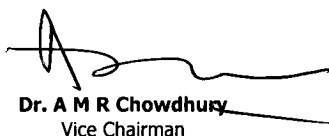
Delta Brac Housing Finance Corporation Limited
Profit and Loss Account
For the year ended 31 December 2021

| | Notes | Amount in Taka | |
|---|--------|----------------------|----------------------|
| | | 2021 | 2020 |
| Interest Income | 18 | 5,053,574,673 | 5,908,789,297 |
| Interest paid on deposits and borrowings etc. | 19 | (2,889,901,976) | (3,960,184,480) |
| Net Interest Income | | 2,163,672,697 | 1,948,604,817 |
| Income from investment | 20 | 125,111,081 | 24,150,831 |
| Commission, exchange and brokerage | 21 | 177,520,507 | 155,864,097 |
| Other operating income | 22 | 16,469,035 | 19,674,791 |
| Total operating income | | 2,482,773,320 | 2,148,294,536 |
| Salary and allowances | 23 | 364,346,554 | 354,075,491 |
| Rent, taxes, insurance, electricity etc. | 24 | 37,625,863 | 32,007,229 |
| Legal & professional expenses | 25 | 15,777,000 | 12,567,554 |
| Postage, stamp, telecommunication etc. | 26 | 8,673,069 | 6,882,924 |
| Stationery, printing, advertisements etc. | 27 | 11,309,741 | 7,416,751 |
| Managing Director's salary and fees | 27.1 | 13,000,000 | 7,050,000 |
| Directors' fees and expenses | 28 | 1,069,840 | 956,897 |
| Auditor's fees | 29 | 546,250 | 517,500 |
| Depreciation, repairs & maintenance | 30 | 66,127,992 | 60,950,452 |
| Other expenses | 31 | 46,651,883 | 41,001,532 |
| Total operating expenses | | 565,128,192 | 523,426,330 |
| Profit before provisions | | 1,917,645,128 | 1,624,868,206 |
| Provisions: | | | |
| Loans and advances | 12.1.A | 226,288,475 | 151,605,837 |
| Diminution in value of investments | 12.1.3 | (30,018,557) | (24,897,811) |
| Other Assets | | 330,000 | - |
| Total provisions | | 196,599,918 | 126,708,026 |
| Profit before tax | | 1,721,045,210 | 1,498,160,180 |
| Provision for tax: | 32 | | |
| Current tax | | 691,404,197 | 604,672,845 |
| Deferred tax expense/(income) | | (14,247,960) | 2,561,925 |
| | | 677,156,237 | 607,234,770 |
| Profit after tax | | 1,043,888,973 | 890,925,410 |
| Appropriations | | | |
| Statutory reserve | | 207,488,378 | 146,055,540 |
| General reserve | | 300,000,000 | 250,000,000 |
| | | 507,488,378 | 396,055,540 |
| Retained surplus | | 536,400,595 | 494,869,870 |
| Earnings Per Share | 34 | 5.89 | 5.03 |

Notes:

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 February 2022 and were signed on its behalf by:


Nasir A. Chowdhury
Chairman



Dr. A M R Chowdhury
Vice Chairman


Nasimul Baten
Managing Director & CEO

Dated, Dhaka

02 MAR 2022

ACNABIN, Chartered Accountants


Muhammad Aminul Hoque, FCA
Partner
ICAB Enrollment # 1129

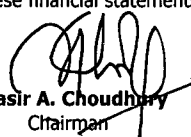
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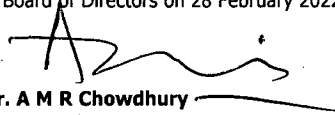
Delta Brac Housing Finance Corporation Limited
Cash Flow Statement
For the year ended 31 December 2021

| | Notes | Amount in Taka | |
|---|-------|-----------------------|------------------------|
| | | 2021 | 2020 |
| Cash flows from operating activities | | | |
| Interest receipts in cash | | 5,074,370,924 | 5,827,088,824 |
| Interest payments | | (3,052,499,223) | (4,471,792,244) |
| Dividend receipts | | 44,972,394 | 8,282,628 |
| Fees and commission receipts in cash | | 177,520,507 | 155,864,097 |
| Cash payments to employees, suppliers and various operating expense | | (501,978,998) | (484,760,824) |
| Income tax paid | | (646,436,953) | (491,037,085) |
| Receipts from other operating activities | | 16,323,437 | 18,680,996 |
| Cash generated from operating activities before changes in operating assets and liabilities | | 1,112,272,088 | 562,326,393 |
| Increase/(decrease) in operating assets and liabilities | | | |
| Loans and advances to customers | | (1,082,426,820) | 1,771,166,576 |
| Investment in trading securities | | (128,888,015) | (14,951,145) |
| Other assets | | (77,246,445) | (7,219,707) |
| Loans and deposits from banks and other customers | | 151,485,493 | 415,590,303 |
| Interest suspenses | | 22,888,384 | 12,076,868 |
| Other liabilities | | (6,023,628) | 38,127,711 |
| Cash generated/ (utilised) in operating assets and liabilities | | (1,120,211,031) | 2,214,790,606 |
| Net cash flows from/(used in) operating activities | 37 | (7,938,943) | 2,777,116,999 |
| Cash flows from investing activities | | | |
| Net proceeds(Payments) for sale/purchase of Treasury Bond | | (7,200,770) | 38,247 |
| Other investments | | 27,000,000 | 2,000,000 |
| Purchase of property, plant & equipment | | (10,127,450) | (19,660,043) |
| Proceeds from sell of property, plant & equipment | | 311,619 | 1,152,901 |
| Net cash flows from/(used in) investing activities | | 9,983,399 | (16,468,895) |
| Cash flows from financing activities | | | |
| Net Receipt of Loan & Zero Coupon Bond | | 718,995,786 | (1,330,385,174) |
| Cash dividend paid | | (231,213,872) | (268,074,055) |
| Net cash flows from/(used in) financing activities | | 487,781,914 | (1,598,459,229) |
| Net increase/(decrease) in cash and cash equivalents | | 489,826,370 | 1,162,188,875 |
| Effects of exchange rate changes on cash and cash equivalents | | 2,162 | (217) |
| Cash and cash equivalents (net off overdraft) at the beginning of the period | | 14,631,820,962 | 13,469,632,304 |
| Cash and cash equivalents (net off overdraft) at the end of the period | 37A | 15,121,649,494 | 14,631,820,962 |

Notes:

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 February 2022 and were signed on its behalf by:


Nasir A. Choudhury
Chairman



Dr. A M R Chowdhury
Vice Chairman


Nasimul Baten
Managing Director & CEO

Dated, Dhaka

02 MAR 2022

ACNABIN, Chartered Accountants


Muhammad Aminul Hoque, FCA
Partner
ICAB Enrollment# 1129

Delta Brac Housing Finance Corporation Limited
Statement of Changes in Equity
For the year ended 31 December 2021

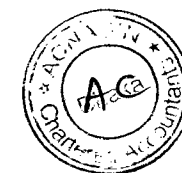
Amount in Taka

| Particulars | Paid-up Capital | Share Premium | Statutory Reserve | General & Other Reserves | Retained earnings | Total |
|---------------------------------------|----------------------|-------------------|----------------------|--------------------------|--------------------|----------------------|
| Balance as on 1 January 2021 | 1,541,425,810 | 55,000,000 | 1,486,425,811 | 2,825,040,000 | 523,564,368 | 6,431,455,989 |
| Net profit (after tax) for the period | - | - | - | - | 1,043,888,973 | 1,043,888,973 |
| Transferred to reserve funds | - | - | 207,488,378 | 300,000,000 | (507,488,378) | - |
| Stock dividend issued | 231,213,870 | - | - | - | (231,213,870) | - |
| Cash dividend paid | - | - | - | - | (231,213,872) | (231,213,872) |
| Balance at 31 December 2021 | 1,772,639,680 | 55,000,000 | 1,693,914,189 | 3,125,040,000 | 597,537,221 | 7,244,131,090 |

Statement of Changes in Equity
For the year ended 31 December 2020

Amount in Taka

| Particulars | Paid-up Capital | Share Premium | Statutory Reserve | General & Other Reserves | Retained earnings | Total |
|---------------------------------------|----------------------|-------------------|----------------------|--------------------------|--------------------|----------------------|
| Balance as on 1 January 2020 | 1,340,370,270 | 55,000,000 | 1,340,370,271 | 2,575,040,000 | 497,824,092 | 5,808,604,633 |
| Net profit (after tax) for the period | - | - | - | - | 890,925,410 | 890,925,410 |
| Transferred to reserve funds | - | - | 146,055,540 | 250,000,000 | (396,055,540) | - |
| Stock dividend issued | 201,055,540 | - | - | - | (201,055,540) | - |
| Cash dividend paid | - | - | - | - | (268,074,054) | (268,074,054) |
| Balance at 31 December 2020 | 1,541,425,810 | 55,000,000 | 1,486,425,811 | 2,825,040,000 | 523,564,368 | 6,431,455,989 |



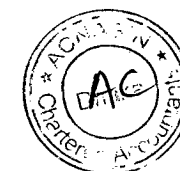
Delta Brac Housing Finance Corporation Limited

Liquidity Statement

As at 31 December 2021

Amount in Taka

| Particulars | Up to 1 Month | 1 to 3 Months | 3 to 12 Months | 1 to 5 Years | Above 5 Years | Total |
|--|----------------------|----------------------|------------------------|-----------------------|-------------------------|-----------------------|
| Assets | | | | | | |
| Cash (In hand and balance with Bangladesh Bank and its' agent bank) | 558,066,972 | - | - | - | - | 558,066,972 |
| Balance with other banks and financial institutions | 5,792,530,166 | 7,227,480,991 | 1,705,946,875 | - | - | 14,725,958,032 |
| Money at call on short notice | - | - | - | - | - | - |
| Investments | 637,977,592 | - | 9,500,000 | - | 30,740,593 | 678,218,185 |
| Loans and advances | 932,482,624 | 1,617,932,308 | 6,383,874,123 | 21,973,669,664 | 12,922,546,925 | 43,830,505,644 |
| Fixed assets including land, building, furniture, equipments & ROU asset | 3,007,122 | 6,014,243 | 25,833,830 | 72,463,904 | 155,261,959 | 262,581,058 |
| Other assets | 163,968,715 | 27,074,882 | 28,569,394 | 3,670,001 | - | 223,282,992 |
| Total Assets | 8,088,033,191 | 8,878,502,424 | 8,153,724,222 | 22,049,803,569 | 13,108,549,477 | 60,278,612,883 |
| Liabilities | | | | | | |
| Borrowing from other banks and financial institutions | 2,212,364,987 | 1,136,333,974 | 1,046,640,902 | 1,296,308,032 | 484,025,170 | 6,175,673,065 |
| Deposits and other accounts | 3,426,424,121 | 4,646,216,490 | 7,696,847,950 | 63,391,321 | 28,145,480,547 | 43,978,360,429 |
| Other liabilities | 284,892,942 | 542,819,992 | 1,012,481,840 | 549,533,105 | 490,720,420 | 2,880,448,299 |
| Total liabilities | 5,923,682,050 | 6,325,370,456 | 9,755,970,692 | 1,909,232,458 | 29,120,226,137 | 53,034,481,793 |
| Net liquidity gap | 2,164,351,141 | 2,553,131,968 | (1,602,246,470) | 20,140,571,111 | (16,011,676,660) | 7,244,131,090 |





Delta Brac Housing Finance Corporation Limited
Notes to the Financial Statements
as at and for the year ended 31 December 2021

1 Company and its activities

(a) Legal status

Delta Brac Housing Finance Corporation Limited (here-in-after referred to as "DBH" or "the Company") was incorporated as a public limited company and obtained the Certificate of Commencement of Business under Companies Act 1994 on May 11, 1996. The Company has also been granted license under the Financial Institutions Act 1993 on July 15, 1996. The registered address of the Company is situated at Landmark Building, (9th floor), 12-14 Gulshan C/A, Gulshan-2, Dhaka. The Company went for public issue in 2007-08 and the shares of the Company are listed in Dhaka and Chittagong Stock Exchanges in Bangladesh.

(b) Nature of business

i) The principal activities of the Company are providing loans for construction of houses, purchases of flats or houses, extensions and improvements of existing houses or flats and purchase of housing plots.

ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, triple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit etc. for its individual and corporate clients.

2 Significant accounting policies and basis of preparation

2.01 Statement of compliance

The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore do not take into consideration the effect of inflation. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the listing rules of Dhaka and Chittagong Stock Exchanges and other applicable laws & regulations in Bangladesh and practices generally followed by Housing Finance Institutions.

As Bangladesh Bank is the primary regulator of Financial Institutions, the Bangladesh Bank guidelines, circulars, notifications and any other requirements are given preference to IFRSs, where any contradictions arises.

2.02 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.03 Reporting period

These financial statements have been prepared for the period from 1 January 2021 to 31 December 2021.

2.04 Functional and presentation currency

These financial statements are presented in Taka, which is the company's functional currency except as indicated. Figures have been rounded off to the nearest taka.

2.05 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the requirements of IASs and IFRSs. As such the company has departed from those contradictory requirements of IASs and IFRSs in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed below:

i) Complete set of financial statements

IAS 1 "Presentation of Financial Statements"

As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are:

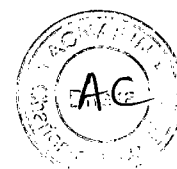
- i) statement of financial position,
- ii) statement of profit or loss and other comprehensive income,
- iii) statement of changes in equity,
- iv) statement of cash flows,
- v) notes, comprising significant accounting policies and other explanatory information and
- vi) comparative information in respect of the preceding period

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are

- i) balance sheet,
- ii) profit and loss account,
- iii) cash flows statement,
- iv) statement of changes in equity,
- v) statement of liquidity,
- vi) notes, comprising significant accounting policies and other explanatory information.

There is no financial impact for this departure in the financial statements.





ii) Current/ Non-current distinction

IAS-1 "Presentation of Financial Statement"

As per Para 60 of IAS-1 "Presentation of Financial statement" an entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In the templates, there is no current and non-current segmentation of assets and liabilities.

There is no financial impact for this departure. However, the liquidity statement shows the current/ non-current portion of assets and liabilities in this regard.

iii) Off-balance sheet items

IAS 1 "Presentation of Financial Statements"

There is no concept of off-balance sheet items in IAS-1 ; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

There is no financial impact for this departure in the financial statements.

iv) Intangible asset

IAS 1 "Presentation of Financial Statements"

As per IAS 1 "Presentation of Financial Statements" Para 54, the statement of financial position shall include separate line item for intangible assets.

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in note-8 and annexure-A as separate line item.

There is no financial impact for this departure.

v) Other comprehensive income

IAS 1 "Presentation of Financial Statements"

As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.

Treatment adopted as per Bangladesh Bank

Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

There is no financial impact for this departure during the year.

vi) Disclosure of presentation of profit

IAS/IFRS

There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Treatment adopted as per Bangladesh Bank

As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account

This is a presentation issue and there is no financial impact.

vii) Preparation of "Statement of Cash Flows"

IAS 7 "Statement of Cash Flows"

The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Treatment adopted as per Bangladesh Bank

Cash flow statement has been prepared in compliance with DFIM Circular No. 11, dated 23 December 2009 which is the mixture of direct and indirect method.

Presentation of statement of cash flows is not fully aligned with the requirement of IAS and there is no financial impact.

viii) Presentation of cash and cash equivalents

IAS 7 "Statement of Cash Flows"

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalents as it is illiquid asset and not available for use in day to day operations.

Treatment adopted as per Bangladesh Bank

Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.

Presentation of financial statements is not fully aligned with the requirement of IAS.

ix) Measurement of deferred tax asset

IAS 12 "Income Tax"

A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Treatment adopted as per Bangladesh Bank

As per DFIM circular No.7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against loans and advances.

During the year net provision charged for loans and advances was Taka 196.27 million (note#12.1) and deferred tax asset of Taka 73.60 million was not recognized on this temporary difference.

x) Presentation and disclosure of Financial Statements and Financial Instruments

IFRS 7 "Financial Instruments: Disclosure"

IFRS 9 "Financial Instruments"

IFRS 7 and IFRS 9 require specific presentation and disclosure relating to all financial instruments.

Treatment adopted as per Bangladesh Bank

Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all NBFIs.

As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements have not been made in the accounts.

Presentation of financial statements is not fully aligned with all the requirements of IAS.

xi) Measurement of provision for loans and advances (financial assets measured at amortized cost)

IFRS 9 "Financial Instruments"

As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit loss. At each reporting date an entity shall assess whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit loss are required to be measured through a loss allowance at an amount equal to (i) the 12 month Expected Credit Losses, ECL-Stage 1, (expected credit loss that result from those default events on the financial instrument that are possible within 12 months after the reporting period); or (ii) full lifetime expected credit losses, ECL-Stage-2, (expected credit losses that result from all possible default events over the life of the financial instrument).

Treatment adopted as per Bangladesh Bank

As per DFIM circular No. 04, dated 26 July 2021 (Master Circular: Loan/Lease Classification and Provisioning) and other related circulars of Bangladesh Bank a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

In the Financial Statements, provision amounting to Taka 226.29 has been Charged for the year 2021. Among which Taka 18.03 million is charged as General Provision and Taka 208.25 million is charged as specific provision.

xii) Recognition of interest income for SMA and classified loans and advances

IFRS 9 "Financial Instruments"

Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.





Treatment adopted as per Bangladesh Bank

As per DFIM circular No. 04, dated 26 July 2021, once an investment on loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

During the year interest suspense has increased to Taka 80.55 million from taka 57.66 million resulting in an increase of Taka 22.89 million.

xiii) Valuation of Investments in quoted and unquoted shares

IFRS 9 "Financial Instruments"

IFRS 9 requires entities to measure all investments in equity instruments at fair value (as measured as per IFRS 13 "Fair Value Measurement"). Investment in shares falls either under at "fair value through profit/loss" or "fair value through other comprehensive income" where any change in the fair value in case of fair value through profit/loss at the year-end is taken to profit and loss, and any change in fair value in case of fair value through other comprehensive income is taken to other comprehensive income.

Treatment adopted as per Bangladesh Bank

As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made as per Bangladesh Bank DFIM circular No. 02 dated January 31, 2012 for investments in marketable securities and as per Bangladesh Bank DFIM circular No. 05 dated May 11, 2015 for Mutual funds.

There is no financial impact during the year.

2.06 Use of estimates and judgments

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, estimates. Assumptions also require for disclosure of contingent assets and contingent liabilities at the date of financial statements. Such estimates and assumptions are made on historical experience and other factors that are considered reasonable under the required circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The key item which involve these judgments, estimates and assumptions are discussed below:

Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guideline of Bangladesh Bank, DBH reviews its loans and advances portfolio on monthly basis to assess whether any further allowances/ write back for impairment should be provided in the income statement. The judgment by the management is required in the estimation of these amounts and such estimations are based on assumption about a number of factors though actual results may differ, resulting in future changes to the provisions.

2.07 Materiality and aggregation

Each material item considered by management as significant has been presented separately in financial statements. No amount has been set off unless the DBH has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.08 Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognized in profit or loss in the period in which they arise.

2.09 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:-

- Balance with other banks and financial institutions, money at call on short notice, etc. are on the basis of their maturity term and past historical trend.
- Investments are on the basis of their respective maturity.
- Loans and advances are on the basis of their repayment schedule and past trend of early settlement.
- Fixed assets are on the basis of their useful lives.
- Other assets are on the basis of their realization / amortization.
- Borrowings from other banks, financial institutions and agents are as per their maturity/repayment term.
- Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- Other liabilities are on the basis of their payment/ adjustment schedule.





2.10 Accounting for Leases (IFRS 16)

At inception of a contract, DBH assess whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess the right to control the use of an identified asset, DBH assess whether:

- The contract involves the use of an identified asset;
- DBH has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use;
- DBH has the right to direct the use of the asset. When DBH has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

The policy is applied to all the lease agreements having lease term for 12 months or more as on 1st January 2019 and the contracts entered into, or changed on or after that date.

As lessee

As lessee DBH recognizes the Right-of-use Asset and lease liability at the inception of lease contract. The right of use asset is initially measured at cost which comprise the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of useful life or the end of lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate could not be readily available, DBH's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method. When lease liability is re-measured for any change of an index or rate, the corresponding adjustments are made.

As lessor

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance lease or operating lease and account for those two types of lease differently.

2.11 Property, plant and equipments

a. Recognition

In pursuant to IAS 16 "Property, Plant and Equipment" the cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognized as a separate asset, only when it is probable that additional future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit & Loss account during the financial period in which they are incurred.

b. Depreciation

Fixed assets are recorded at historical cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Depreciation is charged on straight line method using the following rates on all fixed assets:

| Category of assets | Rates of depreciation per annum | Estimated useful life |
|---------------------------------|---------------------------------|-----------------------|
| Furniture & Fixtures | 15% - 20% | 5- 6.67 years |
| Equipment | 20% - 25% | 4 - 5 years |
| Computer and computer equipment | 20% - 25% | 4 - 5 years |
| Vehicles | 20% | 5 years |
| Building | 3% | 33.33 years |
| Intangible asset | 20% | 5 years |
| Right-of-use asset | Based on lease term | Lease term |
| Land | Not depreciated | - |

Depreciation on newly acquired assets are calculated from the month of acquisition (full month) and no depreciation is charged for the month in which the assets are disposed off.

c. De-recognition

An item of property, plant and equipment is de-recognized on its disposal. Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of IAS 16 "Property, Plant and Equipment". Such gain or loss is determined as the difference between sales proceeds and carrying amount of the asset.

2.12 Intangible assets

In accordance with IAS 38 "Intangible assets", intangible assets (computer software) are recorded at historical cost less accumulated amortization. Amortization is calculated on straight line method using the rate of 20% (estimated five years useful life).



2.13 Loans - secured

Repayment of mortgage loans is made by way of Equated Monthly Installments (EMI) consisting of principal and interest. There are two modes of interest calculation on loans i.e., monthly reducing or annual reducing method as per loan agreement between customer and DBH. Effective interest rate is same as the rate quoted in case of monthly reducing method but higher under annual reducing method. EMI commences once the entire loans are disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month.

2.14 Investment in securities

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition, investments in marketable securities except DBH 1st Mutual Fund, Green Delta 1st Mutual Fund and NCC bank limited 1st mutual fund have been valued at cost or market price whichever is lower on an aggregate portfolio basis. Above mutual funds and Peninsula SBC Unit Fund-1 and Peninsula AMCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2021 or cost price whichever is lower. Investment in non marketable securities have been valued at cost. Full provision for diminution in value of securities at the year end on aggregate portfolio basis excepts investment in mutual funds and unit funds are made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. Provision for above mutual funds and unit funds at the year end is made as required by Bangladesh Bank DFIM circular No. 05 dated May 11, 2015.

2.15 Investment in Government Treasury Bond

As per IFRS 9, Financial assets are classified as either (i) amortized cost (ii) fair value through profit or loss (iii) fair value through other comprehensive income. In case of valuation of investment in Government Bonds, DBH followed amortized cost method, as it meets both the business model assessment and Contractual cash flow assessment.

2.16 Cash and cash equivalents

Cash and cash equivalents consist of cash, FDR, call investment and bank balances. For the purpose of statement of cash flow, cash and cash equivalents are prepared net off bank overdrafts.

Cash Flow Statement

The cash flow statement is prepared in compliance with the DFIM circular No. 11, dated December 23, 2009 of Bangladesh Bank.

2.17 Revenue recognition

As per IFRS 15: "Revenue from Contracts with Customers", revenue is only recognized when it meets the following five steps model: (i) Identify the contract(s) with customer, (ii) Identify performance obligations in the contract, (iii) Determine the transaction price, (iv) Allocate the transaction price to the performance obligation in the contract and (v) Recognize the revenue when the entity satisfies a performance obligation.

Interest income

Interest income on loans and advances is recognized on accrual basis except interest of the loan accounts considered as non-performing. Interest income is suspended and full provision is made against the interest receivables on all non-performing loans when the installments are outstanding for more than six months or any other accounts which are considered doubtful of recovery on the basis of judgment of the management.

Fees and other charges on loans

Receipt of loan processing/servicing fees and other fees are recognized as income when the performance obligations are satisfied and the amount of the transaction price is allocated to the performance obligations.

Dividend income and profit/(loss) on sale of marketable securities

Dividend income is recognized on accrual basis when the right to receive income is established. Profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized and loss is incurred.

Interest suspense account

Interest on non-performing loans is not recognized as revenue and credited to interest suspense account. Non performing loans refer to the loans when the installments are outstanding for more than six months and any other accounts which are considered impaired on the basis of judgments of the management.

2.18 Employee's benefit obligation

i) Defined benefit plan (Gratuity scheme)

The Company has a funded gratuity scheme for all eligible employees who complete minimum 5 years of confirmed service with the Company. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees. Actuarial valuation of the gratuity scheme was made in 2021 to assess the adequacy of the liability for the scheme as per International Accounting Standard - 19 "Employee Benefits".

Following benefits are payable on retirement, death or leaving service:

Less than 5 year of confirmed service - Nil

Confirmed service between 5 and 10 year - One month's last drawn basic pay for every completed year of service.

On completion of 10 years confirmed service and above - Two month's last drawn basic pay for every completed year of service.

Maximum benefits - 50 times basic pay

ii) Defined Contribution plan (Contributory provident fund)

The Company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the employees.

2.19 Workers Profit Participation and Welfare Fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, DBH did not recognize the WPPF.

2.20 Taxation

Current tax

Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendments made thereto from time to time. Applicable rate of income tax for the company is 37.5%.

Deferred tax

Pursuant to IAS - 12 "Income Taxes" deferred tax is provided using the asset & liability method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax as the same rate is expected to be applicable at the time of settlement/adjustment of deferred tax asset or liability.

2.21 Provision for loans

In addition to the provision made for loans and advances based on the guidelines of Bangladesh Bank, the Company's policy is to make provision for the loans and advances to cover the principal amount in respect of non performing loans when installments are outstanding for more than six months and any other overdue accounts on the basis of management's assessment where there are possibilities of impairment in future. The Company has made adequate provision which is more than the minimum regulatory requirement.

2.22 Write off

Write off refers to recognition of the reduced or zero value of an asset. It also refers to an investment for which a return on the investment is now impossible or unlikely. Potential return along with such investment is thus cancelled and removed ("written off") from the company's balance sheet.

Recovery against debts written off is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there against or are considered recoverable.

2.23 Interest expense

The Company has incurred interest and related expenses on account of term loan, deposit, overdraft and short term loan. In terms of provision of the International Accounting Standard (IAS) -1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

2.24 Earnings per share

Earnings Per Share (EPS) has been calculated in accordance with International Accounting Standard - 33 "Earnings Per Share" and shown on the face of profit and loss account and computation shown in note 34.

2.25 Related party disclosures

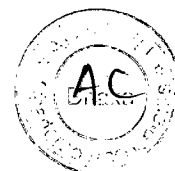
As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 40.

2.26 Events after the balance sheet date

As per IAS 10 "Events after the balance sheet date", all material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note 42.3.

2.27 Contingent liabilities and contingent assets

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



2.28 Branch accounting

The Company has eleven offices (head office & eleven branches), with no overseas branch as on December 31, 2021. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

2.29 General

- Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

2.30 Status of compliance of International Accounting Standards and International Financial Reporting Standards

| <u>Name of the IAS</u> | <u>IAS No.</u> | <u>Status</u> |
|---|-----------------|---------------|
| Presentation of Financial Statements | 1 | ** |
| Inventories | 2 | N/A |
| Statement of Cash Flows | 7 | ** |
| Accounting Policies, Changes in Accounting Estimates and Errors | 8 | Applied |
| Events after the Reporting Period | 10 | Applied |
| Income Taxes | 12 | Applied |
| Property, Plant and Equipment | 16 | Applied |
| Employee Benefits | 19 | Applied |
| Accounting for Government Grants and Disclosure of Governments Assistance | 20 | N/A |
| The Effect of Changes in Foreign Exchange Rates | 21 | Applied |
| Borrowing Costs | 23 | N/A |
| Related Party Disclosures | 24 | Applied |
| Accounting and Reporting by Retirement Benefits Plans | 26 | N/A |
| Separate Financial Statements | 27 | N/A |
| Investment in Associates and Joint Ventures | 28 | N/A |
| Financial Reporting in Hyperinflationary Economics | 29 | N/A |
| Financial Instruments: Presentation | 32 | ** |
| Earnings per Share | 33 | Applied |
| Interim Financial Reporting | 34 | Applied |
| Impairment of Assets | 36 | Applied |
| Provisions, Contingent Liabilities and Contingent Assets | 37 | Applied |
| Intangible Assets | 38 | Applied |
| Investment Property | 40 | N/A |
| Agriculture | 41 | N/A |
| <u>Name of the IFRS</u> | <u>IFRS No.</u> | <u>Status</u> |
| First-time adoption of International financial Reporting Standards | 1 | N/A |
| Share-based Payment | 2 | N/A |
| Business Combinations | 3 | N/A |
| Insurance Contracts | 4 | N/A |
| Non-currents Assets held for sale and discontinued operations | 5 | N/A |
| Exploration for and Evaluation of Mineral Resources | 6 | N/A |
| Financial Instruments : Disclosures | 7 | ** |
| Operating Segments | 8 | N/A |
| Financial Instruments | 9 | ** |
| Consolidated Financial Statements | 10 | N/A |
| Joint Arrangements | 11 | N/A |
| Disclosure of Interests in other Entities | 12 | N/A |
| Fair Value Measurement | 13 | Applied |
| Regulatory Deferral Accounts | 14 | N/A |
| Revenue from Contracts with Customers | 15 | Applied |
| Leases | 16 | Applied |

** DBH management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

N/A = Not applicable

2.31 Financial risk management

The Company always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system comprising risk management forum supported by risk management unit is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, the Company also considers guidelines for managing core risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and DFIM Circular No. 03 dated 24 January 2016.

Credit risk

To encounter and mitigate credit risk, the company employed multilayer approval process, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by special assets management team, strong follow up of compliance of credit policies by internal audit department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

Market risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. To encounter market risk we are negotiating for facilities that match the maturity structure with ideal interest rate, maintaining a balanced diversification in investments and maintaining prudent provisioning policies. The Company has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Liquidity Risk

Liquidity risk arises when a company is unable to meet the short term obligation to its lenders and stakeholders. This arises from the adverse mismatch of maturities of assets and liabilities. Liquidity requirements are managed on a day to day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operations, current liquidity positions, collections from financing, available sources of funds and risks and returns.

Operational Risk

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. Appropriate internal control measures are in place, at the Company, to address operational risks. The Company has also established an internal control & compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Money Laundering and Terrorist Financing Risk

In DBH, money laundering and terrorist financing risk takes two broad dimensions:

- i) Business risk i.e. the risk that DBH may be used for money laundering or terrorism financing &
- ii) Regulatory risk i.e. the risk that DBH fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 (amended in 2013).

DBH has been adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU) and put in place a strict compliance program consisting of the following components to mitigate above risk:

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorist financing;
- b) Creation of structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for AML and CFT compliance;
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU;
- d) Independent testing procedures carried out by internal audit function to ensure effectiveness of AML/CFT program.
- e) Ongoing employee training programs.

Additional risks required to be addressed under new regulatory requirements

The Integrated Risk Management Guidelines for Financial Institutions which was issued by DFIM through Circular No. 03 dated 24 January 2016 explains a number of following additional risks that financial institutions are now required to address to cover all the major aspects of risks which may arise at any point of time.

Strategic Risk

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base. Major roles of the board of the directors, senior management and business units in managing strategic risks, steps to be followed in the strategic risk management process and also measures for strategic risk control are explained in the guidelines.

Since its inception, DBH has been managing strategic risks which are evident from the dynamic business model of the company over the years. Major organizational units are assigned to address the major strategic risks aspects with a view to minimize the negative impact of those risks.

Compliance Risk

Compliance risk is the risk of legal sanctions, material financial loss or loss to reputation the FI may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice. Compliance risk is sometimes also referred to as integrity risk because a FI's reputation is closely connected with its adherence to principles of integrity and fair dealing.

The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and the FI's board of directors is responsible for overseeing the management of the FI's compliance risk. The board should establish a compliance function and approve the FI's policies and processes. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The Compliance department of DBH is responsible for assessing compliance risk in relation to institutional matters such as governance, best practices and corporate social responsibility.



The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of DBH and to mitigate the risks in most appropriate way.

Reputation Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public on DBH.

The guidelines explain the roles of the Board and senior management in managing reputation risk. The management ensures that DBH is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. DBH takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

Environmental and Social Risk

Environmental risk is a facilitating element of credit risk arising from environmental issues. DBH uses Environmental Risk Rating (EnvRR) while financing to new projects. Company is making its credit appraisal process to be much more stringent from an Environment and Social (E&S) perspective – evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to approving a loan.

2.32 Implementation of BASEL-II

To comply with international best practices to make the FI's capital more risk sensitive as well as to make the FI industry more shock absorbent and stable, Bangladesh Bank provided regulatory capital framework "Risk Based Capital Adequacy for FI's" with effect from 01 January 2012.

DBH management is aware about guideline of Bangladesh Bank and implemented Capital Adequacy requirement according to BASEL-II. BASEL-II implementation committee is headed by Managing Director & CEO.



3 Cash
3.1 Cash in hand

Local Currency
Foreign Currency

3.2 Balance with Bangladesh Bank and its agent bank

Bangladesh Bank:
Local Currency
Foreign Currency

Balance with Sonali Bank being an agent of Bangladesh Bank

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

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institution Act - 1993 and Financial Institution Rules - 1994 and DFIM circular no. 03 dated June 21, 2020.

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on 'Total Term Deposits' which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposits' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on Total Liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), Balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bills & bonds & any other assets approved in Government Gazette or by Bangladesh Bank.

3.3.1 Cash Reserve Requirement (CRR)

Required reserve
Actual average reserve maintained
Surplus/(deficit)

3.3.2 Statutory Liquidity Reserve (SLR)

Required reserve (including CRR)
Actual reserve maintained (including CRR note -3.3.1)
Surplus/(deficit)

4 Balance with other banks and financial institutions

In Bangladesh (Note 4.1)
Outside Bangladesh

4.1 In Bangladesh

Current deposits
Short-term deposits
Fixed deposits

4.2 Maturity grouping of balance with other banks and financial institutions

Payable on demand
Up to 1 month
Over 1 month but not more than 3 months
Over 3 months but not more than 6 months
Over 6 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

5 Money at call on short notice
6 Investments

Government securities:
Other investments:
Non marketable securities (Note-6.1)
Preference Share
Marketable securities (Note-6.2)

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 101,102 | 132,671 |
| - | - |
| 101,102 | 132,671 |
| 557,718,669 | 574,879,700 |
| 186,612 | 184,219 |
| 557,905,281 | 575,063,919 |
| 60,589 | 44,331 |
| 557,965,870 | 575,108,250 |
| 529,409,292 | 561,785,190 |
| 548,433,458 | 584,159,796 |
| 19,024,166 | 22,374,607 |
| 1,844,250,534 | 1,957,572,151 |
| 13,584,780,502 | 14,732,598,228 |
| 11,740,529,968 | 12,775,026,077 |
| 14,725,958,032 | 14,338,776,038 |
| - | - |
| 14,725,958,032 | 14,338,776,038 |
| 14,760,292 | 51,625,498 |
| 5,482,075,239 | 4,440,925,040 |
| 9,229,122,501 | 9,846,225,500 |
| 14,725,958,032 | 14,338,776,038 |
| 2,748,387,471 | 2,246,253,103 |
| 2,522,819,531 | 4,826,789,251 |
| 7,227,480,992 | 4,210,485,559 |
| 1,705,946,875 | 3,055,248,125 |
| 521,323,163 | - |
| - | - |
| - | - |
| 14,725,958,032 | 14,338,776,038 |
| 8,241,093 | 1,040,323 |
| 64,499,500 | 54,499,500 |
| 6,000,000 | 43,000,000 |
| 599,477,592 | 390,484,405 |
| 669,977,092 | 487,983,905 |
| 678,218,185 | 489,024,228 |



6.1 Investment in non marketable securities

Bangladesh Rating Agencies Ltd.
Peninsula SBC Unit Fund-1
Peninsula AMCL BDBL Unit Fund-1
Energyprima Ltd. (Pre-IPO shares)
Vanguard AML

No. of shares

24,995
4,000,000
250,000
100,000
761,614

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 2,499,500 | 2,499,500 |
| 40,000,000 | 40,000,000 |
| 2,500,000 | 2,500,000 |
| 9,500,000 | 9,500,000 |
| 10,000,000 | - |
| 64,499,500 | 54,499,500 |

6.2 Investment in marketable securities
Sectors

Bank
Cement
Ceramics Sector
Engineering
Financial Institutions
Food & Allied
Fuel & Power
Insurance
IT Sector
Miscellaneous
Mutual Funds
Pharmaceuticals & Chemicals
Telecommunication
Textile
Travel & Leisure

| Market price 2021 | Cost price | Cost price |
|----------------------|--------------------|--------------------|
| 50,235,484 | 52,892,706 | 26,928,430 |
| 8,045,400 | 8,926,251 | 10,492,093 |
| 7,100,000 | 8,757,240 | - |
| 17,587,114 | 21,545,561 | 6,200,720 |
| 6,365,750 | 7,468,775 | 5,967,883 |
| 52,680,537 | 51,895,382 | 18,122,127 |
| 3,929,717 | 4,382,284 | 16,800,939 |
| 24,045,405 | 28,214,198 | 2,073,533 |
| 11,644,719 | 14,821,810 | - |
| 2,349,260 | 2,360,244 | 3,198,543 |
| 156,270,000 | 210,623,841 | 209,742,081 |
| 129,257,454 | 130,414,042 | 49,771,432 |
| 43,693,657 | 45,748,523 | 33,915,096 |
| 12,761,796 | 11,426,736 | 7,253,765 |
| - | - | 17,764 |
| 525,966,292 | 599,477,592 | 390,484,406 |

All investment in marketable securities are valued on an aggregate portfolio basis except Mutual Funds. Mutual Funds have been valued at 85% of latest published NAV available as on December 31, 2021. As on December 31, 2021 there was Tk. 27,126,540 provision on investment in marketable listed securities and Tk. 12,909,149 for non marketable securities (Bangladesh Rating Agencies Ltd., Vanguard AML Growth Fund and Preference Share of Union Capital Ltd). Market value has been determined on the basis of the value of securities at last trading date of December 2021 (last trading date was December 30, 2021).

6.3 Maturity grouping of investments:

On demand*
Up to 1 month
Over 1 month but not more than 3 months
Over 3 months but not more than 6 months
Over 6 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

| | |
|--------------------|--------------------|
| 579,477,592 | 370,484,405 |
| 58,500,000 | 50,500,000 |
| - | - |
| - | 35,000,000 |
| 9,500,000 | 10,540,323 |
| - | - |
| 30,740,593 | 22,499,500 |
| 678,218,185 | 489,024,228 |

*Excluding BDT 20,000,000 investment in DBH Mutual Fund.

7 Loans and advances
Inside Bangladesh

Housing Loan
Installment Receivable
Staff loan
Loan against Deposits
Term Loan

| | |
|-----------------------|-----------------------|
| 40,742,590,117 | 39,883,538,309 |
| 218,550,204 | 115,531,310 |
| 136,682,488 | 145,036,577 |
| 128,526,734 | 85,335,671 |
| 2,604,156,101 | 2,520,939,607 |
| 43,830,505,644 | 42,750,381,474 |

Outside Bangladesh

| | |
|-----------------------|-----------------------|
| 43,830,505,644 | 42,750,381,474 |
|-----------------------|-----------------------|

7.1 Maturity grouping of loans and advances

Repayable on demand
Not more than 3 months
Over 3 months but not more than 1 year
Over 1 year but not more than 5 years
Over 5 years

| | |
|-----------------------|-----------------------|
| 218,550,204 | 115,531,310 |
| 2,331,864,728 | 1,864,833,474 |
| 6,383,874,123 | 5,036,624,883 |
| 21,973,669,664 | 19,033,095,406 |
| 12,922,546,925 | 16,700,296,401 |
| 43,830,505,644 | 42,750,381,474 |





- 7.2**
- a) Loans and advances to institutions in which directors have interest
 - b) Loans and advances to chief executive
 - c) Loans and advances to senior executives
 - d) Loans and advances to customer group:
 - i) Housing loan - customer
 - ii) Staff loan-housing & others
 - iii) Loan to depositors
 - iv) Term Loan
 - e) Details of loan and advances industry-wise
 - i) Housing Finance/ Real Estate
 - ii) Consumer Finance

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| - | - |
| - | - |
| 22,860,716 | 26,804,730 |
| 40,961,140,321 | 39,999,069,619 |
| 113,821,772 | 118,231,847 |
| 128,526,734 | 85,335,671 |
| 2,604,156,101 | 2,520,939,607 |
| 43,830,505,644 | 42,750,381,474 |
| 40,961,140,321 | 39,999,069,619 |
| 2,869,365,323 | 2,751,311,855 |
| 43,830,505,644 | 42,750,381,474 |

7.3 Loans and advances - geographical location-wise

Inside Bangladesh:

- Urban
- Dhaka
- Chattogram
- Sylhet
- Cumilla
- Gazipur
- Narayanganj
- Khulna

| | |
|-----------------------|-----------------------|
| 38,888,314,025 | 38,558,608,590 |
| 2,217,153,504 | 2,262,137,273 |
| 204,999,175 | 229,630,940 |
| 486,920,562 | 344,790,225 |
| 1,693,093,594 | 1,254,989,249 |
| 332,531,045 | 100,225,197 |
| 7,493,739 | - |
| 43,830,505,644 | 42,750,381,474 |
| - | - |
| 43,830,505,644 | 42,750,381,474 |

Outside Bangladesh:

7.4 Details of large loans and advances

There were no clients with outstanding amount and classified loans/advances exceeding 15% of total capital of the institution.

7.5 Particulars of Loans and advances

- i) Loans and advances considered good in respect of which the financial institution is fully secured.
- ii) Loans and advances considered good against which the financial institution holds no security other than the debtors personal security.
- iii) Loan and advances considered good and secured by the personal security of one or more parties in addition to personal guarantee of debtors.
- iv) Loan and advances adversely classified: for which no provision is created.

| | |
|-----------------------|-----------------------|
| 43,767,623,400 | 42,731,896,791 |
| 5,635,861 | 11,153,139 |
| 57,246,383 | 7,331,544 |
| - | - |
| 43,830,505,644 | 42,750,381,474 |

- v) Loans and advances due by directors and officers of the financial institution or any of them either separately or jointly with any other persons.

136,682,488 145,036,577

- vi) Loans and advances due by companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members.

- -

- vii) Maximum total amount of advances including temporary advances made at any time during the period to director, managers or officers of the financial institution or any of them either separately or jointly with any other person.

140,396,911 145,434,286

- viii) Maximum total amount of advances, including temporary advances, granted during the period to companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies as members.

- -

- ix) Due from other bank and financial institutions

- -

- x) Information in respect of classified loans and advances

- a) Classified loans for which interest/ profit not credited to income

208,253,557 169,724,294

- i) Increase/(decrease) of provision (specific)

- -

- ii) Amount of written off debt against fully provided debts

- -

- iii) Amount of debt recovered against the debt which was previously written off

- -

- b) Amount of provision kept against loan classified as bad/loss at balance sheet date

251,490,708 144,172,308

- c) Amount of interest creditable to interest suspense account

80,549,336 57,660,952

- xi) Cumulative amount of written off loans and advances

8,820,658 8,820,658

- Opening Balance

- -

- Amount written off during the year

- -

- Amount recovered against loans and advances previously written off

- -

- Balance of written off loans and advances yet to be recovered

8,820,658 8,820,658

- The amount of written off loans, advances and leases for which law suits have been filed.

9,425,086 9,425,086



7.6 Classification of loans and advances
Unclassified:

Standard (including Staff Loan, Loan against Deposits and Others)
Special mention account (SMA)

Classified:

Sub-standard
Doubtful
Bad/loss

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 43,300,860,396 | 42,521,233,745 |
| 253,125,075 | 55,054,821 |
| 43,553,985,471 | 42,576,288,566 |
| 13,025,535 | 9,087,809 |
| 12,003,930 | 20,832,791 |
| 251,490,708 | 144,172,308 |
| 276,520,173 | 174,092,908 |
| 43,830,505,644 | 42,750,381,474 |

7.7 Calculation of provision for loans and advances as per Loan Classification Report as on December 31, 2021.

| Nature | Base for provision | Rate (%) | Provision required |
|---|--------------------|----------|--------------------|
| Standard | 42,936,748,500 | 1 | 429,367,485 |
| Standard (Loans to Assets Management Company) | 98,902,674 | 2 | 1,978,053 |
| Special mentioned account | 231,334,927 | 5 | 11,566,746 |
| Sub-standard | 1,953,830 | 20 | 390,766 |
| Doubtful | 1,800,590 | 50 | 900,295 |
| Bad/loss | 44,938,660 | 100 | 44,938,660 |
| Staff loan - standard | 136,682,488 | 1 | 1,366,825 |
| Loan against deposit - standard | 128,526,734 | 1 | 1,285,267 |

8 Fixed assets including land, building, furniture, equipment and right-of-use asset:
Cost

Balance as of 01 January
Addition during the year

| | |
|--------------------|--------------------|
| 516,305,586 | 460,417,071 |
| 20,107,089 | 60,144,628 |
| 536,412,675 | 520,561,699 |
| (5,183,806) | (4,256,113) |
| 531,228,869 | 516,305,586 |

Depreciation

Balance as of 01 January
Addition during the year

| | |
|--------------------|--------------------|
| 226,424,638 | 180,712,804 |
| 47,830,946 | 49,754,040 |
| 274,255,584 | 230,466,844 |
| (5,607,773) | (4,042,206) |
| 268,647,811 | 226,424,638 |

Written down value

| | |
|--------------------|--------------------|
| 262,581,058 | 289,880,948 |
|--------------------|--------------------|

Details are shown in annexure A.

9 Other assets

Accounts receivable (Note-9.1)
Advances, deposits and prepayments (Note-9.2)
Stamps and pay order in hand
Deferred tax assets (Note-9.3)

| | |
|--------------------|--------------------|
| 178,902,729 | 140,576,576 |
| 30,971,855 | 20,444,817 |
| 3,642,395 | 2,690,865 |
| 9,766,013 | - |
| 223,282,992 | 163,712,258 |

9.1 Account receivables

Interest receivable
Dividend receivable
Sundry receivable

| | |
|--------------------|--------------------|
| 91,543,925 | 120,571,774 |
| 7,021,419 | 7,025,445 |
| 80,337,385 | 12,979,357 |
| 178,902,729 | 140,576,576 |

Sundry receivable includes receivable from Green delta Securities, BRAC EPL Brokerage, DLI Securities, Lanka Bangla securities, City Bank Capital Resources, Forfeited DBH Staff Provident Fund, etc.

9.2 Advances, deposits and prepayments

Advance to employees
Advance to suppliers
Security deposits
Prepaid expenses

| | |
|-------------------|-------------------|
| 920,260 | 133,000 |
| 24,154,154 | 15,627,800 |
| 3,670,000 | 3,670,000 |
| 2,227,441 | 1,014,017 |
| 30,971,855 | 20,444,817 |

9.3 Deferred tax assets

Opening balance
Addition /(Release) during the year (Note-9.3 a)

| | |
|------------------|-----------|
| - | 185,807 |
| 9,766,013 | (185,807) |
| 9,766,013 | - |

9.3 a Calculation of deferred tax assets

Carrying amount of Fixed Assets (excluding land)

Tax base value of Fixed Assets

Deductible temporary difference

Applicable tax rate

i) Deferred tax assets on fixed assets

Carrying amount-Loss on sale of securities

Tax base

Deductible temporary difference

Applicable tax rate

ii) Deferred tax assets on loss on sale of securities

Total deferred tax assets (i+ ii)

Deferred tax assets at the beginning of the year

Deferred tax income

10 Borrowing from other banks, financial institutions and agents

Inside Bangladesh (Note 10.1)

Outside Bangladesh

10.1 Inside Bangladesh
a Secured Short-term & long-term loans:

Eastern Bank Limited

Standard Chartered Bank

Citi Bank, NA

Dhaka Bank Limited

Commercial Bank of Ceylon Plc.

b Unsecured long-term loan:

Bangladesh Bank (Housing refinance)

c Bank overdraft:

Commercial Bank of Ceylon plc

Woori Bank

Pubali Bank Limited

Standard Chartered Bank

IFIC Bank Limited

d Call loans:

Agrani Bank Ltd.

Uttara Bank Ltd.

The Trust Bank Ltd.

Mutual Trust Bank Ltd.

Community Bank Bangladesh Ltd.

United Finance Ltd.

NRB Bank Ltd.

United Commercial Bank Ltd.

Janata Bank Ltd.

e Zero Coupon Bond:

Mr. Shahriar Kamal

Concord Real Estate & Development Ltd.

A.K. Khan & Company Ltd.

UCB Asset Management

Total inside Bangladesh(a+b+c+d+e)

10.2 Security against borrowings from other banks, financial institutions and agents

Secured

Unsecured

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 204,288,057 | - |
| 230,330,757 | - |
| 26,042,700 | - |
| 37.50% | 37.50% |
| 9,766,013 | - |
| - | - |
| - | - |
| - | - |
| 10% | 10% |
| - | - |
| 9,766,013 | - |
| - | 185,807 |
| 9,766,013 | (185,807) |
| 6,175,673,065 | 5,571,061,010 |
| 6,175,673,065 | 5,571,061,010 |
| 800,000,000 | - |
| 1,300,000,000 | 250,000,000 |
| 290,000,000 | 290,000,000 |
| 500,000,000 | - |
| - | 750,000,000 |
| 2,890,000,000 | 1,290,000,000 |
| 1,470,263,573 | 1,708,865,014 |
| 1,470,263,573 | 1,708,865,014 |
| 1,373,084 | 245,418 |
| 146,642,878 | 111,131,186 |
| 8,243,694 | 150,450,201 |
| 6,115,816 | 20,369,191 |
| 38 | - |
| 162,375,510 | 282,195,996 |
| - | 700,000,000 |
| - | 200,000,000 |
| - | 290,000,000 |
| - | 300,000,000 |
| - | 400,000,000 |
| - | 200,000,000 |
| - | 200,000,000 |
| 500,000,000 | - |
| 400,000,000 | - |
| 900,000,000 | 2,290,000,000 |
| 3,542,468 | - |
| 248,015,838 | - |
| 402,648,492 | - |
| 98,827,184 | - |
| 753,033,982 | - |
| 6,175,673,065 | 5,571,061,010 |
| 3,052,375,510 | 1,572,195,996 |
| 3,123,297,555 | 3,998,865,014 |
| 6,175,673,065 | 5,571,061,010 |

The aforesaid secured short term & long term loans (10.1 a) are secured by first charge on company's all present and future movable and immovable assets including book debts ranking pari-passu security charges with other lenders of the company. Bank overdraft from Commercial Bank of Ceylon plc and Pubali Bank Ltd are secured by pari-passu security charges and overdraft from Standard Chartered bank and Woori bank is secured by FDR.

| | 31 December 2021 Taka | 31 December 2020 Taka |
|---|--------------------------|--------------------------|
| 10.3 Maturity grouping of borrowings from other banks, financial institutions and agents | | |
| Payable on demand | 900,000,000 | 2,290,000,000 |
| Up to 1 month | 1,312,364,987 | 12,710,556 |
| Over 1 month but within 3 months | 1,136,333,974 | 337,288,472 |
| Over 3 months but within 1 year | 1,046,640,902 | 1,460,830,205 |
| Over 1 year but within 5 years | 1,296,308,032 | 836,116,318 |
| Over 5 years | 484,025,170 | 634,115,459 |
| | 6,175,673,065 | 5,571,061,010 |
| 11 Deposits and other accounts | | |
| Fixed deposits (Note: 11.1) | 43,978,360,429 | 43,826,874,936 |
| Other deposits | - | - |
| | 43,978,360,429 | 43,826,874,936 |
| 11.1 Fixed deposits | | |
| Opening balance | 43,826,874,936 | 43,411,284,633 |
| Addition during the year | 91,403,586,210 | 93,372,242,271 |
| | 135,230,461,146 | 136,783,526,904 |
| Repayment made during the year | 91,252,100,717 | 92,956,651,968 |
| Closing balance | 43,978,360,429 | 43,826,874,936 |
| 11.2 Group-wise break-up of deposits and others accounts | | |
| Government | 235,392,591 | 785,892,144 |
| Bank | 8,650,000,000 | 6,550,000,000 |
| Other institutions | 16,496,814,658 | 18,013,916,031 |
| Individuals | 18,596,153,180 | 18,477,066,761 |
| | 43,978,360,429 | 43,826,874,936 |
| 11.3 Maturity analysis of deposits | | |
| Payable on demand | - | - |
| Up to 1 month | 3,426,424,121 | 2,243,781,910 |
| Over 1 month but within 6 months | 9,336,497,062 | 6,738,744,443 |
| Over 6 months but within 1 year | 3,006,567,378 | 4,908,942,206 |
| Over 1 year but within 5 years | 63,391,321 | 108,336,504 |
| Over 5 years but within 10 years | 22,661,743,972 | 24,233,989,748 |
| Over 10 years | 5,483,736,575 | 5,593,080,125 |
| | 43,978,360,429 | 43,826,874,936 |
| 12 Other liabilities | | |
| Provision for loans & investment (Note: 12.1) | 1,145,835,843 | 949,565,925 |
| Provision for income tax (Note: 12.2) | 434,838,135 | 389,870,891 |
| Interest suspense (Note: 12.3) | 80,549,336 | 57,660,952 |
| Other payables (Note: 12.4) | 1,217,648,984 | 1,374,468,216 |
| Deferred tax liability (Note: 12.5) | 1,576,001 | 6,057,948 |
| | 2,880,448,299 | 2,777,623,932 |
| 12.1 Provision for loans and investment | | |
| Opening balance | 949,565,925 | 822,857,899 |
| Provision written off | - | - |
| Provision recovered for the year | - | - |
| Provision charged/ (released) for the year | 196,269,918 | 126,708,026 |
| Provision no longer required written back | - | - |
| Recoveries of amounts previously written off | - | - |
| Closing balance | 1,145,835,843 | 949,565,925 |
| 12.1.1 General provision | | |
| Opening balance | 427,529,459 | 445,647,916 |
| Charged during the year | 18,034,918 | (18,118,457) |
| Closing balance | 445,564,377 | 427,529,459 |



12.1.2 Specific provision

Opening balance
Provision written off
Provision recovered during the year
Provision charged/ (released) for the year
Provision no longer required written back
Recoveries of amounts previously written off
Closing balance

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 451,982,220 | 282,257,926 |
| - | - |
| - | - |
| 208,253,557 | 169,724,294 |
| - | - |
| - | - |
| 660,235,777 | 451,982,220 |

12.1.3 Provision for diminutions in the value of investments

Opening balance
Provision charged/(released) during the year
Closing balance

| | |
|-------------------|-------------------|
| 70,054,246 | 94,952,057 |
| (30,018,557) | (24,897,811) |
| 40,035,689 | 70,054,246 |

12.1.A Provision on loans and advances

General Provision charged during the year
Specific Provision charged/(released) during the year

| | |
|--------------------|--------------------|
| 18,034,918 | (18,118,457) |
| 208,253,557 | 169,724,294 |
| 226,288,475 | 151,605,837 |

12.2 Provision for income tax
Provision

Opening balance
Less: Adjustment during the year for completed tax assessment
Less: Excess/(Short) provision adjustment

| | |
|----------------------|----------------------|
| 5,273,987,857 | 4,669,315,012 |
| - | - |
| - | - |
| 5,273,987,857 | 4,669,315,012 |
| 691,404,197 | 604,672,845 |
| 5,965,392,054 | 5,273,987,857 |

Add: Provision made during the year

Closing balance
Advance tax

Opening balance
Add: Payment made during the year
Under Section 64 and 74 of ITO, 1984
Deduction at source
Others

| | |
|----------------------|----------------------|
| 4,884,116,966 | 4,393,079,881 |
| 539,956,350 | 400,408,669 |
| 106,480,603 | 90,628,416 |
| - | - |
| 5,530,553,919 | 4,884,116,966 |
| - | - |
| 5,530,553,919 | 4,884,116,966 |
| 434,838,135 | 389,870,891 |

Less: Adjustment during the year for completed tax assessment

Closing balance

Net balance

12.3 Interest suspense

Opening balance
Interest suspended during the year
Written off suspended interest during the year
Closing balance

| | |
|-------------------|-------------------|
| 57,660,952 | 45,584,084 |
| 22,888,384 | 12,076,868 |
| - | - |
| 80,549,336 | 57,660,952 |

12.4 Other payables

Interest payable on deposits & loans
Lease liability
Sundry creditors
Unclaimed instruments
Unclaimed dividend account
Payable to clients
Loan under litigation
Privileged creditors
Other Assets Provision
Liability for expenses

| | |
|----------------------|----------------------|
| 841,316,818 | 1,009,350,822 |
| 40,432,025 | 52,009,007 |
| 119,254,967 | 102,334,226 |
| 11,622,588 | 12,792,463 |
| 2,904,251 | 4,112,147 |
| 83,359,530 | 71,726,552 |
| 19,852,812 | 17,908,244 |
| 94,327,673 | 99,974,097 |
| 330,000 | - |
| 4,248,320 | 4,260,658 |
| 1,217,648,984 | 1,374,468,216 |

As per the BSEC directive No. BSCE/CMRRCD/2021 dated 14/1/2021, a separate line item is required to be presented in the Statement of Financial Position for Unclaimed dividend account. DBH, being a financial institution, is required to prepare and present financial statements as per DFIM Circular No. 11, dated 23 December 2009 and there is no scope of such presentation. Therefore, a separate line item for Unclaimed dividend account is presented in notes to the financial statements.





12.5 Calculation of deferred tax liability

Carrying amount of Fixed Assets (excluding land)
Tax base value of Fixed Assets
A) Taxable temporary difference

Right-of-use Asset -Carrying amount
Right-of-use Asset -Tax base
Taxable temporary difference

Lease liability- ROU -carrying amount
Lease liability-ROU-Tax base
Deductible temporary difference

B) Net taxable temporary difference -ROU asset
Total taxable temporary difference (A+B)
Applicable tax rate

Total deferred tax liability
Deferred tax liability at the beginning of the year
Deferred tax Expense/(income)

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| - | 219,104,442 |
| - | 208,059,114 |
| - | 11,045,328 |
| 44,634,695 | 57,118,206 |
| - | - |
| 44,634,695 | 57,118,206 |
| 40,432,025 | 52,009,007 |
| - | - |
| 40,432,025 | 52,009,007 |
| 4,202,670 | 5,109,199 |
| 4,202,670 | 16,154,527 |
| 37.50% | 37.50% |
| 1,576,001 | 6,057,948 |
| 6,057,948 | 3,681,830 |
| (4,481,947) | 2,376,118 |

13 Share capital

13.1 Authorized capital

199,950,000 Ordinary shares of Tk. 10 each
5,000 Preference shares of Tk. 100 each

| | |
|----------------------|----------------------|
| 1,999,500,000 | 1,999,500,000 |
| 500,000 | 500,000 |
| 2,000,000,000 | 2,000,000,000 |

13.2 Issued, subscribed, called and paid-up capital

Ordinary shares

Opening
20,105,554 Ordinary shares of Taka 10 each issued as bonus share
23,121,387 ordinary shares of Tk 10 each issued as bonus share

| | |
|----------------------|----------------------|
| 1,541,425,810 | 1,340,370,270 |
| - | 201,055,540 |
| 231,213,870 | - |
| 1,772,639,680 | 1,541,425,810 |

13.3 Capital of the Company is held by the following shareholders

Ordinary shares

Local shareholders:

BRAC
Delta Life Insurance Company Ltd
Green Delta Insurance Company Ltd
General shareholders

Foreign shareholders:

General shareholders

| 31 December 2021 | |
|--------------------|----------------------|
| No of shares | Taka |
| 32,596,016 | 325,960,160 |
| 31,247,046 | 312,470,460 |
| 27,130,814 | 271,308,140 |
| 52,032,237 | 520,322,370 |
| 143,006,113 | 1,430,061,130 |
| 34,257,855 | 342,578,550 |
| 34,257,855 | 342,578,550 |
| 177,263,968 | 1,772,639,680 |

13.4 Break-up of Paid-up capital:

Date of Issue

| |
|-------------------------------|
| 11 May, 1996 to 28 June, 1998 |
| 12-Dec-06 |
| 9-Apr-08 |
| 2-Dec-08 |
| 23-Nov-09 |
| 8-Dec-10 |
| 22-Nov-11 |

Total

| |
|--------------------------|
| Face Value Change (2011) |
| 14-Nov-12 |
| 24-Nov-16 |
| 31-Mar-19 |
| 17-Jun-20 |
| 17-May-21 |

Total paid-up capital

| 31 December 2021 | | |
|------------------|------------|----------------------|
| Number of Shares | Face Value | Amount |
| 2000000 | 100 | 200,000,000 |
| 200000 | 100 | 20,000,000 |
| 500000 | 100 | 50,000,000 |
| 810000 | 100 | 81,000,000 |
| 526500 | 100 | 52,650,000 |
| 1009125 | 100 | 100,912,500 |
| 5045625 | 100 | 504,562,500 |
| 10091250 | 100 | 1,009,125,000 |
| 100912500 | 10 | 1,009,125,000 |
| 15136875 | 10 | 151,368,750 |
| 5802468 | 10 | 58,024,680 |
| 12185184 | 10 | 121,851,840 |
| 20105554 | 10 | 201,055,540 |
| 23121387 | 10 | 231,213,870 |
| 177263968 | 10 | 1,772,639,680 |





13.5 Capital adequacy ratio - As per BASEL-II

1. Tier-1 (Core Capital)

- 1.1 Fully Paid-up Capital/Capital Deposited with BB
- 1.2 Statutory Reserve
- 1.3 Non-repayable Share premium account
- 1.4 General Reserve
- 1.5 Retained Earnings
- 1.6 Minority interest in Subsidiaries
- 1.7 Non-Cumulative irredeemable Preferences shares
- 1.8 Dividend Equalization Account
- 1.9 Others (if any item approved by Bangladesh Bank)
- 1.10 Sub-Total (1.1 to 1.9)**

Deductions from Tier-1 (Core Capital)

- 1.11 Book value of Goodwill and value of any contingent assets which are shown as assets
- 1.12 Shortfall in provisions required against classified assets
- 1.13 Shortfall in provisions required against investment in shares
- 1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.
- 1.15 Any investment exceeding the approved limit.
- 1.16 Investments in subsidiaries which are not consolidated
- 1.17 Increase in equity capital resulting from a securitization exposure
- 1.18 Other (if any)
- 1.19 Sub Total (1.11-1.18)**
- 1.20 Total Eligible Tier-1 Capital (1.10-1.19)**

2 .Tier-2 (Supplementary Capital)

- 2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)
- 2.2 Assets Revaluation Reserves up to 50%
- 2.3 Revaluation Reserve for Securities up to 45%
- 2.4 Revaluation reserve for equity instrument up to 10%
- 2.5 All other preference shares
- 2.6 Other (if any item approved by Bangladesh Bank)
- 2.7 Sub-Total (2.1 to 2.6)**
- 2.8 Applicable Deductions (if any)
- 2.9 Total Eligible Tier-2 Capital (2.7-2.8)**

Total capital

- Total risk weighted assets
- Required capital based on risk weighted assets(10%)
- Surplus
- Capital Adequacy Ratio:
- On core capital
- On actual capital (against standard of minimum 10%)
- Supplementary Capital to risk weighted assets

14 Share premium account

- Ordinary shares

15 Statutory reserve

- Opening balance
- Add: addition during the year
- Closing balance

This reserve has been created as per the provision of Financial Institution Act-1993 and Financial Institution Rules-1994.

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 1,772,639,680 | 1,541,425,810 |
| 1,693,914,189 | 1,486,425,811 |
| 55,000,000 | 55,000,000 |
| 2,875,040,000 | 2,575,040,000 |
| 597,537,221 | 523,564,368 |
| - | - |
| 250,000,000 | 250,000,000 |
| - | - |
| 7,244,131,090 | 6,431,455,989 |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 7,244,131,090 | 6,431,455,989 |
| 309,491,921 | 300,858,748 |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 309,491,921 | 300,858,748 |
| - | - |
| 309,491,921 | 300,858,748 |
| 7,553,623,011 | 6,732,314,737 |
| 29,116,280,979 | 27,799,006,174 |
| 2,911,628,098 | 2,779,900,617 |
| 4,641,994,913 | 3,952,414,120 |
| 24.88% | 23.14% |
| 25.94% | 24.22% |
| 1.06% | 1.08% |
| 55,000,000 | 55,000,000 |
| 55,000,000 | 55,000,000 |
| 1,486,425,811 | 1,340,370,271 |
| 207,488,378 | 146,055,540 |
| 1,693,914,189 | 1,486,425,811 |





16 Other reserves

Contingency Reserve (Note 16.1)
General Reserve (Note 16.2)
Dividend equalization reserve (Note 16.3)
Capital redemption reserve

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 1,275,000,000 | 1,275,000,000 |
| 1,600,000,000 | 1,300,000,000 |
| 250,000,000 | 250,000,000 |
| 40,000 | 40,000 |
| 3,125,040,000 | 2,825,040,000 |

An amount of Tk. 40,000/- was transferred in FY 2013-14 out of profit to "Capital redemption reserve" in redeeming 400 no's of preference share @ Tk. 100 each as per section 154(1)(C) of Companies Act 1994.

16.1 Contingency reserve

Opening balance
Add: addition during the year
Closing balance

| | |
|----------------------|----------------------|
| 1,275,000,000 | 1,275,000,000 |
| - | - |
| 1,275,000,000 | 1,275,000,000 |

16.2 General reserve

Opening balance
Add: addition during the year
Closing balance

| | |
|----------------------|----------------------|
| 1,300,000,000 | 1,050,000,000 |
| 300,000,000 | 250,000,000 |
| 1,600,000,000 | 1,300,000,000 |

16.3 Dividend equalization reserve

Opening balance
Add: addition during the year
Closing balance

| | |
|--------------------|--------------------|
| 250,000,000 | 250,000,000 |
| - | - |
| 250,000,000 | 250,000,000 |

17 Business commitments and contingencies

17.1 Contingent liabilities

Contingent liability of Taka 54.04 million disclosed last year (as of 31 December 2020) was ascertained against the uncertain tax liability of different assessment years. The company has adequate provision against such liability. Therefore, there is no contingent liability during the year to disclose.

- **54,040,388**

17.2 Other commitments

In the normal course of business, the company makes various commitments, contracts and disbursements. No material losses are anticipated as a result of these transactions.

During the year 2020 the company disclosed undisbursed sanctioned loan amount of Taka 578,220,000/- as off balance sheet item under the head of other commitment. No such amount is disclosed as off balance sheet item during the current year as such commitment does not meet the criteria of off balance sheet exposure and its failure will not create any liability to the company.

- **578,220,000**

17.3 Capital expenditure commitments

a) Contracted and incurred but not provided for in the accounts

| | |
|-----|-----|
| Nil | Nil |
|-----|-----|

b) Approved by the Board but not contracted for

| | |
|-----|-----|
| Nil | Nil |
|-----|-----|

17.4 Unacknowledged debts

The Company had no claim, legal or other against it, which has not been acknowledged as debt at the balance sheet date.

18 Interest income

Interest on loans
Interest on placement with other banks & BB FX deposits
Interest on short term investment

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 4,105,008,064 | 4,987,198,382 |
| 948,066,609 | 921,590,915 |
| 500,000 | - |
| 5,053,574,673 | 5,908,789,297 |

19 Interest paid on deposits and borrowings etc.

Interest on term loans
Interest on deposits
Interest on short-term borrowing
Interest on overdraft
Interest on Zero Coupon Bond
Finance cost
Interest expense-lease

| | |
|----------------------|----------------------|
| 79,638,758 | 92,225,547 |
| 2,591,734,206 | 3,648,186,900 |
| 202,709,189 | 203,795,316 |
| 3,204,044 | 9,976,946 |
| 5,436,756 | - |
| 3,437,438 | - |
| 3,741,585 | 5,999,771 |
| 2,889,901,976 | 3,960,184,480 |



| | 31 December 2021 Taka | 31 December 2020 Taka |
|---|--------------------------|--------------------------|
| 20 Income from investments | | |
| Gain/(loss) on sale of marketable securities | 80,105,172 | 14,002,868 |
| Dividend income | 44,968,368 | 10,090,710 |
| Interest on Treasury Bond | 37,541 | 57,253 |
| | 125,111,081 | 24,150,831 |
| 21 Commission, exchange and brokerage | | |
| Loan fees | 101,991,972 | 82,391,672 |
| Other charges and fees | 75,528,535 | 73,472,425 |
| | 177,520,507 | 155,864,097 |
| 22 Other operating income | | |
| Property service income | 15,745,630 | 9,288,888 |
| Gain on sale of fixed assets | 183,140 | 1,051,048 |
| Miscellaneous income | 435,255 | 562,856 |
| Forfeited Provident fund income | 105,010 | 8,771,999 |
| | 16,469,035 | 19,674,791 |
| 23 Salary and allowances | 364,346,554 | 354,075,491 |
| Salary and allowances include annual contribution of Tk. 11,455,805 to DBH Staff Provident Fund and Tk. 8,325,088 to DBH Employees Gratuity Fund which are recognised by NBR. | | |
| 24 Rent, taxes, insurance, electricity etc. | | |
| Rent, rates & taxes(Note 24.1) | 26,496,550 | 21,758,659 |
| Insurance | 4,005,371 | 3,969,921 |
| Electricity | 6,647,818 | 5,775,709 |
| Water | 476,124 | 502,940 |
| | 37,625,863 | 32,007,229 |
| 24.1 Disclosure related to Rent, rates and taxes | | |
| Actual expenses | 52,816,036 | 46,665,397 |
| Less: Re-classification of rent expenses as per IFRS-16 | 26,319,486 | 24,906,738 |
| | 26,496,550 | 21,758,659 |
| 25 Legal and professional expenses | | |
| Law charges | 13,273,484 | 9,809,777 |
| Other professional charges | 2,503,516 | 2,757,777 |
| | 15,777,000 | 12,567,554 |
| 26 Postage, stamp, telecommunication etc. | | |
| Postage & courier service | 623,066 | 542,273 |
| Stamp expenses | 3,750,231 | 2,704,132 |
| Telephone & internet | 4,299,772 | 3,636,519 |
| | 8,673,069 | 6,882,924 |
| 27 Stationery, printing, advertisements etc. | | |
| Printing | 1,456,100 | 1,529,667 |
| Stationery | 2,064,339 | 1,402,986 |
| Publicity and advertisement | 7,789,302 | 4,484,098 |
| | 11,309,741 | 7,416,751 |
| 27.1 Managing Director's salary and fees | 13,000,000 | 7,050,000 |
| Ex. Managing Director of the company, Q. M. Shariful Ala, retired from his service with effect from 30 June 2020. Therefore, Salary of Managing Director was accounted for six months only for the year ended 31 December 2020. | | |
| 28 Directors' fees and expenses | | |
| Fees for attending meeting | 968,000 | 832,000 |
| Incidental meeting expenses | 101,840 | 124,897 |
| | 1,069,840 | 956,897 |
| 29 Statutory annual audit fees (including VAT) | 546,250 | 517,500 |
| | 546,250 | 517,500 |

30 Depreciation/Amortization, repairs & maintenance
Depreciation/Amortization:

Freehold assets
Right-of-use Asset
Intangible assets

Repairs & maintenance:

Vehicle
Office equipment & premises
Computer hardware & software

| 31 December 2021 Taka | 31 December 2020 Taka |
|--------------------------|--------------------------|
| 23,692,840 | 28,139,624 |
| 23,015,594 | 20,457,615 |
| 1,122,512 | 1,156,801 |
| 47,830,946 | 49,754,040 |
| 1,406,362 | 1,702,033 |
| 12,802,797 | 7,090,259 |
| 4,087,887 | 2,404,120 |
| 18,297,046 | 11,196,412 |
| 66,127,992 | 60,950,452 |

31 Other expenses

Staff training & recruitment expense
Office security
Transportation, traveling & conveyance
Canteen expense
Business promotion & entertainment
Car fuel
Books and papers
Bank charges
Recovery expenses
Donation, subscription and Fees
Public relation & AGM expense
Outsource agency charges
Brokerage
Staff welfare expense

| | |
|-------------------|-------------------|
| 192,223 | 251,549 |
| 3,399,667 | 3,074,963 |
| 25,667,950 | 22,576,788 |
| 1,497,759 | 1,309,783 |
| 804,077 | 781,766 |
| 1,582,006 | 1,149,129 |
| 13,975 | 25,492 |
| 5,163,449 | 3,829,261 |
| 2,307,904 | 1,847,673 |
| 4,561,824 | 4,060,993 |
| 348,480 | 535,645 |
| 368,004 | 337,337 |
| 208,046 | 146,454 |
| 536,519 | 1,074,699 |
| 46,651,883 | 41,001,532 |

32 Provision for tax
Current tax

Provision for income tax
Less: Excess/(Short) provision adjustment

| | |
|--------------------|--------------------|
| 691,404,197 | 604,672,845 |
| - | - |
| 691,404,197 | 604,672,845 |

Deferred tax

Expense/(income) on taxable temporary differences (Note-9.3 a)
Expense/(Income) on taxable temporary differences (Note-12.5)

| | |
|---------------------|------------------|
| (9,766,013) | 185,807 |
| (4,481,947) | 2,376,118 |
| (14,247,960) | 2,561,925 |

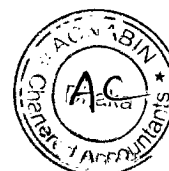
Reconciliation of effective tax rate

| | 2021 | | 2020 | |
|--|--------------------|---------------|--------------------|---------------|
| | Taka | % | Taka | % |
| Tax using the company's tax rate | 645,391,954 | 37.50% | 561,810,068 | 37.50% |
| Tax effect of : | | | | |
| Provision for non-deductible expenses | 1,502,720 | 0.09% | 957,953 | 0.06% |
| Adjustment/provision released during the year | 73,723,874 | 4.28% | 47,515,510 | 3.17% |
| Other components of tax as per ITO 1984 | (30,058,495) | -1.75% | (13,242,550) | -0.88% |
| Difference between accounting and tax depreciation | 844,144 | 0.05% | 7,631,864 | 0.51% |
| Effective tax rate | 691,404,197 | 40.17% | 604,672,845 | 40.36% |

33 Retained earnings

Opening balance
Add: Profit after tax for the year transferred from Profit & Loss Account
Accumulated profit available for distribution
Less: Appropriations
Transferred to statutory reserve
Transferred to general reserve
Transferred to contingency reserve
Issue of bonus shares for previous year
Cash dividend paid for last year
Closing balance

| | |
|----------------------|----------------------|
| 523,564,368 | 497,824,092 |
| 1,043,888,973 | 890,925,410 |
| 1,567,453,341 | 1,388,749,502 |
| 207,488,378 | 146,055,540 |
| 300,000,000 | 250,000,000 |
| - | - |
| 231,213,870 | 201,055,540 |
| 231,213,872 | 268,074,054 |
| 969,916,120 | 865,185,134 |
| 597,537,221 | 523,564,368 |



| | 31 December 2021 Taka | 31 December 2020 Taka |
|--|--------------------------|--------------------------|
| 34 Earnings per share | | |
| Profit after Tax | 1,043,888,973 | 890,925,410 |
| Profit available for ordinary shareholders | 1,043,888,973 | 890,925,410 |
| Number of shares outstanding for calculating basic EPS | 177,263,968 | 177,263,968 |
| Basic earnings per share | 5.89 | 5.03 |

No diluted earning per share is required to be calculated for the year as there was no convertible securities for dilution during the year.

| | | |
|--|---------------|---------------|
| 35 Net asset value (NAV) per share | | |
| Shareholders' Equity | 7,244,131,090 | 6,431,455,989 |
| Number of Share | 177,263,968 | 177,263,968 |
| Net asset value (NAV) per share (As at 31 December) | 40.87 | 36.28 |

| | | |
|---|---------------|---------------|
| 36 Net operating cash flows per share (NOCFPS) | | |
| Net cash from operating activities | (7,938,943) | 2,777,116,999 |
| Number of Share | 177,263,968 | 177,263,968 |
| Net operating cash flows per share (NOCFPS) | (0.04) | 15.67 |

37 Reconciliation of net profit with cash flows from operational activities on direct method:

| Particulars | Amount in Taka | | Remarks |
|---|--------------------|----------------------|--------------------------|
| | 2021 | 2020 | |
| Profit after tax | 1,043,888,973 | 890,925,410 | |
| Provision for income tax | 677,156,237 | 607,234,770 | Non cash item |
| Depreciation | 47,830,946 | 49,754,040 | Non cash item |
| Provision for Loans and advances | 226,618,475 | 151,605,837 | Non cash item |
| Provision for Diminution in value of investment | (30,018,557) | (24,897,811) | Non cash item |
| Interest Suspense | 22,888,384 | 12,076,868 | Non cash item |
| Gain/loss on sale of fixed assets | (183,140) | (1,051,048) | Non-operating item |
| ZCB interest accrued | 5,436,756 | - | Non cash item |
| Accrual for dividend, LAD and interest receivable | 20,800,279 | (83,508,556) | Changes in accrual |
| Accrual for expenses | (151,125,601) | (523,996,131) | Changes in accrual |
| Purchase & sale of trading securities | (208,993,187) | (28,954,013) | (Inc)/Dec of assets |
| Loans and advances | (1,082,426,820) | 1,771,166,576 | (Inc)/Dec of assets |
| Other Assets | (78,836,599) | (5,919,874) | (Inc)/Dec of assets |
| Loan and deposit from Banks and Customer | 151,485,493 | 415,590,305 | Inc/(Dec) of liabilities |
| Other liabilities | (6,023,629) | 38,127,711 | Inc/(Dec) of liabilities |
| Income tax paid | (646,436,953) | (491,037,085) | |
| Net cash flows from operating activities | (7,938,943) | 2,777,116,999 | |

37A Cash and cash equivalents (net off overdraft) at the end of the period

| | | |
|---|-----------------------|-----------------------|
| In hand | 101,102 | 132,671 |
| Balance with Bangladesh Bank and its agent Bank | 557,965,870 | 575,108,250 |
| Balance with other banks and financial institutions | 14,725,958,032 | 14,338,776,037 |
| Bank Overdraft | (162,375,510) | (282,195,996) |
| | 15,121,649,494 | 14,631,820,962 |

38 Dividend on ordinary shares

Proposed dividend:

The Board of Directors in its 128th meeting held on 28 February 2022 has recommended cash dividend @ 15% i.e. Taka 1.5 per ordinary share and stock dividend @ 10% (i.e. 1 bonus shares for every 10 ordinary shares held) for the year ended 31 December 2021 for placement before the shareholders for approval at 26th AGM of the company.

39 Foreign currency inward/outward remittance

During this year no such transaction occurred that should be reported.



40 Related party transactions

The company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard-24 "Related Party Disclosures". The terms of related party transaction are not significantly different from those that could have been obtained from third parties. The significant related party transactions are as follows:

| Name of the related parties | Relationship | Particulars | Expenses incurred during the year (Taka) |
|--|--------------|-------------------|--|
| Delta Life Insurance Company Limited (DLIC) | Shareholder | Insurance premium | 2,752,808 |
| Green Delta Insurance Company Limited(GDICL) | Shareholder | Insurance premium | 1,252,563 |

| Name of the related parties | Relationship | Share Buy (Taka) | Share Sale (Taka) | Balance (Taka) |
|-----------------------------|---------------------|------------------|-------------------|----------------|
| Green Delta Securities Ltd. | Subsidiary of GDICL | 459,297,489 | 455,481,221 | 17,520,317 |
| Delta Life Securities Ltd. | Subsidiary of DLICL | 22,009,915 | 22,065,561 | 69,112 |

| Name of the related parties | Relationship | Deposits Received (Taka) | Interest & Principal Paid during the period (Taka) | Balance (Taka) |
|--|--------------|--------------------------|--|----------------|
| Delta Life Insurance Company Limited (DLIC) | Shareholder | 60,000,000 | - | 281,989,652 |
| Green Delta Insurance Company Limited(GDICL) | Shareholder | - | - | 23,307,943 |
| BRAC | Shareholder | 100,000,000 | 47,683 | 101,761,814 |

| Name of the related parties | Relationship | Invested amount | Dividend received | Balance |
|-----------------------------|-------------------------------------|-----------------|-------------------|------------|
| Vanguard AML | Close family member of the Chairman | 10,000,000 | 1,142,421 | 10,000,000 |

| Name of the related party | Relationship | Investment in Preference share (opening balance) | Received during the year | Balance receivable (including dividend) as of 31 Dec 2021 |
|-----------------------------|--|--|--------------------------|---|
| Union Capital Limited (UCL) | One of the Directors of UCL is the close family member of the Chairman | 8,000,000 | 2,000,000 | 9,777,129 |

In the year 2021 (Jan'21 – Dec'21) Taka 46,026,117 was paid as salary and allowances to the top 5 employees of the company. The amount includes short-term employee benefits of Taka 43,666,917/- and post-employment benefits of Taka 2,359,200/-

41 During the year under audit, there were 293 (2020: 237) employees employed for the full period and 105 (2020: 33) employees for less than full period at a remuneration of Taka 3,000 and above per month.


42. General Disclosure
42.1 Name of Directors and entities in which they have interest as Director as at 31 December 2021:

| Name | Position at DBH | Involvement in other organization | |
|---------------------------------------|----------------------|--|---|
| | | Name of the Organization in which they have interest | Position |
| Mr. Nasir A. Choudhury | Chairman | Green Delta Insurance Company Ltd. | Advisor |
| | | Nascom (Pvt.) Ltd. | Managing Director |
| | | United Hospital (Pvt) Ltd. | Director (Representing GDIC) |
| | | Green Delta Securities Ltd. | Chairman |
| | | Green Delta Capital Ltd. | Chairman |
| | | GD Assist Ltd. | Chairman |
| | | Professional Advancement Bangladesh | Chairman |
| Dr. A M R Chowdhury | Vice Chairman | BRAC University | Member, Board of Trustees |
| Ms. Mehreen Hassan, Bar-at-Law | Director | Nil | Nil |
| Mr. Md. Mujibur Rahman | Director | Shanta Holdings Limited | Executive Director |
| | | Shanta Securities Limited | Director |
| | | Centre for Women and Child Health (CWCH) | Member of the Board of Trustees and General Secretary and Treasurer |
| Mr. Syed Moinuddin Ahmed | Director | Green Delta Insurance Co. Ltd | AMD & Company Secretary |
| | | GD Assist Ltd. | Managing Director |
| | | Green Delta Dragon AMC | Director (Representing GDIC) |
| | | Professional Advancement Bangladesh | Director (Representing GDIC) |
| Mr. M. Anisul Haque | Director | Shanta Holdings Limited | Executive Director, Group Finance |
| | | Delta Life Securities Ltd | Director |
| | | Shanta Securities Limited | Director |
| Mr. Mohammad Anisur Rahman | Director | BRAC | Senior Director Enterprises |
| Ms. Rasheda K. Choudhury | Independent Director | Campaign for Popular Education (CAMPE) | Executive Director |
| Major General Syeed Ahmed BP, (Retd.) | Independent Director | Nil | Nil |

Mr. Nasir A. Choudhury and Mr. Syed Moinuddin Ahmed are the Representative Directors of Green Delta Insurance Company Ltd. Dr. A. M. R. Chowdhury and Mr. Mohammad Anisur Rahman are the Representative Directors of BRAC. Ms. Mehreen Hassan, Bar-at-law, Mr. Md. Mujibur Rahman and Mr. M. Anisul Haque, FCMA are the Representative Directors of Delta Life insurance company Ltd.



42.2 Audit committee

The Audit Committee consists of the following Directors of the Board as at **31 December 2021**:

| Name | Status with the Company | Status with the Committee | Educational Qualification |
|-----------------------------------|-------------------------|---------------------------|----------------------------|
| Major General Syeed Ahmed (Retd.) | Independent Director | Chairman | BA (Honours), BP, awc, psc |
| Mr. Md. Mujibur Rahman | Director | Member | M.COM |
| Ms. Rasheda K. Choudhury | Independent Director | Member | MA |
| Mr. Syed Moinuddin Ahmed | Director | Member | MBA |
| Mr. M. Anisul Haque | Director | Member | FCMA |

During the period from January to December 2021, the audit committee of the Board conducted 4 (four) meetings.

| Sl. No. | Meeting No | Meeting Date |
|---------|------------|--------------|
| 1 | 55 | 22-Mar-21 |
| 2 | 56 | 6-May-21 |
| 3 | 57 | 28-Jul-21 |
| 4 | 58 | 28-Oct-21 |

The Committee discussed among others, the following issues:

Review of Internal Compliance Report.

Review of the un-audited quarterly financial statements and the audited financial statements.

Appointment / Re-appointment of Statutory Auditors.

42.3 Events after the Balance Sheet date

The Board of Directors in its 125th meeting held on 28/10/2021 approved to increase its authorized capital to Taka 400 crore from existing Taka 200 crore subject to completion of further regulatory requirements. Other than that there is no material adjusting or non-adjusting events after the balance sheet date.

42.4 Disclosure as required by FRC

Ref no.-178/FRC/APR/2021/28(7) dated 22 Dec 2021 with further reference of DFIM Circular no.-08 dated 17 August 2021

DBH has very fewer number of corporate clients or Public Interest Entities in its loan portfolio. As of 31 December 2021 it had 19 nos corporate clients and their portfolio was Taka 30.10 crore (0.68% of total portfolio) only. The company did not disburse or renew any loan in favor of any company or public interest entity after issuance of the said DFIM circular.

42.5 Comparative information

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.



Annexure-A

**Schedule of Fixed assets and Intangible assets:
For the year 2021**

| Particulars | Cost | | | | Depreciation/Amortization | | | | Amount in Taka |
|----------------------------------|------------------------------|---------------------------|---------------------------|--------------------------------|------------------------------|----------------------|-------------------------|--------------------------------|---|
| | Balance as on 1 January 2021 | Additions during the year | Disposals during the year | Balance as at 31 December 2021 | Balance as on 1 January 2021 | Charged for the year | Adjustment on disposals | Balance as at 31 December 2021 | Written down value as at 31 December 2021 |
| Furniture & fixtures | 67,571,775 | 3,917,099 | 531,862 | 70,957,012 | 49,995,445 | 6,465,275 | 527,398 | 55,933,322 | 15,023,690 |
| Office Equipment | 32,285,503 | 2,462,114 | 657,627 | 34,089,990 | 25,782,452 | 2,817,648 | 652,122 | 27,947,978 | 6,142,012 |
| Computer and computer equipments | 56,718,630 | 513,907 | 3,643,317 | 53,589,220 | 42,257,767 | 5,508,325 | 3,524,809 | 44,241,283 | 9,347,937 |
| Vehicles | 41,767,205 | 623,580 | 351,000 | 42,039,785 | 36,829,174 | 2,973,043 | 350,998 | 39,451,219 | 2,588,566 |
| Building | 198,480,625 | | | 198,480,625 | 25,115,893 | 5,928,549 | - | 31,044,442 | 167,436,183 |
| Land | 13,658,300 | | | 13,658,300 | - | - | - | - | 13,658,300 |
| Right of use asset | 97,810,612 | 9,979,639 | | 107,790,251 | 40,692,406 | 23,015,594 | 552,446 | 63,155,554 | 44,634,697 |
| | 508,292,650 | 17,496,339 | 5,183,806 | 520,605,183 | 220,673,137 | 46,708,434 | 5,607,773 | 261,773,798 | 258,831,385 |
| Intangible asset: | | | | | | | | | |
| Software | 8,012,936 | 2,610,750 | - | 10,623,686 | 5,751,501 | 1,122,512 | - | 6,874,013 | 3,749,673 |
| Total 2021 | 516,305,586 | 20,107,089 | 5,183,806 | 531,228,869 | 226,424,638 | 47,830,946 | 5,607,773 | 268,647,811 | 262,581,058 |

**Schedule of Fixed assets and Intangible assets:
For the year 2020**

| Particulars | Cost | | | | Depreciation/Amortization | | | | Amount in Taka |
|----------------------------------|------------------------------|---------------------------|---------------------------|--------------------------------|------------------------------|----------------------|-------------------------|--------------------------------|---|
| | Balance as on 1 January 2020 | Additions during the year | Disposals during the year | Balance as at 31 December 2020 | Balance as on 1 January 2020 | Charged for the year | Adjustment on disposals | Balance as at 31 December 2020 | Written down value as at 31 December 2020 |
| Furniture & fixtures | 62,783,958 | 5,249,212 | 461,395 | 67,571,775 | 43,396,292 | 7,034,867 | 435,714 | 49,995,445 | 17,576,330 |
| Office Equipment | 32,394,564 | 1,030,277 | 1,139,338 | 32,285,503 | 23,742,150 | 3,171,235 | 1,130,933 | 25,782,452 | 6,503,051 |
| Computer and computer equipments | 46,469,271 | 12,432,834 | 2,183,475 | 56,718,630 | 38,641,789 | 5,731,689 | 2,115,711 | 42,257,767 | 14,460,863 |
| Vehicles | 41,896,336 | 230,720 | 359,851 | 41,767,205 | 30,915,738 | 6,273,284 | 359,848 | 36,829,174 | 4,938,031 |
| Building | 198,480,625 | | | 198,480,625 | 19,187,344 | 5,928,549 | - | 25,115,893 | 173,364,732 |
| Land | 13,658,300 | | | 13,658,300 | - | - | - | - | 13,658,300 |
| Right of use asset | 57,438,081 | 40,484,585 | 112,054 | 97,810,612 | 20,234,791 | 20,457,615 | - | 40,692,406 | 57,118,206 |
| | 453,121,135 | 59,427,628 | 4,256,113 | 508,292,650 | 176,118,104 | 48,597,239 | 4,042,206 | 220,673,137 | 287,619,513 |
| Intangible asset: | | | | | | | | | |
| Software | 7,295,936 | 717,000 | - | 8,012,936 | 4,594,700 | 1,156,801 | - | 5,751,501 | 2,261,435 |
| Total 2020 | 460,417,071 | 60,144,628 | 4,256,113 | 516,305,586 | 180,712,804 | 49,754,040 | 4,042,206 | 226,424,638 | 289,880,948 |

