

**Auditor's Report and Audited Financial Statements
of
DBH Finance PLC.
For the year ended on 31 December 2022**

**Independent Auditor's Report
To the Shareholders of DBH Finance PLC.**

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of DBH Finance PLC. (the Company), which comprise the balance sheet as at 31 December 2022, 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 2022, 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 portfolios associated with credit risk is significant and complex.	We tested the design and operating effectiveness of key controls focusing on the following:



<p>For the individual (party-wise) analysis, these provisions consider the estimates of future 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 44,535,972,899 (2021: BDT 43,830,505,644) and provision for loans and advances of BDT 941,521,996 (2021: BDT 1,105,800,154).</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 primarily depends on key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates. 	<ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • 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 companies 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</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>

<p>matters that have a probable and estimable impact on the financial position.</p>	
<p>See note # 2.27, note # 17.1 and note # 17.2 to the financial statements.</p>	
<p>Accuracy and completeness of revenue recognized</p>	
<p>The Company reports revenue of BDT 518.00 crore from Interest on loans, short-term investment, term deposit receipts, Commission, exchange and brokerage income, investment income and related activities.</p> <p>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.</p> <p>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.</p>	<p>Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:</p> <ul style="list-style-type: none"> • 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.
<p>See notes # 18, 20, 21 and 22 to the financial statements</p>	
<p>Investment and provision for diminutions in the value of investments</p>	
<p>The Company reports investments of BDT 251.70 crore, which is comprised of Government securities BDT 165.86 crore, marketable securities of BDT 79.09 crore, non-marketable securities of BDT 6.45 crore, and preference shares BDT 0.30 crore.</p> <p>The process for estimating the provision against the investments associated with credit risk is significant and complex.</p> <p>We focused on this area because of the significance of the investments in the financial</p>	<p>Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:</p> <ul style="list-style-type: none"> • 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.

<p>statements and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 & 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>	<ul style="list-style-type: none"> • We verified the existence and legal ownership of equity investments and mutual funds by confirming investment holdings with the portfolio statements of brokerage houses and CDBL. • 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.
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See note # 06 and 12.1.3 to the financial statements

IT systems and controls

<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, configurations and other application layer controls identified as key to our audit. 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>
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Other Matter

During our audit, we checked the Information Technology General Controls (ITGC) of DBH Finance PLC. and observed that there are rooms for further improvements, which are being communicated to the management through our letter to the management for their consideration and taking action.



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 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 2400 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 Bank Company Act, 1991 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

29 MAR 2023

ACNABIN, Chartered Accountants



Muhammad Aminul Hoque, FCA

Partner

ICAB Enrollment# 1129

DVC:2303291129AS543002

DBH FINANCE PLC.
Balance Sheet
As at 31 December 2022

Notes	Amount in Taka	
	31 December 2022	31 December 2021
PROPERTY AND ASSETS		
Cash		
	575,264,085	558,066,972
In hand	3.1 99,203	101,102
Balance with Bangladesh Bank and its agent Bank	3.2 575,164,882	557,965,870
Balance with other banks and financial institutions		
	11,018,065,981	14,725,958,032
In Bangladesh	4.1 11,018,065,981	14,725,958,032
Outside Bangladesh	-	-
Money at call on short notice		
	2,700,000,000	-
Investments		
	2,516,950,591	678,218,185
Government	1,658,567,002	8,241,093
Others	858,383,589	669,977,092
Loans and advances		
	44,535,972,899	43,830,505,644
Loans and advances	7 44,535,972,899	43,830,505,644
Fixed assets including land, building, furniture and equipments		
	254,482,380	262,581,058
Other assets		
	145,349,837	223,282,992
Total Assets	61,746,085,773	60,278,612,883
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents		
	11,080,141,587	6,175,673,065
Deposits and other accounts		
	40,060,590,590	43,978,360,429
Fixed deposits	11.1 40,060,590,590	43,978,360,429
Other deposits	-	-
Other liabilities		
	2,610,392,699	2,880,448,299
Total Liabilities	53,751,124,876	53,034,481,793
Shareholders' equity		
Paid-up capital	13.2 1,949,903,640	1,772,639,680
Share premium	14 55,000,000	55,000,000
Statutory reserve	15 1,894,903,641	1,693,914,189
Other reserves	16 3,575,040,000	3,125,040,000
Retained earnings	33 520,113,616	597,537,221
Total equity	7,994,960,897	7,244,131,090
Total liabilities and Shareholders' equity	61,746,085,773	60,278,612,883
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsement	17.1 -	-
Letter of guarantee	-	-
Irrevocable letter of credits	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	-	-
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	-	-
Total other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	-	-

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 March 2023 and were signed on its behalf by:

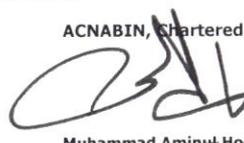

Nasir A. Choudhury
 Chairman

Dated, Dhaka

28 MAR 2023

Dr. A M R Chowdhury
 Vice Chairman


Nasimul Baten
 Managing Director & CEO

ACNABIN, Chartered Accountants

Muhammad Aminul Hoque, FCA

Partner

ICAB Enrollment # 1129

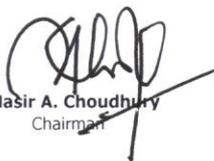
DVC : 2303291129AS543002

DBH FINANCE PLC.
Profit and Loss Account
 For the year ended 31 December 2022

	Notes	Amount in Taka	
		2022	2021
Interest Income	18	4,831,162,037	5,053,574,673
Interest paid on deposits and borrowings etc.	19	(3,045,375,756)	(2,889,901,976)
Net Interest Income		1,785,786,281	2,163,672,697
Income from investment	20	145,220,701	125,111,081
Commission, exchange and brokerage	21	182,889,368	177,520,507
Other operating income	22	20,733,705	16,469,035
Total operating income		2,134,630,055	2,482,773,320
Salary and allowances	23	377,439,782	364,346,554
Rent, taxes, insurance, electricity etc.	24	35,613,730	37,625,863
Legal & professional expenses	25	17,808,124	15,777,000
Postage, stamp, telecommunication etc.	26	8,428,116	8,673,069
Stationery, printing, advertisements etc.	27	19,997,884	11,309,741
Managing Director's salary and fees	27.1	13,000,000	13,000,000
Directors' fees and expenses	28	956,075	1,069,840
Auditor's fees	29	575,000	546,250
Depreciation, repairs & maintenance	30	70,854,191	66,127,992
Other expenses	31	65,789,218	46,651,883
Total operating expenses		610,462,120	565,128,192
Profit before provisions		1,524,167,935	1,917,645,128
Provisions:			
Loans and advances	12.1.A	(164,278,158)	226,288,475
Diminution in value of investments	12.1.3	105,946,283	(33,795,686)
Other Assets		2,239,804	4,107,129
Total provisions		(56,092,071)	196,599,918
Profit before tax		1,580,260,006	1,721,045,210
Provision for tax:			
Current tax	32	563,325,906	691,404,197
Deferred tax expense/(income)		208,341	(14,247,960)
		563,534,247	677,156,237
Profit after tax		1,016,725,759	1,043,888,973
Appropriations			
Statutory reserve		200,989,452	207,488,378
General reserve		450,000,000	300,000,000
		650,989,452	507,488,378
Retained surplus		365,736,307	536,400,595
Earnings Per Share	34	5.21	5.35

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 March 2023 and were signed on its behalf by:


Nasir A. Choudhury
 Chairman

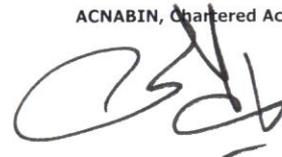

Dr. A M R Chowdhury
 Vice Chairman


Nasimul Baten
 Managing Director & CEO

Dated, Dhaka

28 MAR 2023

ACNABIN, Chartered Accountants



Muhammad Aminul Hoque, FCA
 Partner
 ICAB Enrollment # 1129

DVC: 2303291129AS543002

DBH FINANCE PLC.
Cash Flow Statement
For the year ended 31 December 2022

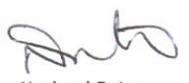
	Amount in Taka	
	2022	2021
Cash flows from operating activities		
Interest receipts	4,862,890,986	5,074,370,924
Interest payments	(2,932,185,465)	(3,052,499,223)
Dividend receipts	33,308,674	44,972,394
Fees and commission receipts in cash	182,889,368	177,520,507
Cash payments to employees, suppliers and various operating expense	(563,849,822)	(501,978,998)
Income tax paid	(751,242,259)	(646,436,953)
Receipts from other operating activities	115,445,861	16,323,437
Cash generated from operating activities before changes in operating assets and liabilities	947,257,343	1,112,272,088
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(702,202,181)	(1,082,426,820)
Investment in trading securities	(179,526,069)	(128,888,015)
Other assets	31,417,955	(77,246,445)
Loans and deposits from banks and other customers	(3,917,769,839)	151,485,493
Interest suspense	(3,368,205)	22,888,384
Other liabilities	(6,146,184)	(6,023,628)
Cash generated/ (utilized) in operating assets and liabilities	(4,777,594,523)	(1,120,211,031)
Net cash flows from/(used in) operating activities	37 (3,830,337,180)	(7,938,943)
Cash flows from investing activities		
Net proceeds(Payments) for sale/purchase of Treasury Bond	(1,650,325,909)	(7,200,770)
Other investments	3,000,000	27,000,000
Purchase of property, plant & equipment	(27,979,469)	(10,127,450)
Proceeds from sell of property, plant & equipment	1,887,651	311,619
Net cash flows from/(used in) investing activities	(1,673,417,727)	9,983,399
Cash flows from financing activities		
Net Receipt of Loan & Zero Coupon Bond	4,649,422,568	718,995,786
Cash dividend paid	(265,895,952)	(231,213,872)
Net cash flows from/(used in) financing activities	4,383,526,616	487,781,914
Net increase/(decrease) in cash and cash equivalents	(1,120,228,291)	489,826,370
Effects of exchange rate changes on cash and cash equivalents	36,852	2,162
Cash and cash equivalents (net off overdraft) at the beginning of the period	15,121,649,494	14,631,820,962
Cash and cash equivalents (net off overdraft) at the end of the period	37A 14,001,458,055	15,121,649,494

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 March 2023 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

28 MAR 2023

ACNABIN, Chartered Accountants



Muhammad Aminul Hoque, FCA
 Partner
 ICAB Enrollment# 1129

DVC : 2303291129AS543002

DBH FINANCE PLC.
Statement of Changes in Equity
For the year ended 31 December 2022

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2022	1,772,639,680	55,000,000	1,693,914,189	3,125,040,000	597,537,221	7,244,131,090
Net profit (after tax) for the period	-	-	-	-	1,016,725,759	1,016,725,759
Transferred to reserve funds	-	-	200,989,452	450,000,000	(650,989,452)	-
Stock dividend issued	177,263,960	-	-	-	(177,263,960)	-
Cash dividend paid	-	-	-	-	(265,895,952)	(265,895,952)
Balance at 31 December 2022	1,949,903,640	55,000,000	1,894,903,641	3,575,040,000	520,113,616	7,994,960,897

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





DBH FINANCE PLC.
Liquidity Statement
As at 31 December 2022

Particulars	Amount in Taka					
	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)	575,264,085	-	-	-	-	575,264,085
Balance with other banks and financial institutions	4,810,675,819	6,207,390,162	-	-	-	11,018,065,981
Money at call on short notice	2,700,000,000	-	-	-	-	2,700,000,000
Investments	770,884,089	-	9,500,000	-	1,736,566,502	2,516,950,591
Loans and advances	925,304,504	1,591,147,149	6,124,456,201	21,739,100,868	14,155,964,177	44,535,972,899
Fixed assets including land, building, furniture, equipments & ROU asset	3,187,247	6,277,657	18,975,850	73,639,304	152,402,322	254,482,380
Other assets	29,993,544	98,009,069	13,177,224	4,170,000	-	145,349,837
Total Assets	9,815,309,288	7,902,824,037	6,166,109,275	21,816,910,172	16,044,933,001	61,746,085,773
Liabilities						
Borrowing from other banks and financial institutions	6,047,185,076	1,348,705,841	1,143,891,921	2,540,358,749	-	11,080,141,587
Deposits and other accounts	1,042,588,560	5,037,536,758	4,741,858,166	109,766,059	29,128,841,047	40,060,590,590
Other liabilities	421,580,130	457,005,142	742,522,223	500,628,216	488,656,988	2,610,392,699
Total liabilities	7,511,353,766	6,843,247,741	6,628,272,310	3,150,753,024	29,617,498,035	53,751,124,876
Net liquidity gap	2,303,955,522	1,059,576,296	(462,163,035)	18,666,157,148	(13,572,565,034)	7,994,960,897



DBH FINANCE PLC.
Notes to the Financial Statements
as at and for the year ended 31 December 2022

1 Company and its activities

(a) Legal status

DBH Finance PLC. (here-in-after referred to as "DBH" or "the Company") formerly known as Delta Brac Housing Finance Corporation Ltd. 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 2022 to 31 December 2022.

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

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 (57.42) million (note#12.1) and deferred tax liability of Taka 21.53 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 164.28 million has been released for the year 2022. Among which Taka 2.1 million is charged as General Provision and Taka 166.42 million is released 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 decreased to Taka 77.18 million from taka 80.55 million resulting in an decrease of Taka 3.37 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:-

- a) 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.
- b) Investments are on the basis of their respective maturity.
- c) Loans and advances are on the basis of their repayment schedule and past trend of early settlement.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their realization / amortization.
- f) Borrowings from other banks, financial institutions and agents are as per their maturity/repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) 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:

- i) The contract involves the use of an identified asset;
- ii) DBH has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use;
- iii) 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 the asset is used, the contract is a lease. 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 have been valued at cost or market price whichever is lower on an aggregate portfolio basis. Above mutual funds and Peninsula SBC Unit Fund-1and Peninsula AMCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2022 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 overdue interest and 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 confirmed employees who complete minimum 5 years of 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 service - Nil

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 fourteen offices (head office & thirteen branches), with no overseas branch as on December 31, 2022. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.



2.29 General

- a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
 b) 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

Name of the IAS	IAS No.	Status
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

Name of the IFRS	IFRS No.	Status
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.

2.33 Islamic Finance Wing

The Board of Directors of DBH Finance PLC. (DBH) at its 124th meeting held on September 2, 2021 approved the proposal for opening of Islamic Financing Wing (IFW) at all the existing DBH branches in addition to its Conventional Financing subject to the approval of Bangladesh Bank. Accordingly, DBH applied to Bangladesh Bank (BB) and received a letter on March 09, 2022 from them to proceed with conditions and submissions of necessary documents for opening DBH IFW. As per their letter, DBH amended its Memorandum of Association and Articles of Association and incorporated the provision of Shari'ah-based Islamic Financing businesses as well as the appointment of Shari'ah Supervisory Committee. Afterward, DBH formed Shari'ah Supervisory Committee and Islamic Financing Division (IFD) including its Organizational Structure and provided training to the concerned Executives and Officials of its IFW. It also adopted required policies, processes and Product Programme Guidelines (PPGs). Besides, Islamic Core Business Software (i-CBS) has been developed by DBH IT Department for operating Shari'ah-based businesses. On January 16, 2023 DBH applied to BB for approval of opening DBH IFW at all the existing branches of DBH. In response, on February 23, 2023 we received conditional approval from DFIM of Bangladesh Bank including their instruction of submitting further few documents for obtaining final approval for opening DBH IFW.



	31 December 2022 Taka	31 December 2021 Taka
3 Cash		
3.1 Cash in hand		
Local Currency	99,203	101,102
Foreign Currency	-	-
	99,203	101,102
3.2 Balance with Bangladesh Bank and its agent bank		
Bangladesh Bank:		
Local Currency	574,900,376	557,718,669
Foreign Currency	224,177	186,612
Balance with Sonali Bank being an agent of Bangladesh Bank	575,124,553	557,905,281
	40,329	60,589
	575,164,882	557,965,870
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	541,617,554	529,409,292
Actual average reserve maintained	568,857,056	548,433,458
Surplus/(deficit)	27,239,502	19,024,166
3.3.2 Statutory Liquidity Reserve (SLR)		
Required reserve (including CRR)	2,003,207,047	1,844,250,534
Actual reserve maintained (including CRR note -3.3.1)	7,816,862,183	13,584,780,502
Surplus/(deficit)	5,813,655,136	11,740,529,968
4 Balance with other banks and financial institutions		
In Bangladesh (Note 4.1)	11,018,065,981	14,725,958,032
Outside Bangladesh	-	-
	11,018,065,981	14,725,958,032
4.1 In Bangladesh		
Current deposits	14,523,190	14,760,292
Short-term deposits	4,336,630,059	5,482,075,239
Fixed deposits	6,666,912,732	9,229,122,501
	11,018,065,981	14,725,958,032
4.2 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	2,610,675,819	2,748,387,471
Up to 1 month	2,200,000,000	2,522,819,531
Over 1 month but not more than 3 months	6,207,390,162	7,227,480,992
Over 3 months but not more than 6 months	-	1,705,946,875
Over 6 months but not more than 1 year	-	521,323,163
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	11,018,065,981	14,725,958,032
5 Money at call on short notice		
NCC Bank Ltd.	1,000,000,000	-
Agrani Bank Ltd.	1,000,000,000	-
NRB Bank Ltd.	100,000,000	-
Community Bank Bangladesh Limited	600,000,000	-
	2,700,000,000	-
6 Investments		
Government securities:	1,658,567,002	8,241,093
Other investments:		
Non marketable securities (Note-6.1)	64,499,500	64,499,500
Preference Share (Union Capital Ltd.)	3,000,000	6,000,000
Marketable securities (Note-6.2)	790,884,089	599,477,592
	858,383,589	669,977,092
	2,516,950,591	678,218,185

7.3 Loans and advances - geographical location-wise
Inside Bangladesh:

Urban

Dhaka

Chattogram

Sylhet

Cumilla

Gazipur

Narayangonj

Khulna

Rajshahi

Rangpur

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.

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.

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.

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

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

c) Amount of interest creditable to interest suspense account

xi) Cumulative amount of written off loans and advances

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

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

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 2022 Taka	31 December 2021 Taka
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38,799,587,406	38,888,314,025
2,181,357,827	2,217,153,504
199,996,539	204,999,175
530,562,635	486,920,562
2,076,797,218	1,693,093,594
500,537,618	332,531,045
164,387,238	7,493,739
70,974,826	-
11,771,592	-
44,535,972,899	43,830,505,644
-	-
44,535,972,899	43,830,505,644

44,392,332,848	43,767,623,400
6,351,381	5,635,861
137,288,670	57,246,383
-	-
44,535,972,899	43,830,505,644

143,455,927 136,682,488

- -

143,455,927 140,396,911

- -

- -

(166,418,711) 208,253,557

- -

306,518,001 251,490,708

77,181,131 80,549,336

8,820,658 8,820,658

- -

- -

8,820,658 8,820,658

9,425,086 9,425,086

44,003,423,839	43,300,860,396
147,782,361	253,125,075
44,151,206,200	43,553,985,471

70,152,435	13,025,535
8,096,263	12,003,930
306,518,001	251,490,708
384,766,699	276,520,173

44,535,972,899 43,830,505,644

7.7 Calculation of provision for loans and advances as per Loan Classification Report as on December 31, 2022.

Nature	Base for provision	Rate (%)	Provision required
Standard	43,580,410,192	1	435,804,102
Standard (Loans to Assets Management Company)	94,612,693	2	1,892,254
Special mentioned account	134,491,303	5	6,724,565
Sub-standard	11,827,422	20	2,365,484
Doubtful	1,214,439	50	607,220
Bad/loss	61,136,000	100	61,136,000
Staff loan - standard	143,455,927	1	1,434,559
Loan against deposit - standard	184,945,027	1	1,849,450
			511,813,634

31 December 2022 Taka	31 December 2021 Taka
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8 Fixed assets including land, building, furniture, equipment and right-of-use asset:

Cost

Balance as of 01 January
Addition during the year

531,228,869	516,305,586
41,804,980	20,107,089
573,033,849	536,412,675

Disposal/Adjustments
Balance as of 31 December

(4,585,524)	(5,183,806)
568,448,325	531,228,869

Depreciation

Balance as of 01 January
Addition during the year

268,647,811	226,424,638
49,861,986	47,830,946
318,509,797	274,255,584

Disposal/Adjustments
Balance as of 31 December

(4,543,852)	(5,607,773)
313,965,945	268,647,811

Written down value
Details are shown in annexure A.

254,482,380	262,581,058
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9 Other assets

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

125,600,497	178,902,729
6,674,786	30,971,855
3,450,762	3,642,395
9,623,792	9,766,013
145,349,837	223,282,992

9.1 Account receivables

Interest receivable
Dividend receivable
Sundry receivable

42,687,539	91,543,925
10,494,882	7,021,419
72,418,076	80,337,385
125,600,497	178,902,729

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
Advance against IPO
Security deposits
Prepaid expenses

132,668	920,260
1,299,000	2,070,224
-	22,083,930
4,170,000	3,670,000
1,073,118	2,227,441
6,674,786	30,971,855

9.3 Deferred tax assets

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

9,766,013	-
(142,221)	9,766,013
9,623,792	9,766,013

9.3 a Calculation of deferred tax assets

Carrying amount of Fixed Assets (excluding land and ROU Assets)
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/(expenses)

206,508,888	204,288,057
232,172,334	230,330,757
25,663,446	26,042,700
37.50%	37.50%
9,623,792	9,766,013
-	-
-	-
-	-
10%	10%
-	-
9,623,792	9,766,013
9,766,013	-
(142,221)	9,766,013

	31 December 2022 Taka	31 December 2021 Taka
10 Borrowing from other banks, financial institutions and agents		
Inside Bangladesh (Note 10.1)	11,080,141,587	6,175,673,065
Outside Bangladesh	-	-
	11,080,141,587	6,175,673,065
10.1 Inside Bangladesh		
a Secured Short-term loan:		
Standard Chartered Bank	1,300,000,000	1,300,000,000
Citi Bank, NA	-	290,000,000
	1,300,000,000	1,590,000,000
b Unsecured Short-term loan:		
Brac Bank Ltd.	2,500,000,000	-
National Credit and Commerce Bank Ltd.	1,000,000,000	-
The City Bank Ltd.	800,000,000	-
The Trust Bank Ltd.	600,000,000	-
Eastern Bank Ltd.	-	800,000,000
Dhaka Bank Ltd.	-	500,000,000
	4,900,000,000	1,300,000,000
c Unsecured long-term loan:		
Bangladesh Bank (Housing refinance)	1,239,991,060	1,470,263,573
	1,239,991,060	1,470,263,573
d Bank overdraft:		
Commercial Bank of Ceylon PLC	5,836,346	1,373,084
Woori Bank	163,545,227	146,642,878
Pubali Bank Ltd.	122,490,438	8,243,694
Standard Chartered Bank	-	6,115,816
IFIC Bank Ltd.	-	38
	291,872,011	162,375,510
e Call loans:		
Community Bank Bangladesh Ltd.	600,000,000	-
Brac Bank Ltd.	500,000,000	-
United Commercial Bank Ltd.	-	500,000,000
Janata Bank Ltd.	-	400,000,000
	1,100,000,000	900,000,000
f Zero Coupon Bond:		
Zero Coupon Bond	2,248,278,516	753,033,982
Total inside Bangladesh(a+b+c+d+e+f)	11,080,141,587	6,175,673,065
10.2 Security against borrowings from other banks, financial institutions and agents		
Secured	1,591,872,011	1,752,375,510
Unsecured	9,488,269,576	4,423,297,555
	11,080,141,587	6,175,673,065
The aforesaid secured short term 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.		
10.3 Maturity grouping of borrowings from other banks, financial institutions and agents		
Payable on demand	1,100,000,000	900,000,000
Up to 1 month	4,947,185,076	1,312,364,987
Over 1 month but within 3 months	1,348,705,841	1,136,333,974
Over 3 months but within 1 year	1,143,891,921	1,046,640,902
Over 1 year but within 5 years	2,540,358,749	1,296,308,032
Over 5 years	-	484,025,170
	11,080,141,587	6,175,673,065
11 Deposits and other accounts		
Fixed deposits (Note: 11.1)	40,060,590,590	43,978,360,429
Other deposits	-	-
	40,060,590,590	43,978,360,429
11.1 Fixed deposits		
Opening balance	43,978,360,429	43,826,874,936
Addition during the year	78,893,892,765	91,403,586,210
	122,872,253,194	135,230,461,146
Repayment made during the year	82,811,662,604	91,252,100,717
Closing balance	40,060,590,590	43,978,360,429
11.2 Group-wise break-up of deposits and others accounts		
Government	257,737,144	235,392,591
Bank	3,000,000,000	8,650,000,000
Other institutions	17,387,994,916	16,496,814,658
Individuals	19,414,858,530	18,596,153,180
	40,060,590,590	43,978,360,429

11.3 Maturity analysis of deposits

Payable on demand
Up to 1 month
Over 1 month but within 6 months
Over 6 months but within 1 year
Over 1 year but within 5 years
Over 5 years but within 10 years
Over 10 years

31 December 2022 Taka	31 December 2021 Taka
-	-
1,042,588,560	3,426,424,121
7,982,194,485	9,336,497,062
1,797,200,438	3,006,567,378
109,766,059	63,391,321
23,815,940,111	22,661,743,972
5,312,900,936	5,483,736,575
40,060,590,590	43,978,360,429

12 Other liabilities

Provision for loans & investment (Note: 12.1)
Provision for income tax (Note: 12.2)
Interest suspense (Note: 12.3)
Other payables (Note:12.4)
Deferred tax liability (Note:12.5)
Other Assets Provision
Unclaimed dividend account

1,083,726,839	1,142,058,714
246,921,782	434,838,135
77,181,131	80,549,336
1,190,489,725	1,214,414,733
1,642,121	1,576,001
6,346,933	4,107,129
4,084,168	2,904,251
2,610,392,699	2,880,448,299

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.

12.1 Provision for loans and investment

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

1,142,058,714	949,565,925
-	-
-	-
(58,331,875)	192,492,789
-	-
-	-
1,083,726,839	1,142,058,714

12.1.1 General provision

Opening balance
Charged during the year
Closing balance

445,564,377	427,529,459
2,140,553	18,034,918
447,704,930	445,564,377

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

660,235,777	451,982,220
-	-
-	-
(166,418,711)	208,253,557
-	-
-	-
493,817,066	660,235,777

12.1.3 Provision for diminutions in the value of investments

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

36,258,560	70,054,246
105,946,283	(33,795,686)
142,204,843	36,258,560

12.1.A Provision on loans and advances

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

2,140,553	18,034,918
(166,418,711)	208,253,557
(164,278,158)	226,288,475

12.2 Provision for income tax
Provision

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

5,965,392,054	5,273,987,857
-	-
-	-
5,965,392,054	5,273,987,857

Add: Provision made during the year

Closing balance

563,325,906	691,404,197
6,528,717,960	5,965,392,054

Advance tax

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

5,530,553,919	4,884,116,966
629,471,514	539,956,350
121,770,745	106,480,603
-	-
6,281,796,178	5,530,553,919

Less: Adjustment during the year for completed tax assessment

Closing balance

Net balance

6,281,796,178	5,530,553,919
246,921,782	434,838,135

	31 December 2022 Taka	31 December 2021 Taka
12.3 Interest suspense		
Opening balance	80,549,336	57,660,952
Interest suspended during the year	(3,368,205)	22,888,384
Written off suspended interest during the year	-	-
Closing balance	77,181,131	80,549,336
12.4 Other payables		
Interest payable on deposits & loans	828,957,657	841,316,818
Lease liability	29,936,203	40,432,025
Sundry creditors	114,669,333	119,254,967
Unclaimed instruments	11,876,431	11,622,588
Payable to clients	90,419,091	83,359,530
Loan under litigation	8,022,686	19,852,812
Privileged creditors	102,014,115	94,327,673
Liability for expenses	4,594,209	4,248,320
	1,190,489,725	1,214,414,733
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	34,315,192	44,634,695
Right-of-use Asset -Tax base	-	-
Taxable temporary difference	34,315,192	44,634,695
Lease liability- ROU -carrying amount	29,936,203	40,432,025
Lease liability-ROU-Tax base	-	-
Deductible temporary difference	29,936,203	40,432,025
B) Net taxable temporary difference -ROU asset	4,378,989	4,202,670
Total taxable temporary difference (A+B)	4,378,989	4,202,670
Applicable tax rate	37.50%	37.50%
Total deferred tax liability	1,642,121	1,576,001
Deferred tax liability at the beginning of the year	1,576,001	6,057,948
Deferred tax Expense/(income)	66,120	(4,481,947)
13 Share capital		
13.1 Authorized capital		
199,950,000 Ordinary shares of Tk. 10 each	1,999,500,000	1,999,500,000
5,000 Preference shares of Tk. 100 each	500,000	500,000
200,000,000 Ordinary shares of Tk. 10 each	2,000,000,000	-
	4,000,000,000	2,000,000,000
13.2 Issued, subscribed, called and paid-up capital		
Ordinary shares		
Opening	1,772,639,680	1,541,425,810
23,121,387 Ordinary shares of Taka 10 each issued as bonus share	-	231,213,870
17,726,396 Ordinary shares of Taka 10 each issued as bonus share	177,263,960	-
	1,949,903,640	1,772,639,680
13.3 Capital of the Company is held by the following shareholders		
Ordinary shares		
Local shareholders:		
BRAC	35,855,617	358,556,170
Delta Life Insurance Company Ltd.	34,371,750	343,717,500
Green Delta Insurance Company Ltd.	29,843,895	298,438,950
General shareholders	59,379,009	593,790,090
	159,450,271	1,594,502,710
Foreign shareholders:		
General shareholders	35,540,093	355,400,930
	35,540,093	355,400,930
	194,990,364	1,949,903,640



13.4 Break-up of Paid-up capital:

Date of Issue	31 December 2022		
	Number of Shares	Face Value	Amount
11 May 1996 to 28 June 1998	2000000	100	200,000,000
12-Dec-06	200000	100	20,000,000
9-Apr-08	500000	100	50,000,000
2-Dec-08	810000	100	81,000,000
23-Nov-09	526500	100	52,650,000
8-Dec-10	1009125	100	100,912,500
22-Nov-11	5045625	100	504,562,500
Total	10091250	100	1,009,125,000
Face Value Change (2011)	100912500	10	1,009,125,000
14-Nov-12	15136875	10	151,368,750
24-Nov-16	5802468	10	58,024,680
31-Mar-19	12185184	10	121,851,840
17-Jun-20	20105554	10	201,055,540
17-May-21	23121387	10	231,213,870
5-May-22	17726396	10	177,263,960
Total paid-up capital	194990364	10	1,949,903,640

13.5 Capital adequacy ratio - As per BASEL-II
1. Tier-1 (Core Capital)

1.1 Fully Paid-up Capital/Capital Deposited with BB	1,949,903,640	1,772,639,680
1.2 Statutory Reserve	1,894,903,641	1,693,914,189
1.3 Non-repayable Share premium account	55,000,000	55,000,000
1.4 General Reserve	3,325,040,000	2,875,040,000
1.5 Retained Earnings	520,113,616	597,537,221
1.6 Minority interest in Subsidiaries	-	-
1.7 Non-Cumulative irredeemable Preferences shares	-	-
1.8 Dividend Equalization Account	250,000,000	250,000,000
1.9 Others (if any item approved by Bangladesh Bank)	-	-
1.10 Sub-Total (1.1 to 1.9)	7,994,960,897	7,244,131,090

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	-	-
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)	7,994,960,897	7,244,131,090

2. Tier-2 (Supplementary Capital)

2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	307,749,606	309,491,921
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)	307,749,606	309,491,921
2.8 Applicable Deductions (if any)	-	-
2.9 Total Eligible Tier-2 Capital (2.7-2.8)	307,749,606	309,491,921

Total capital

Total risk weighted assets	29,267,753,050	29,116,280,979
Required capital based on risk weighted assets(10%)	2,926,775,305	2,911,628,098
Surplus	5,375,935,198	4,641,994,913
Capital Adequacy Ratio:		
On core capital	27.32%	24.88%
On actual capital (against standard of minimum 10%)	28.37%	25.94%
Supplementary Capital to risk weighted assets	1.05%	1.06%

14 Share premium account

Ordinary shares	55,000,000	55,000,000
	55,000,000	55,000,000



	31 December 2022 Taka	31 December 2021 Taka
15 Statutory reserve		
Opening balance	1,693,914,189	1,486,425,811
Add: addition during the year	200,989,452	207,488,378
Closing balance	1,894,903,641	1,693,914,189
This reserve has been created as per the provision of Financial Institution Act-1993 and Financial Institution Rules-1994.		
16 Other reserves		
Contingency Reserve (Note 16.1)	1,275,000,000	1,275,000,000
General Reserve (Note 16.2)	2,050,000,000	1,600,000,000
Dividend equalization reserve (Note 16.3)	250,000,000	250,000,000
Capital redemption reserve	40,000	40,000
	3,575,040,000	3,125,040,000
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	1,275,000,000	1,275,000,000
Add: addition during the year	-	-
Closing balance	1,275,000,000	1,275,000,000
16.2 General reserve		
Opening balance	1,600,000,000	1,300,000,000
Add: addition during the year	450,000,000	300,000,000
Closing balance	2,050,000,000	1,600,000,000
16.3 Dividend equalization reserve		
Opening balance	250,000,000	250,000,000
Add: addition during the year	-	-
Closing balance	250,000,000	250,000,000
17 Business commitments and contingencies		
17.1 Contingent liabilities	-	-
There is no contingent liability during the year to disclose.		
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.		
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.		
	2022	2021
	Taka	Taka
18 Interest income		
Interest on loans	3,977,254,710	4,105,008,064
Interest on placement with other banks & BB FX deposits	743,516,869	948,066,609
Interest on short term investment	110,390,458	500,000
	4,831,162,037	5,053,574,673
19 Interest paid on deposits and borrowings etc.		
Interest on term loans	68,163,545	79,638,758
Interest on deposits	2,465,496,402	2,591,734,206
Interest on short-term borrowing	366,138,588	202,709,189
Interest on overdraft	8,694,201	3,204,044
Interest on Zero Coupon Bond	125,549,452	5,436,756
Finance cost	8,591,392	3,437,438
Interest expense-lease	2,742,176	3,741,585
	3,045,375,756	2,889,901,976
20 Income from investments		
Gain/(loss) on sale of marketable securities	11,880,429	80,105,172
Dividend income	36,782,137	44,968,368
Interest on Treasury Bond	96,558,135	37,541
	145,220,701	125,111,081



	2022 Taka	2021 Taka
21 Commission, exchange and brokerage		
Loan fees	105,017,993	101,991,972
Other charges and fees	77,871,375	75,528,535
	182,889,368	177,520,507
22 Other operating income		
Property service income	17,946,221	15,745,630
Gain on sale of fixed assets	1,845,979	183,140
Miscellaneous income	603,642	435,255
Forfeited Provident fund income	337,863	105,010
	20,733,705	16,469,035
23 Salary and allowances	377,439,782	364,346,554
Salary and allowances include annual contribution of Tk. 12,615,311 to DBH Staff Provident Fund and Tk. 1,271,934 to DBH Employees Gratuity Fund which are recognised by NBR.		
24 Rent, taxes, insurance, electricity etc.		
Rent, rates & taxes(Note 24.1)	23,449,275	26,496,550
Insurance	4,595,765	4,005,371
Electricity	7,020,003	6,647,818
Water	548,687	476,124
	35,613,730	37,625,863
24.1 Disclosure related to Rent, rates and taxes		
Actual expenses	50,779,579	52,816,036
Less: Re-classification of rent expenses as per IFRS-16	27,330,304	26,319,486
	23,449,275	26,496,550
25 Legal and professional expenses		
Law charges	15,170,110	13,273,484
Other professional charges	2,638,014	2,503,516
	17,808,124	15,777,000
26 Postage, stamp, telecommunication etc.		
Postage & courier service	839,796	623,066
Stamp expenses	3,741,712	3,750,231
Telephone & internet	3,846,608	4,299,772
	8,428,116	8,673,069
27 Stationery, printing, advertisements etc.		
Printing	1,557,762	1,456,100
Stationery	2,537,569	2,064,339
Publicity and advertisement	15,902,553	7,789,302
	19,997,884	11,309,741
27.1 Managing Director's salary and fees	13,000,000	13,000,000
28 Directors' fees and expenses		
Fees for attending meeting	816,000	968,000
Incidental meeting expenses	140,075	101,840
	956,075	1,069,840
29 Statutory annual audit fees (including VAT)	575,000	546,250
30 Depreciation/Amortization, repairs & maintenance		
Depreciation/Amortization:		
Freehold assets	24,543,930	23,692,840
Right-of-use Asset	24,145,016	23,015,594
Intangible assets	1,173,040	1,122,512
	49,861,986	47,830,946
Repairs & maintenance:		
Vehicle	1,288,620	1,406,362
Office equipment & premises	13,118,860	12,802,797
Computer hardware & software	6,584,725	4,087,887
	20,992,205	18,297,046
	70,854,191	66,127,992



	2022 Taka	2021 Taka
31 Other expenses		
Staff training & recruitment expense	508,555	192,223
Office security	4,990,907	3,399,667
Transportation, traveling & conveyance	31,082,958	25,667,950
Canteen expense	2,091,146	1,497,759
Business promotion & entertainment	520,279	804,077
Car fuel	1,717,366	1,582,006
Books and papers	39,116	13,975
Bank charges	5,553,831	5,163,449
Recovery expenses	2,808,949	2,307,904
Donation, subscription and Fees	8,215,663	4,561,824
Public relation & AGM expense	439,600	348,480
Expenses for Islamic Wing	769,618	-
Outsource agency charges	5,176,209	368,004
Brokerage	1,138,125	208,046
Staff welfare expense	736,896	536,519
	65,789,218	46,651,883
32 Provision for tax		
Current tax		
Provision for income tax	563,325,906	691,404,197
Less: Excess/(Short) provision adjustment	-	-
	563,325,906	691,404,197
Deferred tax		
Expense/(income) on taxable temporary differences (Note-9.3 a)	142,221	(9,766,013)
Expense/(Income) on taxable temporary differences (Note-12.5)	66,120	(4,481,947)
	208,341	(14,247,960)
Reconciliation of effective tax rate		
	2022	2021
	Taka	Taka
Tax using the company's tax rate	592,597,502	645,391,954
Tax effect of :		
Provision for non-deductible expenses	975,000	1,502,720
Adjustment/provision released during the year	(21,034,527)	73,723,874
Other components of tax as per ITO 1984	(10,333,895)	(30,058,495)
Difference between accounting and tax depreciation	1,121,826	844,144
Effective tax rate	563,325,906	691,404,197
	35.65%	40.17%
33 Retained earnings		
Opening balance	597,537,221	523,564,368
Add: Profit after tax for the year transferred from Profit & Loss Account	1,016,725,759	1,043,888,973
Accumulated profit available for distribution	1,614,262,980	1,567,453,341
Less: Appropriations		
Transferred to statutory reserve	200,989,452	207,488,378
Transferred to general reserve	450,000,000	300,000,000
Issue of bonus shares for previous year	177,263,960	231,213,870
Cash dividend paid for last year	265,895,952	231,213,872
	1,094,149,364	969,916,120
Closing balance	520,113,616	597,537,221
34 Earnings per share		
Profit after Tax	1,016,725,759	1,043,888,973
Profit available for ordinary shareholders	1,016,725,759	1,043,888,973
Number of shares outstanding for calculating basic EPS	194,990,364	194,990,364
Basic earnings per share	5.21	5.35
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	7,994,960,897	7,244,131,090
Number of Share	194,990,364	194,990,364
Net asset value (NAV) per share (As at 31 December)	41.00	37.15
36 Net operating cash flows per share (NOCFPS)		
Net cash from operating activities	(3,830,337,180)	(7,938,943)
Number of Share	194,990,364	194,990,364
Net operating cash flows per share (NOCFPS)	(19.64)	(0.04)



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

Particulars	Amount in Taka		Remarks
	2022	2021	
Profit after tax	1,016,725,759	1,043,888,973	
Provision for income tax	563,534,247	677,156,237	Non cash item
Depreciation	49,861,986	47,830,946	Non cash item
Provision for Loans and advances	(164,278,158)	226,288,475	Non cash item
Provision for other assets	2,239,804	4,107,129	Non cash item
Provision for Diminution in value of investment	105,946,283	(33,795,686)	Non cash item
Interest Suspense	(3,368,205)	22,888,384	Non cash item
Gain/loss on sale of fixed assets	(1,845,979)	(183,140)	Non-operating item
ZCB interest accrued	125,549,453	5,436,756	Non cash item
Accrual for dividend, LAD and interest receivable	28,255,486	20,800,279	Changes in accrual
Accrual for expenses	(16,598,906)	(151,125,601)	Changes in accrual
Purchase & sale of trading securities	(191,406,498)	(208,993,187)	(Inc)/Dec of assets
Loans and advances	(702,202,181)	(1,082,426,820)	(Inc)/Dec of assets
Other Assets	32,408,011	(78,836,599)	(Inc)/Dec of assets
Loan and deposit from Banks and Customer	(3,917,769,839)	151,485,493	Inc/(Dec) of liabilities
Other liabilities	(6,146,184)	(6,023,629)	Inc/(Dec) of liabilities
Income tax paid	(751,242,259)	(646,436,953)	
Net cash flows from operating activities	(3,830,337,180)	(7,938,943)	

	31 December 2022 Taka	31 December 2021 Taka
37A Cash and cash equivalents (net off overdraft) at the end of the period		
In hand	99,203	101,102
Balance with Bangladesh Bank and its agent Bank	575,164,882	557,965,870
Balance with other banks and financial institutions	11,018,065,981	14,725,958,032
Money at call on short notice	2,700,000,000	-
Bank Overdraft	(291,872,011)	(162,375,510)
	14,001,458,055	15,121,649,494

38 Dividend on ordinary shares
Proposed dividend:

The Board of Directors in its 138th meeting held on 28 March 2023 has recommended cash dividend @ 15% (i.e. Taka 1.5 per ordinary share) and stock dividend @ 2% (i.e. 1 bonus shares for every 50 ordinary shares held) for the year ended 31 December 2022 for placement before the shareholders for approval at 27th 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
Delta Life Insurance Company Limited (DLIC)	Shareholder	Insurance premium	3,302,865
Green Delta Insurance Company Limited(GDICL)	Shareholder	Insurance premium	1,292,900

Name of the related parties	Relationship	Share Buy (Taka)	Share Sale (Taka)	Balance (Taka)
Green Delta Securities Ltd.	Subsidiary of GDICL	196,374,667	169,188,870	5,243,781
Delta Life Securities Ltd.	Subsidiary of DLICL	6,474,836	6,423,519	17,345

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	200,000,000	17,201,369	497,310,884
Green Delta Insurance Company Limited(GDICL)	Shareholder	-	1,340,207	24,365,109
BRAC	Shareholder	-	6,105,709	107,153,048

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	6,000,000	3,000,000	7,688,716

In the year 2022 (Jan '22 – Dec '22) Taka 49,236,134/- was paid as salary and allowances to the top 5 employees of the company. The amount includes short-term employee benefits of Taka 46,787,114/- and post-employment benefits of Taka 2,449,020/-

41 During the year under audit, there were 266 (2021: 293) employees employed for the full period and 142 (2021: 105) 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 2022:**

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. Syed Moinuddin Ahmed	Director	Green Delta Insurance Co. Ltd	Additional Managing Director
		GD Assist Ltd.	Managing Director
		Green Delta Dragon AMC	Director (Representing GDIC)
		Professional Advancement Bangladesh	Director (Representing GDIC)
Mr. Mohammad Anisur Rahman	Director	BRAC	Senior Director Enterprises
Mr. Khandkar Manwarul Islam	Director	Styllent Knit Limited	Managing Director & CEO
		HaMeem Group Sweater Division	CEO
Mr. Nazir Rahim Chowdhury	Director	M.I.M. Fashion Wear Ltd.	Vice Chairman
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. Khandkar Manwarul Islam and Mr. Nazir Rahim Chowdhury 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 2022**:

Name	Status with the Company	Status with the Committee	Educational Qualification
Major General Syeed Ahmed (Retd.)	Independent Director	Chairman	BA (Honours), BP, awc, psc
Ms. Rasheda K. Choudhury	Independent Director	Member	MA
Mr. Syed Moinuddin Ahmed	Director	Member	MBA
Mr. Mohammad Anisur Rahman	Director	Member	MBA
Mr. Khandkar Manwarul Islam	Director	Member	MBA

During the period from January to December 2022, the audit committee of the Board conducted 4 (four) meetings.

Sl. No.	Meeting No	Meeting Date
1	59	28-Feb-22
2	60	17-Apr-22
3	61	27-Jul-22
4	62	26-Oct-22

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

There is no material adjusting and 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 a very fewer number of corporate clients or Public Interest Entities in its loan portfolio. As of 31 December 2022, it had 21 nos corporate clients and their portfolio was Taka 27.81 crore (0.62% of the total portfolio) only. The company disbursed Taka 4.68 crore to four Public Interest Entities during the year. It has collected Statutory Audit reports of the entities and checked the authenticity of the information of 100% of the files through the DVS system.

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 2022**

Particulars	Cost				Depreciation/Amortization			Amount in Taka	
	Balance as on 1 January 2022	Additions during the year	Disposals during the year	Balance as at 31 December 2022	Charged for the year	Adjustment on disposals	Balance as at 31 December 2022	Written down value as at 31 December 2022	
Furniture & fixtures	70,957,012	7,037,359	1,872,034	76,122,337	6,646,686	1,866,935	60,713,073	15,409,264	
Office Equipment	34,089,990	2,740,209	2,046,248	34,783,951	2,700,650	2,045,198	28,603,430	6,180,521	
Computer and computer equipments	53,589,220	3,098,194	63,965	56,623,449	4,378,911	33,315	48,586,879	8,036,570	
Vehicles	42,039,785	14,957,707	603,277	56,394,215	4,889,134	598,404	43,741,949	12,652,266	
Building	198,480,625	-	-	198,480,625	5,928,549	-	36,972,991	161,507,634	
Land	13,658,300	-	-	13,658,300	-	-	-	13,658,300	
Right of use asset	107,790,251	13,825,511	-	121,615,762	24,145,016	-	87,300,570	34,315,192	
Intangible asset:	520,605,183	41,658,980	4,585,524	557,678,639	48,688,946	4,543,852	305,918,892	251,759,747	
Software	10,623,686	146,000	-	10,769,686	1,173,040	-	8,047,053	2,722,633	
Total 2022	531,228,869	41,804,980	4,585,524	568,448,325	49,861,986	4,543,852	313,965,945	254,482,380	

**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	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	6,465,275	527,398	55,933,322	15,023,690	
Office Equipment	32,285,503	2,462,114	657,627	34,089,990	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	5,508,325	3,524,809	44,241,283	9,347,937	
Vehicles	41,767,205	623,580	351,000	42,039,785	2,973,043	350,998	39,451,219	2,588,566	
Building	198,480,625	-	-	198,480,625	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	23,015,594	552,446	63,155,554	44,634,697	
Intangible asset:	508,292,650	17,496,339	5,183,806	520,605,183	46,708,434	5,607,773	261,773,798	258,831,385	
Software	8,012,936	2,610,750	-	10,623,686	1,122,512	-	6,874,013	3,749,673	
Total 2021	516,305,586	20,107,089	5,183,806	531,228,869	47,830,946	5,607,773	268,647,811	262,581,058	

