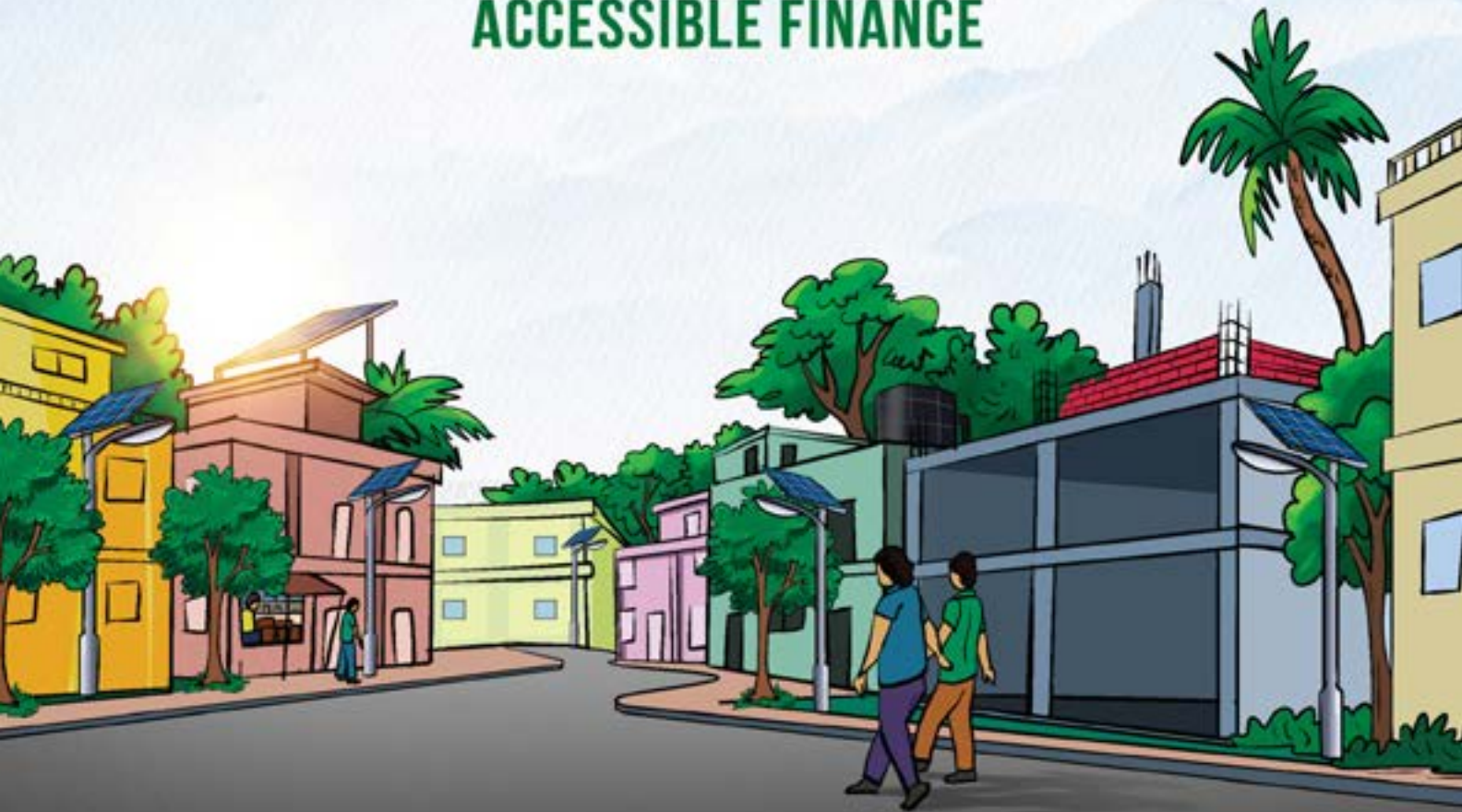




ANNUAL INTEGRATED REPORT 2024

**MAKING HOMEOWNERSHIPS
POSSIBLE THROUGH
ACCESSIBLE FINANCE**





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DBH Finance PLC.

REPORT NAVIGATOR



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Letter of Transmittal

All Shareholders
Bangladesh Bank
Registrar of Joint Stock Companies & Firms
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.
Hoda Vasi Chowdhury & Co., Chartered Accountants
Chairman, Audit Committee

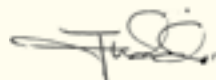
Dear Sir/Madam,

Re: Annual Report for the year ended December 31, 2024.

We are pleased to enclose a copy of the Annual Report together with the audited financial statements including balance sheet as at December 31, 2024, profit and loss account, cash flow statement and statement of changes in equity for the year ended on that date along with notes thereon for your kind information and record.

Thank you.

Yours sincerely,



Jashim Uddin, FCS
Company Secretary

DBH Finance PLC.



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Organizational Overview

DBH Finance PLC (DBH) is the leading financial institution in Bangladesh dedicated exclusively to real estate finance. Incorporated in 1996 through an international joint venture and commencing operations in 1997, DBH has played a pioneering role in promoting private sector housing finance in the country. Its founding partners included three local institutions alongside international players HDFC (India) and IFC (a member of the World Bank Group). In 2008, DBH became a public limited company through a successful IPO, marking a significant milestone in its growth trajectory.

DBH is listed on both the Dhaka and Chittagong Stock Exchanges and has earned an unmatched reputation for financial soundness. It holds the highest credit rating of 'AAA' for 19 consecutive years—an achievement no other financial institution in Bangladesh has accomplished. This reflects DBH's financial discipline, risk management, and commitment to protecting depositor interests. The company also boasts a high deposit retention rate, further underscoring depositor trust and safety.

With a singular focus on housing finance, DBH has disbursed home loans to over 60,000 clients across the country. The average loan size of BDT 3.5 million highlights its strategic intent to serve the lower to middle-income segments, making homeownership accessible for a broader population.

In 2024, DBH reaffirmed its commitment to affordable housing by securing a loan of approximately BDT 2,300 million from the International Finance Corporation (IFC). This funding will further enhance DBH's capacity to provide sustainable housing solutions, supporting the national goal of housing for all.

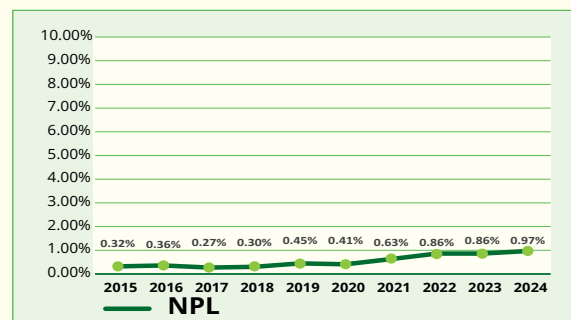
Beyond financial services, DBH contributes to economic growth, job creation, and urban development. Its customer-first philosophy and transparent operations have earned it long-term trust and credibility among stakeholders.

The company nurtures a workplace culture that values innovation, professional development, and work-life balance—allowing it to attract and retain top talent. DBH also actively collaborates with national and international partners to expand its services, share expertise, and implement global best practices.

Through responsible governance and sustainability-focused initiatives, DBH continues to create enduring value for its clients, investors, employees, and the broader community—solidifying its role as a catalyst in Bangladesh's socio-economic progress.

Distinctive Highlights of DBH that make us “Stand from the Crowd”

Minimum NPL

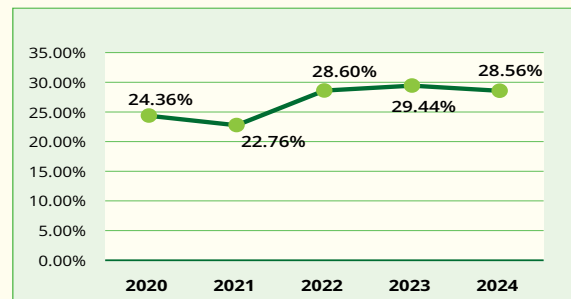


One of the lowest NPL in Bangladesh (less than 1%) among all Banks and Finance Companies



The only finance company to maintain an unbroken streak of 19 consecutive years with an AAA

Cost to Income Ratio



One of the lowest C&I ratio among all banks & Finance Companies in Bangladesh which indicate Management's efficiency

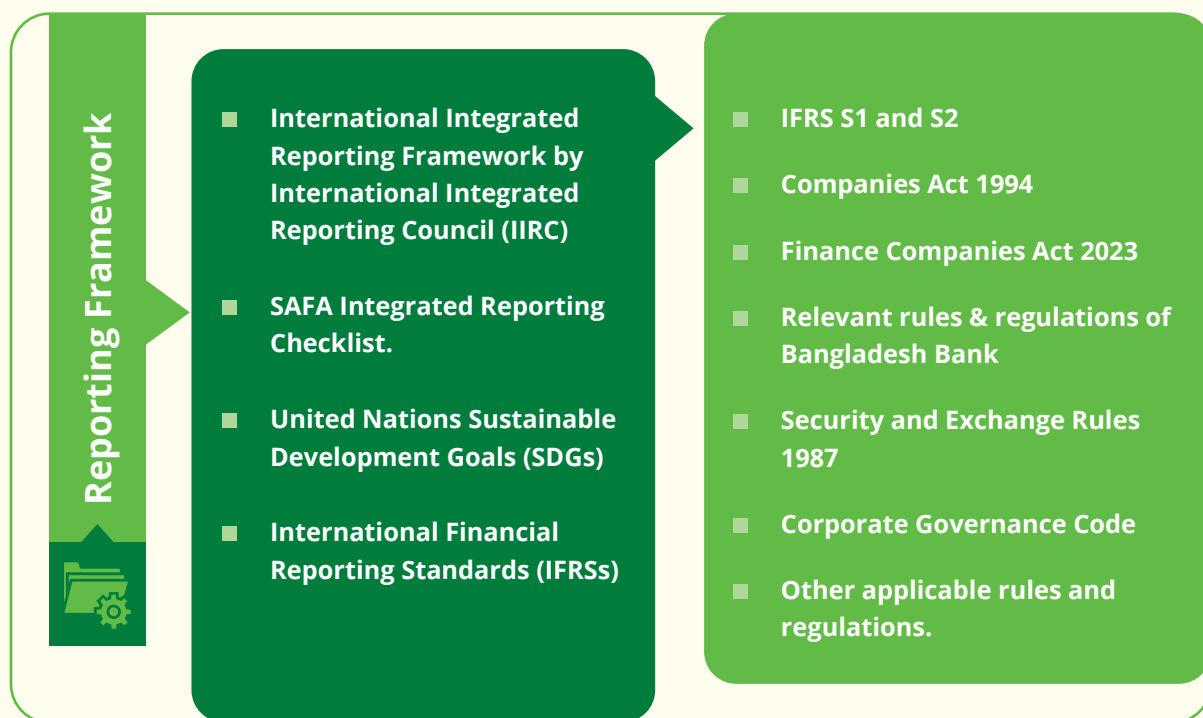
About Our Integrated Report

Transparency and accountability are not just catchphrases in the world of modern business; they are fundamental key elements that support meaningful impact and long-term growth. Robust reporting mechanisms are becoming more and more crucial as we navigate through a constantly changing landscape of economic, social, and environmental challenges.

Within this context, the annual integrated report stands as a beacon of insight, providing stakeholders with a thorough grasp of an organization's performance in many areas. It goes beyond simple financial measurements and

goes farther into the areas of social responsibility, governance, and sustainability.

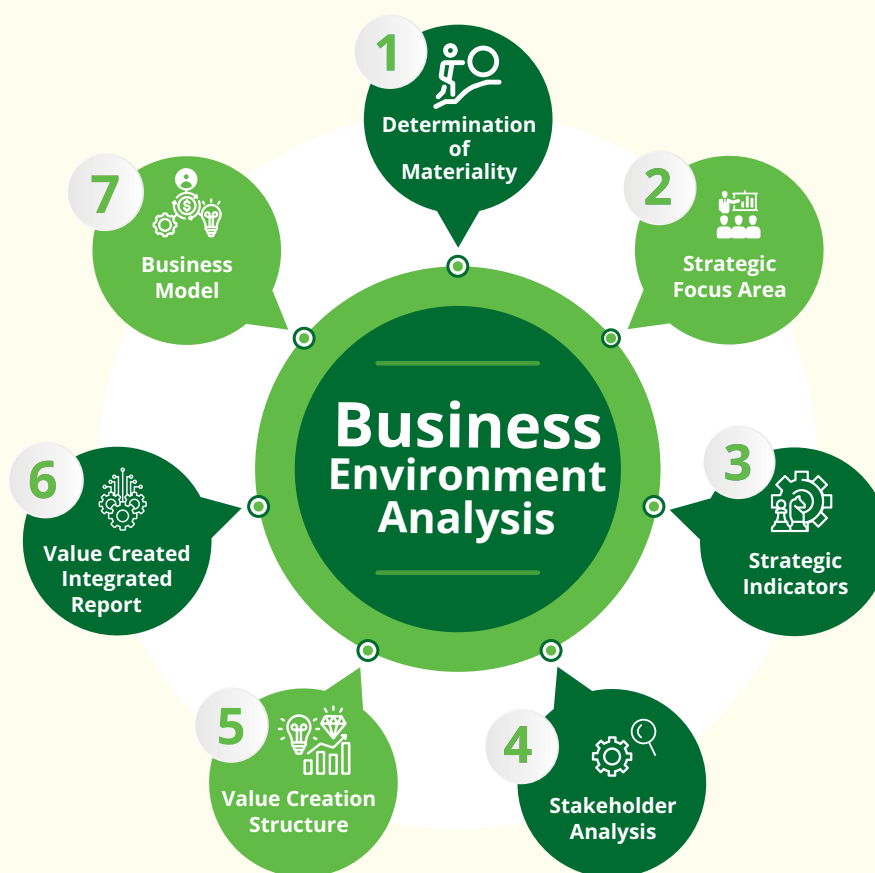
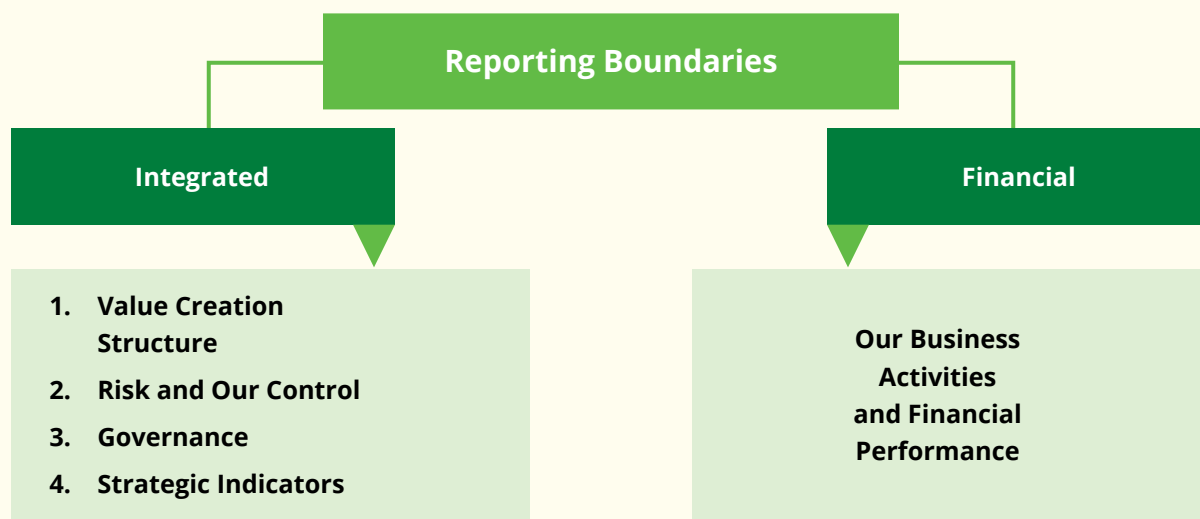
In the view of the above, we have recently transformed our annual report to integrated report. The goal of the integrated report is to present a comprehensive understanding of our operations, strategies, and impacts through careful analysis and open reflection. In the following pages, we invite you to embark on a journey through our organization's past year—a journey marked by milestones, challenges, and triumphs.



Scope and Boundary of the report

Our 2024 Annual Integrated Report covers the timeline between 1st January 2024 and 31st December 2024. However, other material events, data and information upto 05 May 2025 (the date of approval of Financial Statements by Board of Directors) are also included in this report.

In discussing, the Company's operations and financial performance, we have extracted the financial information from the Audited Financial Statements for the financial year ended 2024 with relevant comparative information.



Key Matters:

We have executed and presented our financial and non-financial disclosures internally from our records stated in the financial statement unless it is mentioned that data is collected from other reliable source.

Our sustainability report is integrated in our ESG (Environment., Social, Governance) reporting where we separately discussed these three aspects separately and our compliance and performance and control in these aspects.

In our corporate governance report we have complied with Companies Act, 1994, code of corporate governance- 2018 and listing regulations- 2015. Other aspect of corporate governance doesn't have any significant changes remaining close to previous years' report.

External Assurance

Sl. No.	Report Description	External Assurer
1.	Audited Financial Statements	Hoda Vasi Chowdhury & Co
2.	Corporate Governance	SA Rashid & Associates
3.	Entity Credit Rating	Emerging Credit Rating Ltd
4.	Actuarial Valuation	Z. Halim & Associates

How to navigate through this report:

Key Matters for Stakeholders	Look into	Page Reference
Who we are, what is our objective	Organizational Overview	6
	Vision, Mission, Strategic Objectives	11-12
	Organizational Hierarchy	18
How we achieve our goal, create value and our capital usage	Business Model	72-73
	Strategic Focus Area	90-91
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Our approaches towards ESG goals	Sustainability and Climate-related Financial Disclosures	133-39
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	Comprehensive Governance	150-211
Measuring Our Success	Financial Statements	214-267
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Responsibility of the Annual Integrated Report

Managing Director & CEO of DBH Finance assures that reasonable amount of care has been taken to ensure the integrity of this integrated annual report. The stewardship team worked together to prepare and present the integrated report. The report has been prepared in accordance with the International Integrated Reporting Framework of the Integrated Reporting Council and addresses the material matters relating to the long-term sustainability of the company. It fairly presents DBH Finance PLC's integrated performance and the impacts thereof. The stewardship ensured transparency and accountability and contributed to the identification and prioritization of material matters.



Nasimul Baten

Managing Director & CEO

Core Values



Corporate Profile

DBH Finance PLC. (DBH) is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country. After commencing operation in 1996 the company has registered commendable growth in creating home ownership in Dhaka and other major cities of the country. At the same time, the company has been playing an active role in promoting the real estate sector to the large cross sections of prospective clients who had but yet unfulfilled dream of owning a home.

Among all Banks and Financial Institutions of Bangladesh only DBH has been rated the highest 'AAA' credit rating for 19 consecutive years. The level of credit rating provides a very important indication of the financial safety, security and strength of the concerned Bank or Financial Institution and is particularly relevant to its depositors and other investors such as shareholders and lenders.



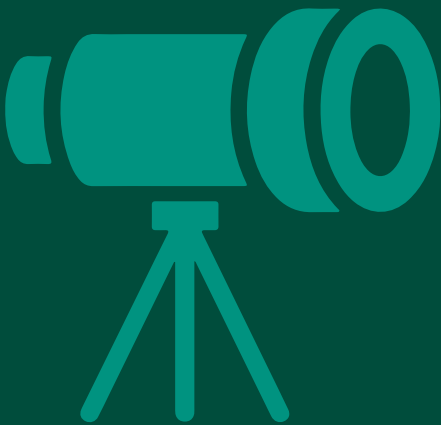
Corporate Responsibility

DBH is recognized as a responsible corporate citizen for its continuous effort to promote ownership of housing, wealth creation and also towards the improvement of the underprivileged and weaker sections of the society. DBH is committed to participate in ventures for improvement of our society by taking development initiatives which contribute to the country's rich cultural heritage.



Vision

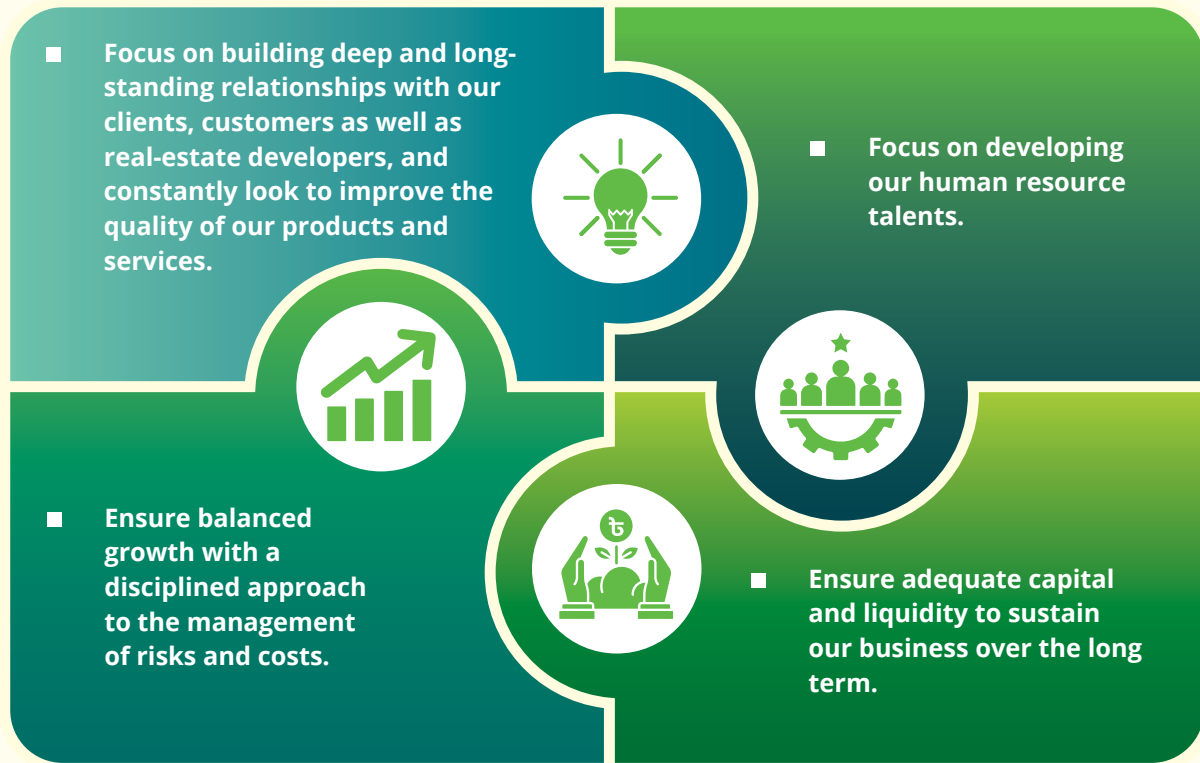
To strengthen the society of the country by continually expanding home ownership.



Mission

To be the leading financial institution in the country with satisfied customers and employees and to generate value for our shareholders while contributing to the well-being of the society.

Strategic Objectives



Competitive Strengths



DBH is the major player in the housing finance sector in Bangladesh since 1997 and remains one of the leading non-bank financial institutions. Today, we are an acclaimed brand for a high level of customer service; and respected for ethics, values and corporate governance.

We have developed an attractive suite of products that cater to all customer segments, with our primary focus to strengthen the society by expanding home ownership. By leveraging our understanding of customers from different economic segments, we are today in a position to extend a range of products and services in loans as well as deposits through our specialized team members. Thus, we provide one stop facility for our customer needs.

Pattern of Shareholdings

Annexure-iii

As on 31st December 2024

(i) Shareholding position of Sponsors:

Name	No. of Shares held	Percent (%)
BRAC	36,572,729	18.39
Delta Life Insurance Company Limited	35,059,185	17.63
Green Delta Insurance PLC	30,440,772	15.30
Mr. Kazi Fazlur Rahman	0	0.00
Mr. Faruq A. Choudhury	36	0.00
Dr. Salehuddin Ahmed	36	0.00
Mr. Q. M. Shariful Ala, FCA	0	0.00
Total	102,072,758	51.32

(ii) Shareholding status of Directors/CEO/CS/CFO/HIAC & their spouses & minor children:

Name of the Directors	Nominated by	No. of Share(s) held	Percent (%)
Dr. A M R Chowdhury, Chairman	BRAC	-	-
Mr. Syed Moinuddin Ahmed, Vice Chairman	Green Delta Insurance PLC	-	-
Mr. Khandkar Manwarul Islam	Delta Life Insurance Company Ltd.	-	-
Mr. Nazir Rahim Chowdhury	Delta Life Insurance Company Ltd.	-	-
Mr. Imran Rahman	Independent Director	-	-

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Mr. Nasimul Baten	Managing Director & CEO	-	-
Mr. Jashim Uddin, FCS	EVP - Company Secretary & Head of Corporate Affairs	-	-
Mr. Md. Abdul Ahad, FCA	EVP & Chief Financial Officer	-	-
Mr. Shihabuddin Mahmud	SAVP & Head of Internal Audit	-	-

(iii) Top five salaried persons other than the Directors, CEO, CS, CFO & HIAC

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Mr. A. K. M. Tanvir Kamal	DMD & Chief Operating Officer	-	-
Mr. Tanvir Ahmad	DMD & Chief Human Resources Officer and Head of Islamic Financing Division	-	-
Mr. Saiyaf Ejaz	SEVP & Chief Risk Officer	-	-
Mr. Ashfakul Islam	SEVP & Chief Technology Officer	-	-
Mr. Md. Zakaria Eusuf	EVP & Head of Credit	-	-

(iv) Shareholders holding 10 % or more voting interest in the Company:

Name of the Shareholders	No. of Share(s) held	Percent (%)
BRAC	36,572,729	18.39
Delta Life Insurance Company Limited	35,059,185	17.63
Green Delta Insurance PLC	30,440,772	15.30

Our Products and Services

DBH Finance PLC stands as Bangladesh's leading financial institution with an exclusive focus on housing finance. Since its inception in 1996, DBH has been instrumental in facilitating homeownership for over 60,000 families across the nation. The company's unwavering commitment to customer-centric solutions, product innovation, and financial stability has solidified its reputation as a trusted partner in the journey toward homeownership and long-term financial well-being.

To cater to the evolving needs and spiritual beliefs of its customers, DBH offers a comprehensive range of financial solutions under two broad categories: Conventional Financing and Islamic Financing. These categories are further segmented into two core product types—Deposit Products and Financing Products—developed to meet both housing and personal financial needs. Each product is thoughtfully designed to deliver maximum convenience, flexibility, and value, ensuring that clients can achieve their financial goals through reliable and tailored solutions.

The following section provides a detailed overview of all DBH products and services under both conventional and Islamic financing categories.

Segment 1: Conventional Products & Services

DBH offers a diverse array of conventional financial solutions developed to meet both housing and personal financial needs. These products are precisely designed to provide maximum convenience, flexibility, and value to its customers.

Type A: Financing Products

- **Apartment Purchase Loan:** Designed for clients aiming to purchase ready residential apartments, this loan offers competitive interest rates and manageable repayment schedules, facilitating a seamless transition into homeownership.

- **Own Construction Loan:** Offered for individuals intending to construct their own homes on owned land, this loan provides customized disbursement plans aligned with construction progress, ensuring financial support at every building phase.
- **Extension/Renovation Loan:** Ideal for homeowners seeking funds to expand or renovate their existing properties, this loan ensures that homes evolve with the changing needs of families.
- **Plot Purchase Loan:** Enables clients to acquire residential plots with flexible terms and competitive rate, laying the foundation for near future home construction.
- **Group Construction Loan:** Offered to multiple individuals or families jointly developing a residential property, promoting community living and shared investment.
- **Home Equity Loan:** Allows homeowners to leverage the value of their property to meet financial needs such as education, medical expenses, or business expansion.
- **Semi Pucca Construction Loan:** Supports the development of affordable and semi-pucca housing structures, catering to a broader demographic.
- **Affordable Home Loan:** Specifically crafted for middle-income and lower-income segments, this loan ensures that affordable housing becomes an attainable reality for all.
- **Balance Transfer Loan:** Assists customers in transferring existing home loans from other financial institutions to DBH, offering better rates and enhanced service quality.
- **Personal Loan:** Designed for salaried individuals to address short-term personal financial needs such as emergencies, education, or weddings.
- **Car Loan:** Provides competitive auto financing solutions for both new and recondition vehicles, featuring attractive EMI and tenure options.



সর্বোচ্চ সুরক্ষা ডিবিএইচ ডিপোজিটস

Type B: Deposit Products

- **Annual Income /Day Wise/Cumulative Deposits:** Offers term deposits from 3 months to 5 years based on customer preferences.
- **Quarterly/Monthly Income Deposits:** Offers regular income options based on customer preferences, ensuring stable financial returns.
- **Platinum Deposits:** A premium fixed deposit scheme offering attractive returns and flexible tenure options, who can place his/her valued funds for 15 months. At the end of 12 months the interest will be added to the principal amount and then renewed to complete the term of 15 months.

- **Flexible Fixed Deposits:** This is a special deposit product that allows up to 95% of quick loan facility at a lowest rate. The product aims to cater to frequent and instantaneous fund requirement needs of individuals especially for self-employed individuals.
- **Double Money Deposits:** A long-term investment option designed to double the principal amount over a specified period, appealing to long-term savers.
- **DBH DPS/Easy Deposits:** Encourages customers to build savings gradually through monthly installments, serving as a robust plan for future financial security.

Segment 2: Islamic Products and Services

DBH launched its Islamic Financing Division (IFD) under the brand "DBH Islamic" on May 7, 2023, as a separate unit alongside its conventional operations. Shari'ah compliance is overseen by a dedicated Islamic Financing Division staffed with AAOIFI-certified professionals. An independent Shari'ah Supervisory Committee (SSC), chaired by Dr. Muhammad Saifullah Madani, with members Mr. Fariduddin Ahmed, Mr. Abdul Awwal Sarker, and Prof. Dr. Zubair Muhammad Ehsanul Haque, also ensures adherence to Islamic principles.

In line with Bangladesh Bank and SSC directives, DBH Islamic maintains separate accounts—including Al-Wadeeah Current Accounts and Mudaraba Special Notice Deposit (MSND) accounts—for proper fund segregation and CRR/SLR maintenance.

A distinct accounting framework has been adopted, featuring separate financial statements per Shari'ah and regulatory guidelines. DBH has also developed an Islamic Core Business Software (i-CBS), and operations are guided by approved Product Programme Guidelines (PPGs) and a dedicated Operations Manual.

Type A: Islamic Financing Products (Under HPSM Mode)

At present, DBH Islamic offers Islamic Home Financing (IHF) and Islamic Car Financing (ICF) within the Shari'ah purview of Hire Purchase under Shirkatul Meelk (HPSM) as approved by the Shari'ah Supervisory Committee and Bangladesh Bank.

■ Islamic Home Financing (IHF) Products:

1. HPSM Apartment Purchase Financing

Finance to purchase new or old apartments from preferred developers/sellers.

2. HPSM Self/Group Construction Financing

Funding for individual or group residential construction with gestation period (GP) facility; EMI starts after construction completion.

3. HPSM Commercial Space Purchase Financing

Finance to purchase commercial space for business or professional use.

4. HPSM Home Extension/Renovation Financing

Finance for extending or renovating an existing home; ideal for comfort upgrades or rental income.

5. HPSM Semi-pucca Construction Financing

Shari'ah-based funding for affordable semi-pucca house construction to meet basic housing needs.

6. HPSM Affordable Home Financing (Amar Ghor & Amar Bari)

Tailored for lower income groups:

- Amar Ghor: Up to Tk. 30 Lac (household income ≤ Tk. 1 Lac)
- Amar Bari: Up to Tk. 60 Lac (income between Tk. 1 Lac and Tk. 1.5 Lac)

7. HPSM Plot Purchase Financing

Finance to purchase residential land for building a home.

8. HPSM Balance Transfer / Take-over Financing

Facility to transfer existing home loans from other banks/financial institutions to DBH Islamic with optional top-up.

Key Features of IHF:

- Financing up to 80% of property value
- Tenure: up to 25 years (15 years for affordable segment)
- Optional gestation period (max 18 months)
- Partial prepayment or early settlement allowed after 6 months without fees
- Shari'ah-compliant with competitive rates and no hidden charges

■ Islamic Car Financing (ICF):

Shari'ah-compliant financing for brand new, reconditioned, or selected used cars for personal use.

Key Features:

- Up to 80% financing of car value
- Tenure: 12–72 months (new/reconditioned), 12–48 months (used)
- No hidden charges, competitive rental rates
- Early settlement and partial adjustment after 6 months allowed
- Option to bundle with IHF

Type B: Mudaraba Deposit Products

Based on unrestricted Mudaraba, where depositors (Sahib-Al-Maal) invest capital, and DBH Islamic (Mudarib) manages funds under Shari'ah. Profit is shared as per pre-agreed Income Sharing Ratio (ISR); losses, if any, are borne by the depositor unless caused by misconduct or negligence.

Islamic Deposit Products:

■ DBH Mudaraba Term Deposit (MTDR)

- Tenure: 3, 6, 12, 24, 60 months
- Minimum Deposit: Tk. 10,000
- Auto-renewal at maturity
- DBH Mudaraba Monthly Income Deposit (MMID)
- Tenure: 6, 12, 24, 36 months
- Minimum Deposit: Tk. 50,000
- Monthly profit payout
- Auto-renewal at maturity

■ DBH Mudaraba Quarterly Income Deposit (MQID)

- Tenure: 6, 12, 24, 36 months
- Minimum Deposit: Tk. 50,000
- Quarterly profit payout
- Auto-renewal at maturity

■ DBH Mudaraba Day-Wise Deposit (MDWD)

- Tenure: 90, 180, 360 days
- Minimum Deposit: Tk. 10,000
- Short-term flexible deposit
- Auto-renewal at maturity

■ DBH Mudaraba Easy Deposit (MED)

- Tenure: Minimum 12 months
- Minimum Deposit: Tk. 2,500
- Multiple monthly deposits allowed
- Withdrawable after 3 months
- Daily balance-based profit
- Auto-renewal at maturity

■ DBH Mudaraba Monthly DPS (MMDPS)

- Tenure: 2–7 years
- Monthly deposit: Tk. 1,000–1,00,000
- No penalty for missed instalments
- No auto-renewal at maturity

■ DBH Mudaraba Hajj Deposit (MHD)

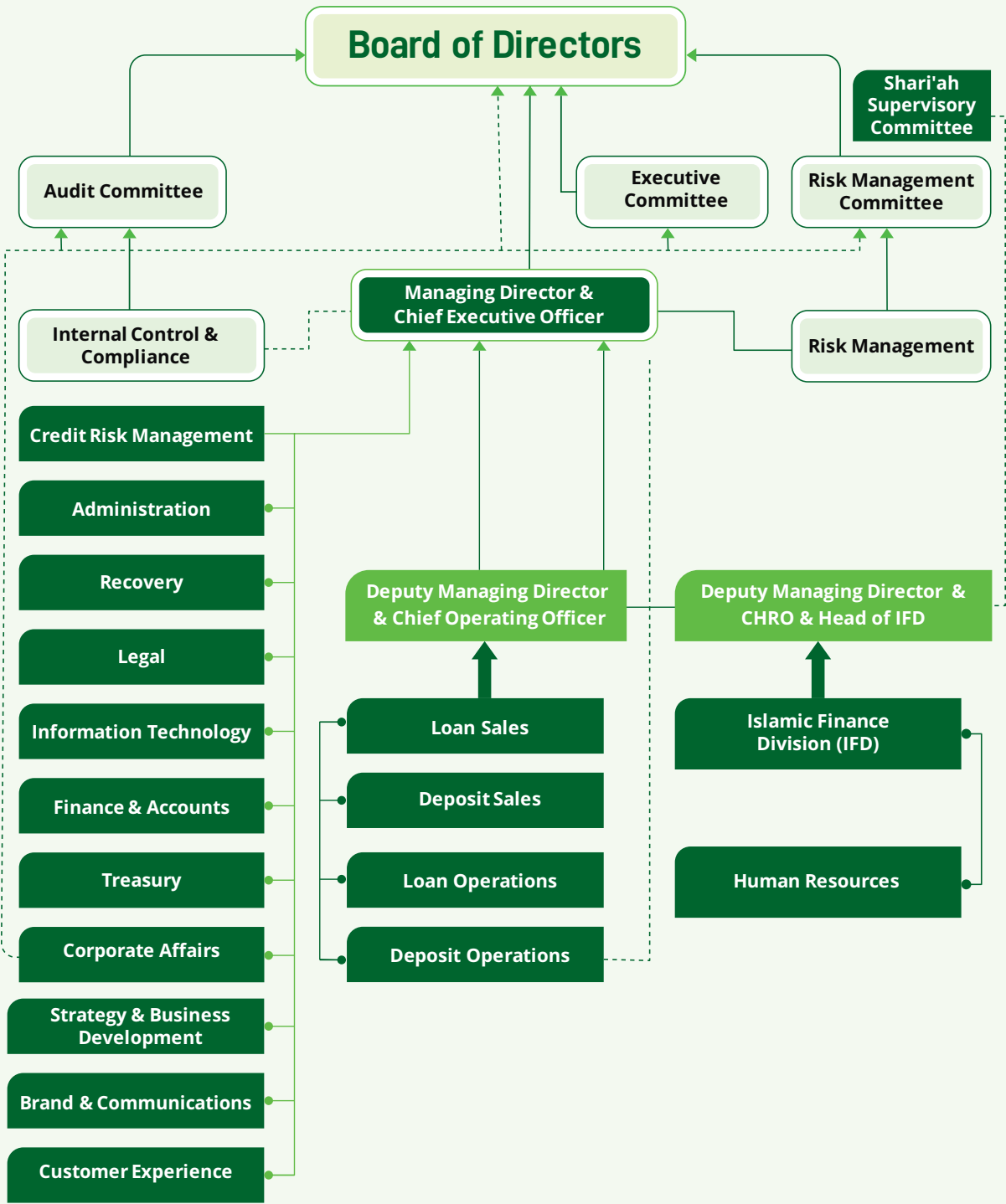
- Tenure: 2–7 years
- Monthly deposit: Tk. 10,000–50,000
- No penalty for missed instalments
- ISR 2% higher than MMDPS
- No auto-renewal at maturity

Common Features

- Fully Shari'ah-compliant under unrestricted Mudaraba.
- Profit distribution based on ISR.
- Automated crediting of principal and profit upon maturity.
- Hassle-free, flexible options catering to various customer needs.

Organizational Hierarchy

This represents our company's governing structure



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ডিবিএইচ ইসলামিক

শরিয়াহভিত্তিক ফাইন্যান্সিং উইং

ইসলামিক হোম ফাইন্যান্সিং

আমাদের সেবাসমূহ:

- অ্যাপার্টমেন্ট/ফ্ল্যাট ক্রয়ের জন্য বিনিয়োগ প্রদান
- নিজ বাড়ি নির্মাণের জন্য বিনিয়োগ প্রদান
- পেশাজীবীদের জন্য অফিস বা চেম্বার ক্রয়ের জন্য বিনিয়োগ প্রদান
- বাড়ি/ফ্ল্যাট সংস্কার বা সম্প্রসারণের জন্য বিনিয়োগ প্রদান
- সেমি পাকা বাড়ি নির্মাণের জন্য বিনিয়োগ প্রদান
- অ্যাফোর্ডেবল হোম ফাইন্যান্সিং এর জন্য বিনিয়োগ প্রদান
- অনুমোদিত প্রতিষ্ঠান হতে হাউজিং প্লট ক্রয়ের জন্য বিনিয়োগ প্রদান
- ব্যালেন্স ট্রান্সফার/টেক-ওভার



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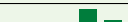

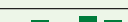


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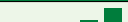
















Financial Performance Highlights

All Figures in BDT Million Except (%)

Home Loan Performance	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
Loan Approvals	9,478	12,856	13,442	12,526	14,498		15.74%	11.21%
Loan Disbursement	7,028	10,803	11,029	10,240	11,574		13.03%	13.28%
Cumulative Disbursement	120,414	131,217	142,246	152,486	164,061		7.59%	8.04%
Cumulative Sanction	142,528	155,384	168,827	181,353	195,851		7.99%	8.27%

Financial Position	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
Total Assets	58,607	60,279	61,738	67,537	67,188		-0.52%	3.47%
Total Liabilities	52,176	53,034	53,751	58,859	57,790		-1.82%	2.59%
Home Loan Portfolio	42,432	43,367	44,004	43,152	43,747		1.38%	0.77%
Property Plant and Equipment	290	263	254	276	265		-4.20%	-2.23%
Current Assets	22,593	25,120	23,884	29,998	26,080		-13.06%	3.65%
Current Liabilities	12,655	12,832	16,170	16,346	13,308		-18.59%	1.26%
Net current assets	9,938	12,288	7,714	13,652	12,772		-6%	6.47%
Non Current Assets	36,014	35,158	37,853	37,539	41,108		10%	3.36%
Long Term Liabilities	39,520	40,202	37,581	42,513	44,482		5%	3.00%
Term Deposits	43,827	43,978	40,061	46,656	45,775		-2%	1.09%
Total Investment Portfolio	57,578	59,235	58,071	66,282	65,976		-0.5%	3.46%

Operational Performance	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
Operating Revenue	6,108	5,373	5,180	6,299	8,349		32.55%	8.13%
Operating Expenses	523	565	610	638	729		14.21%	8.64%
Financial Expenses	3,960	2,890	3,045	4,130	5,796		40.34%	9.99%
Net Profit Before Tax	1,498	1,721	1,580	1,561	1,711		9.59%	3.38%
Net Profit After Tax	891	1,044	1,017	984	1,009		2.45%	3.15%
EBITDA	5,646	4,874	4,640	5,735	7,684		33.98%	8.01%

Equity Parameters	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
Authorized Capital	2,000	2,000	4,000	4,000	4,000		0.00%	18.92%
Paid-up Capital	1,541	1,773	1,950	1,989	1,989		0.00%	6.58%
Shareholders' Equity	6,431	7,244	7,986	8,678	9,398		8.29%	9.95%
No. of Share Outstanding (Mn)	154.14	177.26	194.99	198.89	198.89		0.00%	6.58%
Net Asset Value (NAV) Per Share (BDT)	41.72	40.87	40.96	43.63	47.25		8.29%	3.16%
Earnings Per Share (BDT)	5.78	5.89	5.11	4.95	5.07		2.45%	-3.22%
Year end market price (BDT) per share	92.60	77.10	57.80	56.70	38.90		-31%	-19%
Market capitalization	14,274	13,667	11,270	11,277	7,737		-31%	-14%
Market Value Addition per share (BDT)	82.60	67.10	47.80	46.70	28.90		-38%	-23%

All figures in BDT million except (%)

Financial Ratios	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
Gross Profit Ratio (%)	64.83%	53.79%	58.79%	65.57%	69.42%		5.87%	1.73%
Operating Profit Ratio (%)	26.60%	35.69%	29.42%	24.29%	21.84%		-10.08%	-4.80%
Net Profit Ratio (%)	14.59%	19.43%	19.63%	15.63%	12.08%		-22.71%	-4.60%
Return on Capital Employed (%)	26.55%	28.04%	20.01%	18.36%	20.18%		9.88%	-6.63%
Current & Quick Ratio (Times)	1.79	1.96	1.48	1.84	1.96		6.79%	2.36%
Debt Equity Ratio (Times)	8.11	7.32	6.73	6.78	6.15		-9.34%	-6.69%
Financial Expense Coverage Ratio (Times)	1.41	1.66	1.50	1.37	1.31		-4.07%	-1.74%
Return on Shareholders' Equity (%)	14.56%	15.27%	13.35%	11.81%	11.16%		-5.55%	-6.43%
Return on Total Assets (%)	1.52%	1.73%	1.65%	1.46%	1.50%		2.98%	-0.32%
Return on Average Asset (%)	1.51%	1.76%	1.67%	1.52%	1.50%		-1.70%	-0.24%
Return on Investment (%)	1.56%	1.81%	1.74%	1.55%	1.52%		-1.68%	-0.51%
Net interest income as a percentage (%) of working funds	3.38%	3.65%	3.08%	2.71%	2.34%		-13.59%	-8.82%
Non-interest income as a (%) of working funds	0.35%	0.54%	0.60%	0.57%	1.53%		170.85%	44.94%
Operating Profit as percentage (%) of working fund	2.82%	3.24%	2.62%	2.31%	2.76%		19.74%	-0.51%

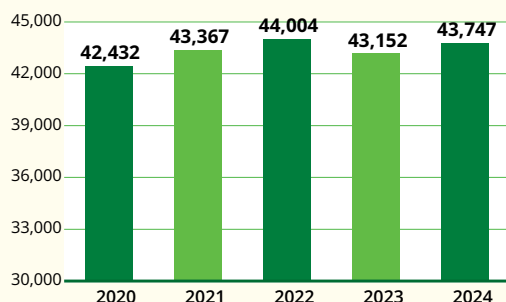
Operational Ratios	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
Gross Non-Performing assets to gross advances (%)	0.41%	0.63%	0.86%	0.86%	0.97%		12.79%	24.02%
Provision coverage ratio (times)	1.0	1.0	1.0	1.0	1.0		0.00%	0.00%
Cost to Income Ratio (%)	24.36%	22.76%	28.60%	29.44%	28.56%		-2.99%	4.05%
Cash Reserve Ratio (CRR) (Requirement 1.5%)	1.56%	1.55%	1.58%	1.56%	2.00%		28.73%	6.45%
Statutory Liquidity Ratio (SLR) (Requirement: 5%)	37.63%	36.83%	38.07%	38.07%	35.20%		-7.54%	-1.65%
Capital Adequacy Ratio (Requirement: 10%)	24.22%	25.9%	28.34%	28.85%	30.46%		5.58%	5.90%
Average effective tax rate (%)	40.53%	39.35%	35.66%	36.94%	41.05%		11.13%	0.32%
Net Profit Per Employee (BDT Mn)	3.54	3.68	3.09	2.89	2.84		-1.74%	3.21
Loan client retention rate (%)	85.7%	84.3%	84.2%	83.2%	82.2%		-1.15%	0.84
Deposit client retention rate (%)	85.1%	81.7%	83.1%	83.4%	85.7%		2.72%	0.84

Investors' Ratios	2020	2021	2022	2023	2024	Trend Analysis	Growth of 2024 over 2023	5 Year CAGR (%)
P/E Ratio (Times)	16.02	13.09	11.31	11.46	7.67		-33%	-17%
Dividend per share	3.00	2.50	2.50	1.70	1.50		-12%	-16%
Dividend yield (%)	3.24%	3.24%	4.33%	3.00%	3.86%		29%	4%
Dividend payout ratio (%)	37%	43%	42%	33%	30%		-9%	-5%
Dividend Coverage (Times)	1.93	2.36	2.04	2.91	3.38		16.11%	15.09%

Graphical Representation of Financial Highlights

Home Loan Portfolio

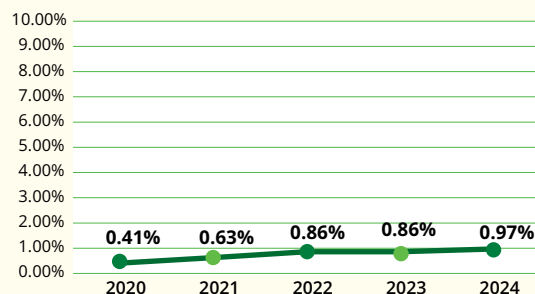
(BDT Mn)



Moderate portfolio growth likely due to increased disbursements in the home loan segment, despite interest rate constraints.

NPL

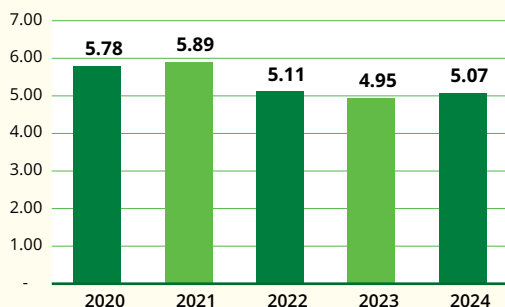
(Percentage %)



The increase in the NPL ratio indicates a slight deterioration in asset quality due to higher interest rate and income instability in certain borrower segments.

Earnings Per Share

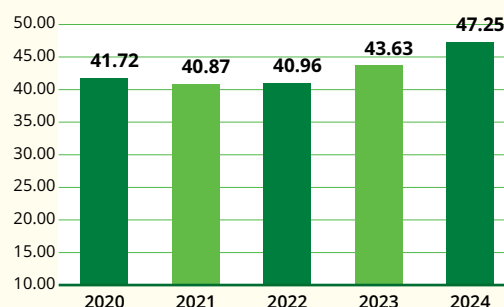
BDT



Slight increase in profitability due to higher operating income derived from income from G-sec, though bottom-line impact is dampened by higher provisions for capital market investment.

Net Asset Value (NAV) Per Share

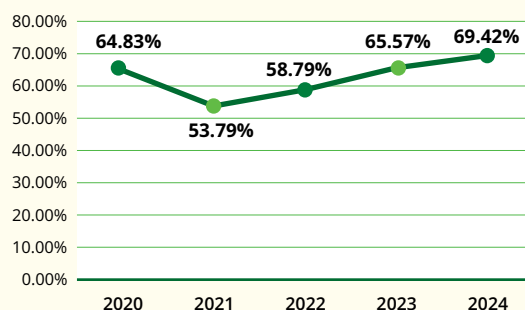
(BDT)



Follows from the increase in shareholders' equity derived from stable profit and dividend with relatively stable share base.

Gross Profit Ratio

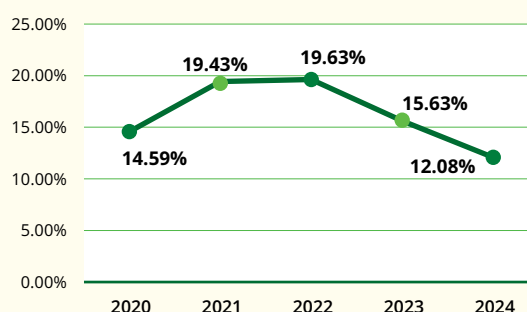
(Percentage %)



Investment strategy in G-sec leads to higher gross margin despite the fact that spread from lending has reduced from last year.

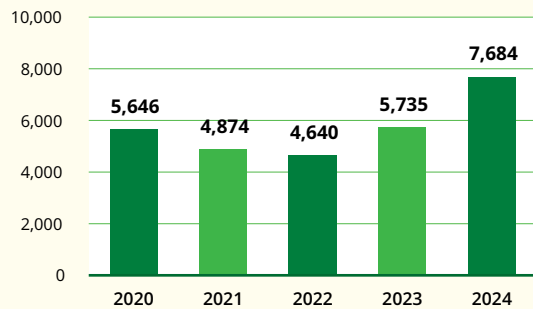
Net Profit Ratio

(Percentage %)



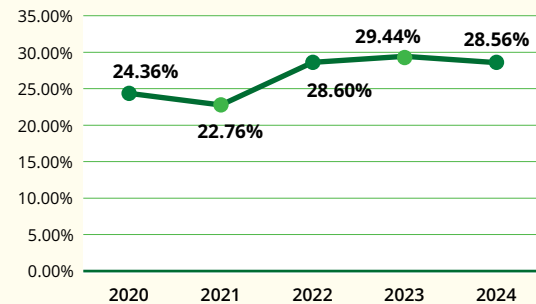
Decline suggests higher provisions eating into net income despite strong gross margin.

EBITDA (BDT Mn)



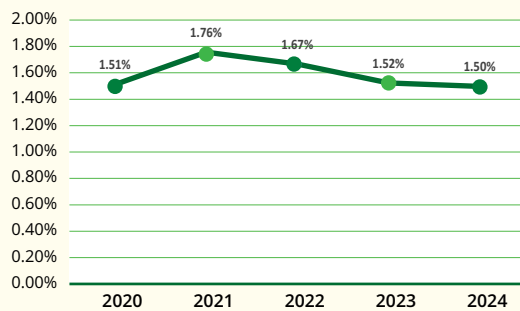
Substantial increase due to higher operating income derived from higher interest income and income from G-sec.

Cost to Income Ratio (Percentage %)



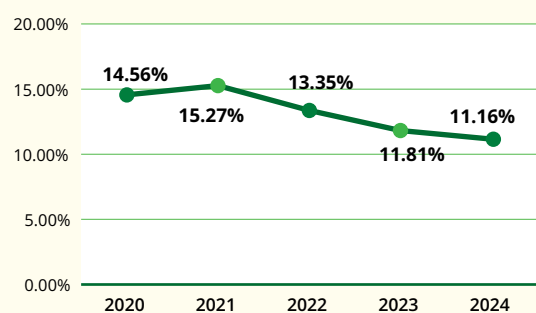
C&I ratio has been improved due to increase in operating income specifically income from G-sec.

Return on Average Asset (Percentage %)



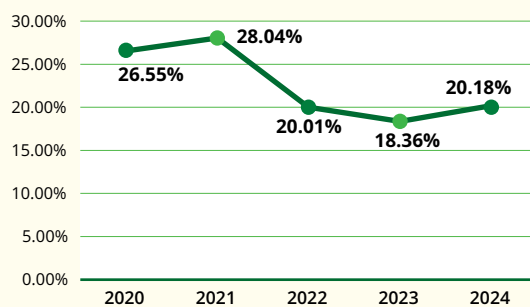
Largely stable, indicating consistent performance relative to the size of the asset base.

Return on Shareholders' Equity (Percentage %)



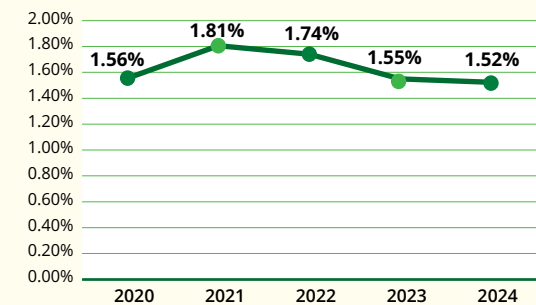
Decrease despite higher equity base; earnings growth due to relatively low spread did not keep pace with equity growth.

Return on Capital Employed (Percentage %)



Improved operational profitability and capital utilization efficiency led to better returns on capital.

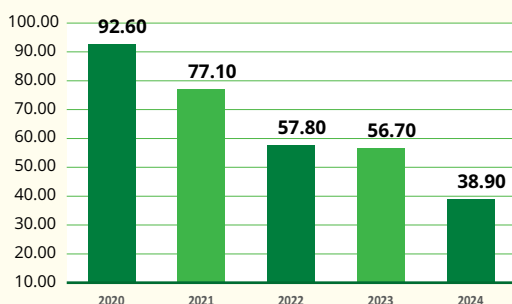
Return on Investment (Percentage %)



Largely unchanged, slight dip could be due to higher investment base.

Stock Performance

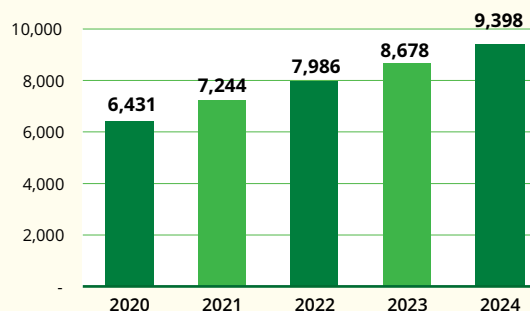
(BDT)



DSE index fell around 16% in 2024 which made all blue chip stocks lost its price significantly.

Shareholders' Equity

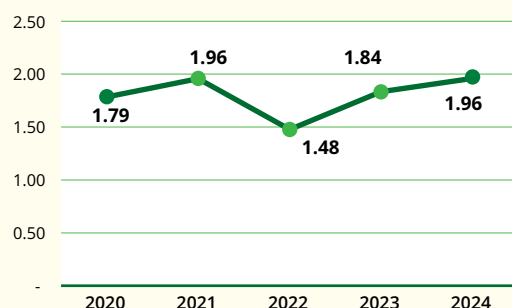
(BDT Mn)



Growth in retained earnings improved profitability contributed to equity base expansion.

Current & Quick Ratio

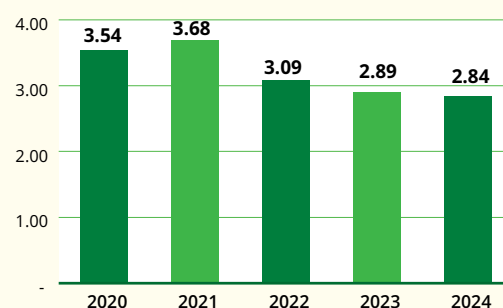
(Times)



Improved liquidity position, likely due to a better match of short-term assets against liabilities from stronger cash positions and reduced current obligations.

Employee Productivity

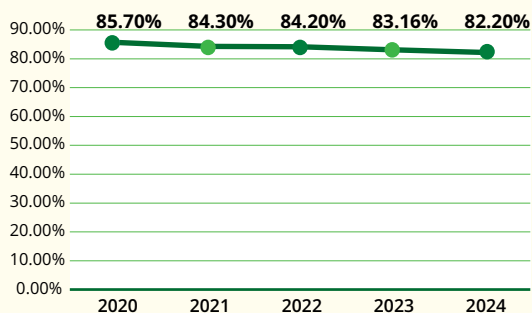
(BDT Mn)



Slight decline results from increased headcount outpacing net profit growth due to branch expansion.

Loan Client Retention Rate

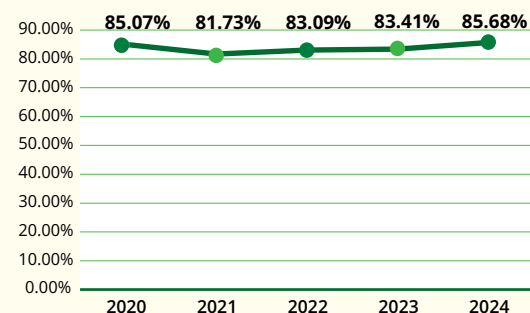
(Percentage %)



The slight decline in loan client retention is primarily due to a significant increase in interest rates for customers, which likely triggered prepayments and early settlements as clients sought more favorable refinancing options or adjusted to affordability.

Deposit Client Retention Rate

(Percentage %)



Improved depositor loyalty possibly due to better deposit schemes, service experience, or financial stability perception.

Historical Record of Dividend Payments

The Company started its journey in early 1997 and was able to pay the dividend to its shareholders since 2000. The historical record of payment of dividend is given hereunder as general disclosure to the stakeholders of the Company.

Year	Paid-up Capital	Dividend (%)
1999-2000	20,00,00,000.00	7.50 (Cash)
2000-2001	20,00,00,000.00	12.00 (Cash)
2001-2002	20,00,00,000.00	15.00 (Cash)
2002-2003	20,00,00,000.00	15.00 (Cash)
2003-2004	20,00,00,000.00	18.00 (Cash)
2004-2005	20,00,00,000.00	22.00 (Cash)
2005-2006	22,00,00,000.00	25.00 (10% Stock & 15% Cash)
2006-2007	22,00,00,000.00	30.00 (Cash)
2007-2008	27,00,00,000.00	New Issue of Tk. 500,00,000 (IPO)
2007-2008	35,10,00,000.00	30.00 (Stock)
2008-2009	40,36,50,000.00	32.00 (15% Stock & 17% Cash)
2009-2010	50,45,62,500.00	35.00 (25% Stock & 10% Cash)
2010-2011	1,00,91,25,000.00	100.00 (Stock)
2011-2012	1,16,04,93,750.00	25.00 (15% Stock & 10% Cash)
2012-2013	1,16,04,93,750.00	25.00 (Cash)
2013-2014	1,16,04,93,750.00	25.00 (Cash)
2014-2015	1,16,04,93,750.00	30.00 (Cash)
2015-2016	1,21,85,18,430.00	35.00 (5% Stock & 30% Cash)
July 2016 - Dec 2016 (six months)	1,21,85,18,430.00	15.00 (Cash)
2017	1,21,85,18,430.00	30.00 (Cash)
2018	1,34,03,70,270.00	35.00 (10% Stock & 25% Cash)
2019	1,54,14,25,810.00	35.00 (15% Stock & 20% Cash)
2020	177,26,39,680.00	30.00 (15% stock & 15% cash)
2021	194,99,03,640.00	25.00 (10% stock & 15% cash)
2022	198,89,01,710.00	17.00 (2% stock & 15% cash)
2023	198,89,01,710.00	15.00 (Cash)

Value Added Statement

(Analysis of growth in comparison to the base year of 2020)

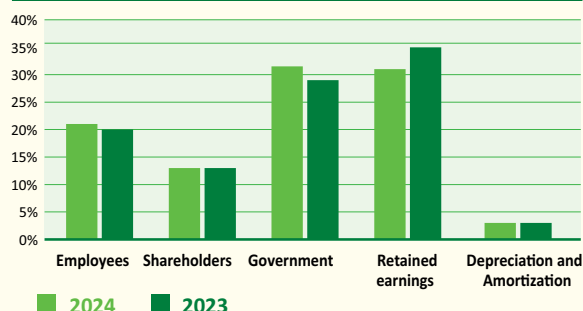
The Value Added Statement provides a clear view of how DBH has created and distributed economic value among its stakeholders during the year. It highlights the total wealth generated through the company's operations and how it has been allocated to employees, shareholders, financiers, government, and retained for future growth.

This statement not only complements the traditional financial reports but also demonstrates DBH's broader role in contributing to the national economy. For stakeholders, it offers valuable insights into the company's commitment to inclusive growth, operational efficiency, and responsible value distribution.

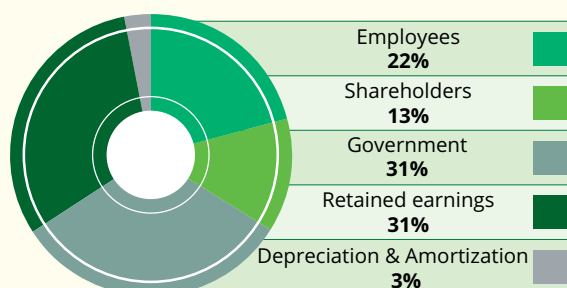
Figures in BDT Million

	2024	%	2023	%
Value Added				
Net Interest Income	1,543	68%	1,794	79%
Fees Earned	177	8%	164	7%
Investment Income	809	36%	190	8%
Other Income	24	1%	21	1%
Operating Expense Except salary & allowance, Depreciation and amortization	(167)	-7%	(168)	-7%
Provision for loan, advances & allowances	(113)	-5%	31	1%
Total Value added by the company	2,273	100%	2,031	100%
Distribution of value addition				
Employees				
As Salary Allowances	498	22%	413	20%
Provider of Capital	-		-	
Dividend to Ordinary Shareholders	298	13%	331	13%
Government	-		-	
Income Tax	702	31%	577	29%
Retained for business growth	-		-	
Earning Retained in the Business	710	31%	653	35%
Depreciation and Amortization	64	3%	57	3%
Total Distribution	2,273	100%	2,031	100%

Distribution of Value Addition



Distribution in Pie Chart: 2024



Market Value Added Statement

For the year ended on December 31, 2024

Importance of Market Value Added (MVA)

Market Value Added (MVA) is a performance metric that gauges how effectively a company has enhanced shareholder value. It is calculated as the difference between the market value of shares outstanding and the book value of shares outstanding. MVA reflects the market's assessment of the company's future earning potential relative to the capital invested by shareholders.

A positive MVA signifies that the company has successfully created value for its shareholders by increasing the overall worth of their investment beyond the capital contributed. Conversely, a negative or declining MVA implies potential underperformance, indicating that the market perceives the company as delivering returns below expectations or failing to utilize capital efficiently.

Amount in BDT Million			
Particulars	2024	2023	Growth (%)
Market Value of shares outstanding	7,737	11,277	-31%
Book Value of share outstanding	1,989	1,989	0
Market value Added	5,748	9,288	-38%

Key Factors Behind the MVA Decline

- Overall Market Contraction (-16.5%):** The broader capital market experienced a downturn in 2024, declining by 16.5%. This systemic decline negatively impacted share prices across the board, including fundamentally strong companies like DBH.

Since MVA is heavily influenced by the market value of shares, a falling market reduces the company's total market capitalization, regardless of internal performance improvements.

- Disconnect Between Intrinsic and Market Value:** The rise in NAV (+8.3%) suggests that the company's underlying net assets have strengthened.

However, MVA depends on investor perception and share price, not just book value. The market's bearish sentiment likely suppressed your company's share price, thereby reducing its market value.

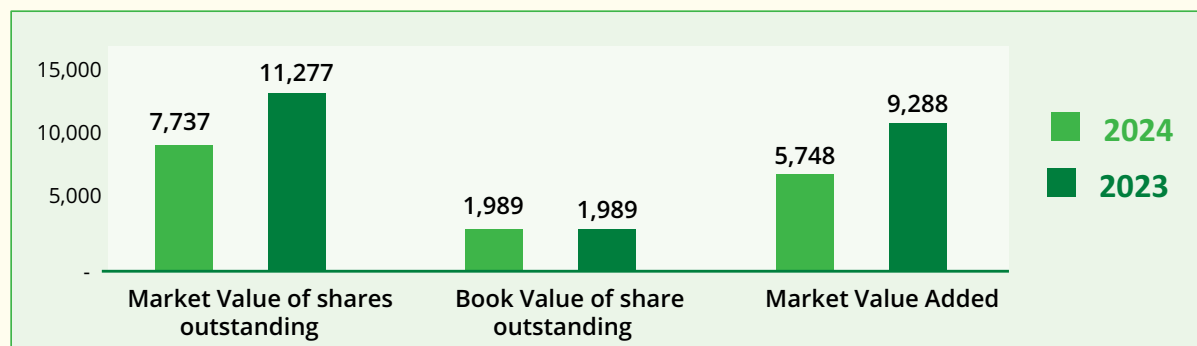
- Lag Effect in Investor Confidence:** Financial improvements such as higher PAT and NAV often take time to be reflected in market valuations.

In a depressed market, investors may remain cautious or risk-averse, delaying re-entry into equities and thus holding back stock price recovery.

- Market Multiples and Valuation Compression:** In downturns, valuation multiples such as P/E or P/B often compress. Even if earnings increase, lower multiples can lead to a fall in market value.

Conclusion

The decline in MVA during 2024 is not a reflection of weak company performance, but rather a consequence of external market forces that suppressed share prices across the sector. The fact that PAT and NAV improved despite a challenging environment demonstrates operational resilience. Once market conditions stabilize or improve, these financial fundamentals can drive a rebound in the company's valuation—and hence in MVA.



Economic Value Added Statement

For the year ended on December 31, 2024

The Economic Value Added (EVA) Statement measures the true economic performance of the company by assessing whether it has generated returns above the cost of capital. Unlike traditional profit metrics, EVA accounts for the cost of all capital employed—both debt and equity—providing a clearer picture of value creation for shareholders. A positive EVA indicates that the company has created wealth, while a negative EVA suggests value erosion. This statement helps stakeholders evaluate how efficiently DBH is using its capital to generate sustainable long-term value and supports informed decision-making on performance, strategy, and capital allocation.

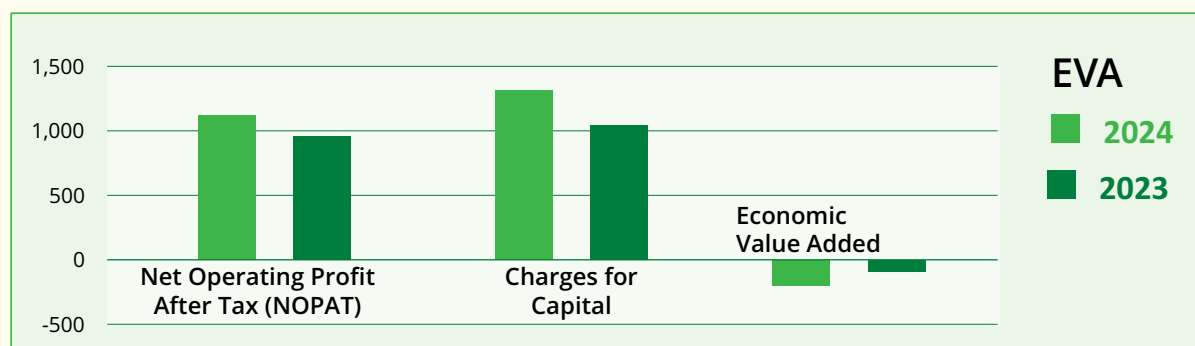
Taka in BDT Million

Particulars	2024	2023
Net Operating Profit	1,824	1,530
Provision for Taxes	702	577
Net Operating Profit after Tax (NOPAT)	1,121	953
Charges for Capital		
Capital Employed	10,564	9,731
Cost of equity (%)	12.48%	10.74%
Charges for Capital	1,318	1,045
Economic Value Added	-197	-92
Capital Employed		
Shareholders' Equity	9,398	8,678
Accumulated provision for doubtful debt	1,166	1,053
Total Capital Employed	10,564	9,731

While EVA has been temporarily negative due to low spread and a rising cost of equity as a result of high rate for Gov. Securities, DBH continues to deliver strong EPS and maintain one of the highest NAVs in the industry. Our focused, low-risk home financing model ensures long-term value creation, financial stability, and consistent returns to shareholders.

Notes to the EVA Statement

- Cost of Equity Calculation:** Based on the 10-year Government Treasury Bond rate, used as a proxy for the return expected by shareholders.
- Computation of Net Operating Profit After Tax (NOPAT):** Net Operating Profit After Tax is calculated by deducting tax provision from operating profit.
- Capital Employed Definition:** Includes shareholders' equity and provision for doubtful accounts to reflect total funds used in operations.
- Average Capital Employed:** EVA calculations use the average of beginning and end-year capital employed for accuracy.
- Charge for Capital:** Represents the cost of using capital, calculated by applying the cost of equity to capital employed.



Horizontal Analysis

(Analysis of growth in comparison to the base year of 2020)

Balance Sheet

Taka in Million

	2020	%	2021	%	2022	%	2023	%	2024	%
PROPERTY AND ASSETS										
Cash	575	100%	558	97%	575	100%	622	108%	682	119%
Balance with other banks and financial institutions	14,339	100%	14,726	103%	11,018	77%	17,447	122%	9,381	65%
Money at call and short notice		100%		0%	2,700	0%	100	0%	1,900	0%
Investment	489	100%	678	139%	2,517	515%	5,165	1056%	10,186	2083%
Leases, loans and advances	42,750	100%	43,831	103%	44,536	104%	43,670	102%	44,509	104%
Fixed assets including land, building, furniture and fixtures	290	100%	263	91%	254	88%	276	95%	265	91%
Other assets	164	100%	223	136%	137	84%	256	157%	265	162%
TOTAL PROPERTY AND ASSETS	58,607	100%	60,279	103%	61,738	105%	67,537	115%	67,188	115%
LIABILITY AND SHAREHOLDERS' EQUITY										
Liabilities										
Borrowings from Bangladesh Bank, other banks and financial institutions	5,571	100%	6,176	111%	11,080	199%	9,358	168%	8,605	154%
Term deposits	43,827	100%	43,978	100%	40,061	91%	46,656	106%	45,775	104%
Other liabilities	2,778	100%	2,880	104%	2,610	94%	2,844	102%	3,409	123%
Total Liabilities	52,176	100%	53,034	102%	53,751	103%	58,859	113%	57,790	111%
		100%		0%		0%		0%		0%
Paid up capital	1,541	100%	1,773	115%	1,950	126%	1,989	129%	1,989	129%
Share premium	55	100%	55	100%	55	100%	55	100%	55	100%
Reserve and surplus	4,835	100%	5,416	112%	5,982	124%	6,635	137%	7,354	152%
Shareholders' Equity	6,431	100%	7,244	113%	7,986	124%	8,678	135%	9,398	146%
Total Liabilities and Shareholders' Equity	58,607	100%	60,279	103%	61,738	105%	67,537	115%	67,188	115%

Horizontal Analysis

(Analysis of growth in comparison to the base year of 2020)

Profit and Loss Account

Taka in Million

	2020	%	2021	%	2022	%	2023	%	2024	%
Interest income	5,909	100%	5,054	86%	4,831	82%	5,924	100%	7,339	124%
Interest expenses on deposits & borrowings	3,960	100%	2,890	73%	3,045	77%	4,130	104%	5,796	146%
Net Interest Income	1,949	100%	2,164	111%	1,786	92%	1,794	92%	1,543	79%
Income from investment	24	100%	125	518%	145	601%	190	786%	809	3350%
Commission, exchange and brokerage income	156	100%	178	114%	183	117%	164	105%	177	113%
Other operational income	20	100%	16	84%	21	105%	21	106%	24	122%
Total Operating Income	2,148	100%	2,483	116%	2,135	99%	2,169	101%	2,553	119%
Operating Expenses	100%		0%		0%		0%		0%	
Salary and allowances	354	100%	364	103%	377	107%	400	113%	485	137%
Rent, taxes, insurance, electricity etc.	32	100%	38	118%	36	111%	26	80%	21	66%
Legal and professional fees	13	100%	16	126%	18	142%	22	172%	22	174%
Postage, stamp, telecommunication etc.	7	100%	9	126%	8	122%	8	123%	11	166%
Stationery, printing, advertisement	7	100%	11	152%	20	270%	19	254%	15	202%
Managing director's salary and allowance	7	100%	13	184%	13	184%	13	184%	13	189%
Directors' fees and expenses	1	100%	1	112%	1	100%	1	108%	1	131%
Auditor's fees	1	100%	1	106%	1	111%	1	111%	1	178%
Repairs, maintenance and depreciation	61	100%	66	108%	71	116%	75	122%	83	136%
Other expenses	41	100%	47	114%	66	160%	75	182%	77	187%
Total operating expenses	523	100%	565	108%	610	117%	638	122%	729	139%
Operating Profit	1,625	100%	1,918	118%	1,524	94%	1,530	94%	1,824	112%
Provisions for loans / investments	127	100%	197	155%	(56)	-44%	(31)	-24%	113	89%
Profit before tax and reserve	1,498	100%	1,721	115%	1,580	105%	1,561	104%	1,711	114%
Provision for tax made during the year	607	100%	677	112%	564	93%	577	95%	702	116%
Net profit after tax	891	100%	1,044	117%	1,017	114%	984	110%	1,009	113%

Vertical Analysis

(Analysis of each component as a % of Total Assets of the respective year)

Balance Sheet

Taka in Million

	2020	%	2021	%	2022	%	2023	%	2024	%
PROPERTY AND ASSETS										
Cash	575	1.0%	558	0.9%	575	0.9%	622	0.9%	682	1.0%
Balance with other banks and financial institutions	14,339	24.5%	14,726	24.4%	11,018	17.8%	17,447	25.8%	9,381	14.0%
Money at call and short notice		0.0%		0.0%	2,700	4.4%	100	0.1%	1,900	2.8%
Investment	489	0.8%	678	1.1%	2,517	4.1%	5,165	7.6%	10,186	15.2%
Leases, loans and advances	42,750	72.9%	43,831	72.7%	44,536	72.1%	43,670	64.7%	44,509	66.2%
Fixed assets including land, building, furniture and fixtures	290	0.5%	263	0.4%	254	0.4%	276	0.4%	265	0.4%
Other assets	164	0.3%	223	0.4%	137	0.2%	256	0.4%	265	0.4%
TOTAL PROPERTY AND ASSETS	58,607	100%	60,279	100%	61,738	100%	67,537	100%	67,188	100%
LIABILITY AND SHAREHOLDERS' EQUITY										
Liabilities										
Borrowings from Bangladesh Bank, other banks and financial institutions	5,571	10%	6,176	10%	11,080	18%	9,358	14%	8,605	13%
Term deposits	43,827	75%	43,978	73%	40,061	65%	46,656	69%	45,775	68%
Other liabilities	2,778	5%	2,880	5%	2,610	4%	2,844	4%	3,409	5%
Total Liabilities	52,176	89%	53,034	88%	53,751	87%	58,859	87%	57,790	86%
Shareholders' Equity										
Paid up capital	1,541	3%	1,773	3%	1,950	3%	1,989	3%	1,989	3%
Share premium	55	0%	55	0%	55	0%	55	0%	55	0%
Reserve and surplus	4,835	8%	5,416	9%	5,982	10%	6,635	10%	7,354	11%
Shareholders' Equity	6,431	11%	7,244	12%	7,986	13%	8,678	13%	9,398	14%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	58,607	100%	60,279	100%	61,738	100%	67,537	100%	67,188	100%

Vertical Analysis

(Analysis of each component as a % of Total Operating Income of the respective year)

Profit and Loss Account

Taka in Million

	2020	%	2021	%	2022	%	2023	%	2024	%
Interest income	5,909	275.0%	5,054	203.5%	4,831	226.3%	5,924	273.2%	7,339	287.5%
Interest expenses on deposits & borrowings	3,960	184.3%	2,890	116.4%	3,045	142.7%	4,130	190.5%	5,796	227.0%
Net Interest Income	1,949	90.7%	2,164	87.1%	1,786	83.7%	1,794	82.7%	1,543	60.4%
Income from investment	24	1.1%	125	5.0%	145	6.8%	190	8.8%	809	31.7%
Commission, exchange and brokerage income	156	7.3%	178	7.2%	183	8.6%	164	7.6%	177	6.9%
Other operational income	20	0.9%	16	0.7%	21	1.0%	21	1.0%	24	0.9%
Total Operating Income	2,148	100%	2,483	100%	2,135	100%	2,169	100%	2,553	100%
Operating Expenses										
Salary and allowances	354	16.5%	364	14.7%	377	17.7%	400	18.4%	485	19.0%
Rent, taxes, insurance, electricity etc.	32	1.5%	38	1.5%	36	1.7%	26	1.2%	21	0.8%
Legal and professional fees	13	0.6%	16	0.6%	18	0.8%	22	1.0%	22	0.9%
Postage, stamp, telecommunication etc.	7	0.3%	9	0.3%	8	0.4%	8	0.4%	11	0.4%
Stationery, printing, advertisement	7	0.3%	11	0.5%	20	0.9%	19	0.9%	15	0.6%
Managing director's salary and allowance	7	0.3%	13	0.5%	13	0.6%	13	0.6%	13	0.5%
Directors' fees and expenses	1	0.0%	1	0.0%	1	0.0%	1	0.0%	1	0.0%
Auditor's fees	1	0.0%	1	0.0%	1	0.0%	1	0.0%	1	0.0%
Repairs, maintenance and depreciation	61	2.8%	66	2.7%	71	3.3%	75	3.4%	83	3.2%
Other expenses	41	1.9%	47	1.9%	66	3.1%	75	3.4%	77	3.0%
Total operating expenses	523	24.4%	565	22.8%	610	28.6%	638	29.4%	729	28.6%
Operating Profit	1,625	75.6%	1,918	77.2%	1,524	71.4%	1,530	70.6%	1,824	71.4%
Provisions for loans / investments	127	5.9%	197	7.9%	(56)	-2.6%	(31)	-1.4%	113	4.4%
Profit before tax and reserve	1,498	69.7%	1,721	69.3%	1,580	74.0%	1,561	72.0%	1,711	67.0%
Provision for tax made during the year	607	28.3%	677	27.3%	564	26.4%	577	26.6%	702	27.5%
Net profit after tax	891	41.5%	1,044	42.0%	1,017	47.6%	984	45.4%	1,009	39.5%

ডিবিএইচ সামগ্রী আবাসন লোন



সবাই চাই সাধের মধ্যে নিজের আবাসন। তাই দেশের সর্ববৃহৎ গৃহঋণ প্রদানকারী আর্থিক প্রতিষ্ঠান ডিবিএইচ স্বল্প ও মধ্যম আয়ের ব্যবসায়ী, চাকরিজীবী ও অন্যান্য পেশাজীবীর জন্য নিয়ে এলো সামগ্রী আবাসন লোন সুবিধা -
ডিবিএইচ আমার ঘর ও ডিবিএইচ আমার বাড়ি।

ডিবিএইচ আমার ঘর



স্বল্প আয়ের ব্যবসায়ী, চাকরিজীবী,
পেশাজীবী ও অন্যান্য



মাসিক আয় অনধিক
১,০০,০০০ টাকা



বাড়ি বা ফ্ল্যাটের মূল্যের সর্বোচ্চ
৮০% অথবা ৩০ লাখ টাকা পর্যন্ত

ডিবিএইচ আমার বাড়ি



মধ্যম আয়ের ব্যবসায়ী,
চাকরিজীবী, পেশাজীবী ও অন্যান্য



মাসিক আয় অনধিক
১,৫০,০০০ টাকা



বাড়ি বা ফ্ল্যাটের মূল্যের সর্বোচ্চ
৮০% অথবা ৬০ লাখ টাকা পর্যন্ত

আপনি ডিবিএইচ সামগ্রী আবাসন লোন নিতে পারেন নিচে উল্লেখিত কারণ সমূহের জন্য

নিজ বাড়ি নির্মাণ

বাড়ি ক্রয়

ফ্ল্যাট ক্রয়

গ্রুপ কনস্ট্রাকশন

বাড়ি সংস্কার

সেমিপাকা ঘর নির্মাণ


বাড়ি বর্ধন

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Islamic

DBH



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Management's Discussion & Analysis (MDA)	62



Message From the Chairman

Dr. A M R Chowdhury

Dear Stakeholders,

It is my privilege to welcome you to the 29th Annual General Meeting of DBH Finance PLC. As Bangladesh's leading specialist housing finance institution, DBH has long been guided by principles of integrity, resilience, and purpose. Despite a year marked by global uncertainties and domestic economic pressures, DBH remained focused on its long-term vision and continued to demonstrate strength, stability, and leadership in the financial sector.

The Board of Directors is proud of the company's ability to stay aligned with its mission, to promote homeownership in an inclusive and sustainable way, while maintaining a solid financial position. I extend my sincere gratitude to all our stakeholders for your continued trust and confidence during this pivotal period.

Macroeconomic Landscape and Strategic Positioning

The financial year 2024 unfolded within a turbulent global and national context. Bangladesh, like many other economies, faced inflationary pressures, policy shifts, foreign currency volatility, and a challenging investment climate. Amid this backdrop, the financial sector encountered tightening liquidity, regulatory adjustments, and rising credit risks.

In this environment, DBH Finance PLC stood out for its prudent governance, disciplined financial management, and unwavering focus on long-term value creation.

Performance and Returns

In the face of persistent economic challenges, DBH Finance PLC demonstrated both resilience and reliability—hallmarks of a well-governed financial institution. The Company concluded the year with a healthy loans and advances portfolio of BDT 4,451 crore, reaffirming its central role in supporting housing finance across Bangladesh. With over BDT 1,150 crore new disbursements in home loan during the year, DBH continued to empower families with access to homeownership, even amidst a cautious lending environment.

Our consistent profitability reflects prudent strategy and operational discipline. Net earnings for the year reached BDT 1,008 million, registering steady growth over the previous

year. This performance is particularly notable in light of the external volatility that affected both investor sentiment and financing costs across the sector.

One of the most defining achievements of the year was the preservation of our exceptionally low Non-Performing Loan (NPL) ratio at just 0.97%, a benchmark within the industry. This is a clear outcome of our meticulous credit processes, stringent risk management, and the enduring trust we share with our clients.

In recognition of these results, DBH has once again retained the highest long-term credit rating of 'AAA' for an unprecedented 19th consecutive year. This continued affirmation of our financial integrity and governance standards is unmatched in the country's financial services industry.

In line with our commitment to delivering value to shareholders, the Board of Directors has proposed a dividend package comprising a 15% cash dividend and a 2% stock dividend for the financial year ended December 31, 2024, subject to approval at this AGM. This reflects both our financial strength and our dedication to consistent shareholder returns.

A Broader Commitment to Sustainability and Inclusion

Beyond financial metrics, DBH's commitment to inclusive development and responsible finance remained central to its strategy. The year saw significant strides in expanding geographic reach and deepening relationships with underserved segments. Strategic partnerships, especially in areas such as affordable and green housing, reflect our forward-looking approach to solving real social challenges.

DBH's continued investment in governance, compliance, and digital innovation underscores

our intent to remain agile, transparent, and customer-centric. These efforts are essential not only for growth but also for building lasting trust with regulators, investors, and the communities we serve.

In addition, the Board of Directors continues to play an active role in guiding strategy, overseeing risk, and ensuring long-term sustainability. We remain focused on strengthening institutional resilience and aligning our policies with evolving market dynamics and stakeholder expectations, including Environmental, Social, and Governance (ESG) imperatives.

Acknowledgements

On behalf of the Board, I express our deepest appreciation to our esteemed shareholders for your enduring confidence, to my fellow Board members for their wise counsel, and to the management team and staff for their tireless efforts in upholding DBH's values and performance standards. I also extend our gratitude to Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the Registrar of Joint Stock Companies and Firms,

and both stock exchanges for their continued support and collaboration.

Looking Ahead

While the future may continue to present economic headwinds, I remain confident that DBH Finance PLC is well-positioned to navigate the uncertainties and seize opportunities ahead. With a strong foundation, clear strategic vision, and a steadfast commitment to serving the people of Bangladesh, DBH will continue to lead the way in housing finance innovation and inclusive economic growth.

Thank you once again for your partnership and trust.

Warm regards,



Dr. A M R Chowdhury
Chairman
DBH Finance PLC

Directors' Report

Dear Shareholders,

The Directors of DBH Finance PLC have the pleasure of presenting the Directors' Report of your Company together with audited accounts for the year ended December 31, 2024.

Review of Macroeconomy

Details of the review of macroeconomy is given in page 113.

Performance of the Financial Sector of Bangladesh in 2024

The first quarter of FY25 (Q1FY25) saw significant economic disruptions across Bangladesh's financial sector due to widespread socio-political upheaval and environmental challenges. Despite these adversities, robust export growth and a sharp increase in remittances signaled potential for recovery. Inflation reached a record high before stabilizing somewhat, while Bangladesh Bank (BB) intensified its monetary tightening measures to curb inflation. Improvements in the external sector were offset by a worsening balance of payments and rising non-performing loans (NPLs) in the banking sector.

Banking Sector Performance

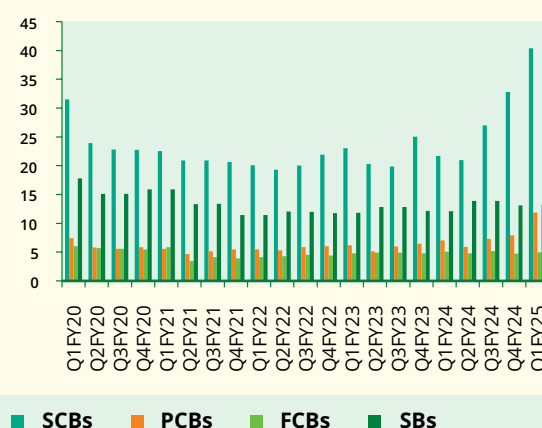
The banking sector faced considerable challenges during the first quarter of FY25, as key performance indicators reflected growing concerns. The ratio of non-performing loans (NPLs) to total loans rose significantly, accompanied by slower growth in bank advances and deposits, as well as a sharp reduction in excess liquidity within the banking system.

Non-Performing Loans (NPLs):

During Q1FY25, the total NPLs surged by 34.81 percent to BDT 2,849.77 billion compared to Q4FY24. The NPL ratio climbed to 16.93 percent from 12.56 percent in the previous quarter, highlighting the worsening asset quality. This trend was further exacerbated by a revised definition of overdue

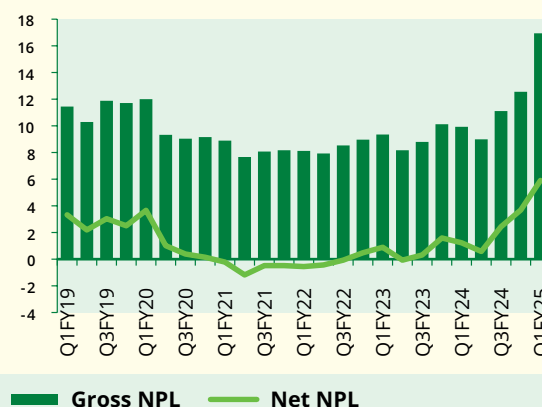
loans, which reduced the threshold for fixed-term loans from six to three months. State-owned commercial banks (SCBs) and private commercial banks (PCBs) were the primary contributors, with SCBs experiencing an NPL ratio increase to 40.35 percent from 32.77 percent, and PCBs rising to 11.88 percent from 7.94 percent.

Chart VI.1:
Ratio of Gross NPLs to Total Loans
(in percent)



Source: Bangladesh Bank.

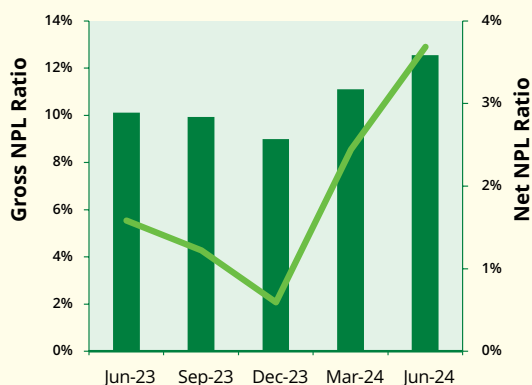
Chart VI.2:
Ratio of Gross NPLs and Net NPL to Total Loans
(in percent)



Source: Bangladesh Bank.

Net NPLs also saw a significant rise, reaching 5.89 percent at the end of Q1FY25 from 3.68 percent at the end of Q4FY24.

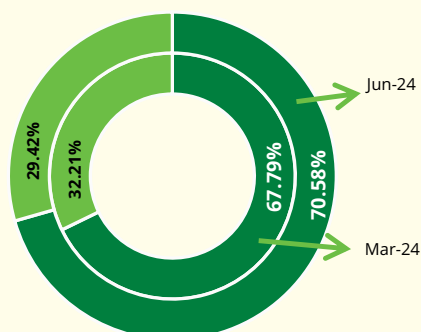
Chart 2.6: NPL Ratios of the Banking Industry



■ Gross NPL ratio — Net NPL ratio

Source: BRPD, BB.

Chart 2.10: NPL Concentration in Top 10 Banks

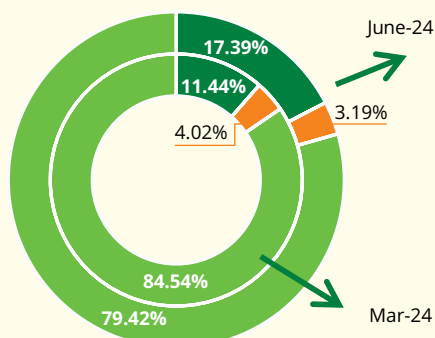


■ Top 10 Banks ■ Other Banks

Source: BRPD, BB; Compilation: FSD, BB.

NPL concentration (in percentage) for top 5 and top 10 banks is defined as the NPLs of top 5 and top 10 banks respectively to total NPLs of the banking system. Here, top 5 and top 10 banks are defined based on their size of NPLs.

Chart 2.11: NPLs Composition



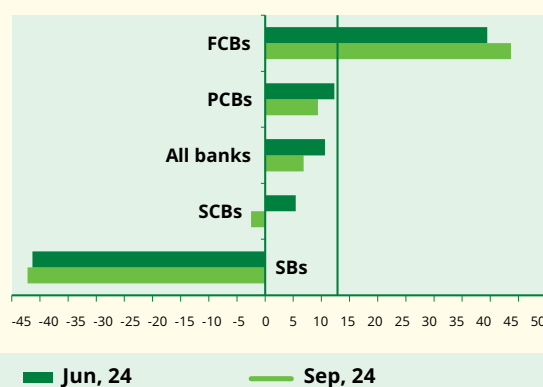
■ Sub-Standard ■ Doubtful ■ Bad /Loss

Source: BRPD, BB; Compilation: FSD, BB.

Capital Adequacy:

The overall Capital to Risk-Weighted Assets Ratio (CRAR) for the banking system fell sharply to 6.86 percent, significantly below the Basel III minimum requirement. The decline was largely attributed to SCBs, whose CRAR dropped to -2.48 percent from 5.44 percent in Q4FY24. Private commercial banks also witnessed a decline, with CRAR reducing to 9.38 percent from 12.29 percent.

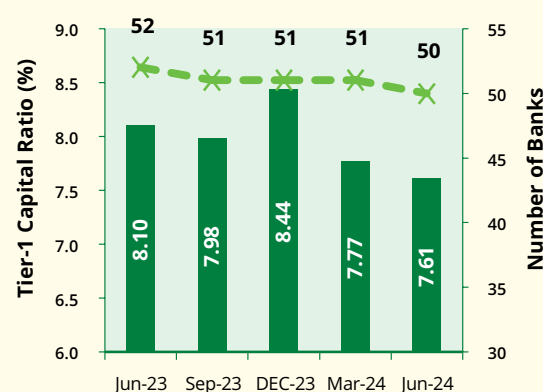
**Chart VI.3:
Capital to Risk Weighted Assets Ratio (CRAR)
(in percent)**



Source: Bangladesh Bank.

The banking industry's Tier-1 capital ratio was 7.61 percent in the review quarter, which experienced a downward shift compared to that of the previous quarter (Chart 4.4). The Tier-1 capital ratio, however, remained greater than the regulatory minimum requirement of 6.0 percent.

Chart 4.4 : Banking Industry's Tier-1 Capital Ratio



■ Tier-1 Capital Ratio
-x- Number of Tier-1 capital compliant banks

Source: DOS, Compilation: FSD, BB.

Profitability:

The banking sector's profitability weakened in Q3FY24 compared to the same period in the previous year. Return on Assets (ROA) fell to 0.23 percent from 0.39 percent, while Return on Equity (ROE) dropped to 4.32 percent from 6.82 percent. SCBs faced particularly steep declines, with ROA at -0.65 percent and ROE at -19.10 percent, compared to -0.10 percent and -2.74 percent, respectively, a year earlier.

Banking Sector Loan Loss Provisions

Amount in Billion BDT

Period	Required Provision	Provision Maintained	Excess/ (Short)	Provision Maintaining ratio (%)
Q1FY24	1063.73	811.03	-252.71	76.24
Q2FY24	984.77	784.34	-200.41	79.64
Q3FY24	1114.69	878.50	-265.85	78.81
Q4FY24	1137.76	893.35	-244.41	78.52
Q1FY25	1822.20	1262.13	-553.78	69.26

Deposit and Credit Growth:

Deposit growth slowed to 6.42 percent at the end of Q1FY25, down from 9.60 percent in Q4FY24, despite higher deposit interest rates. This decline may reflect reduced public confidence in the banking system and the impact of high inflation on household finances. Advances also grew at a slower rate of 9.16 percent, down from 10.69 percent in Q4FY24, due to higher borrowing costs and limited loan disbursement capacity.

Liquidity Position:

Excess liquidity in the banking sector declined to BDT 1,780.91 billion by the end of Q1FY25, down from BDT 1,958.24 billion in Q4FY24. The surplus in the statutory liquidity ratio (SLR) also fell to 9.2 percent of total demand and time liabilities, compared to 10.5 percent in Q4FY24.

Reform Efforts:

In response to the rising NPLs and declining liquidity, the interim government and Bangladesh Bank (BB) have initiated comprehensive reform measures. A six-member task force has been formed to oversee the reforms, including conducting an Asset Quality Review (AQR) with support from the Asian Development Bank (ADB) and the World Bank. BB has also restructured the boards of 11 banks and financial institutions to enhance governance and placed these institutions under strict surveillance for further follow-up actions.

PERFORMANCE OF FINANCE COMPANIES

In the June 2024 quarter, Finance Companies (FCs) experienced an uptick in asset growth compared to the previous quarter. However, the non-performing loan (NPL) ratio deteriorated, and Return on Assets (ROA)—a key profitability indicator—further declined.

3.1 Growth in Liabilities, Equities, and Assets

During the review quarter, the total liabilities and equity of FCs rose by 1.66%. Borrowings, deposits, and other liabilities increased by 3.11%, 0.56%, and 10.33%, respectively. However, total equity experienced a sharp decline of 85.76%, standing at BDT -47.21 billion.

Total assets grew by 1.66% compared to March 2024, reaching BDT 1,007.17 billion by the end of June 2024. Increases were observed in cash and liquid assets (5.46%), earning assets (0.72%), and other assets (7.90%). Conversely, fixed assets declined by 0.21%.

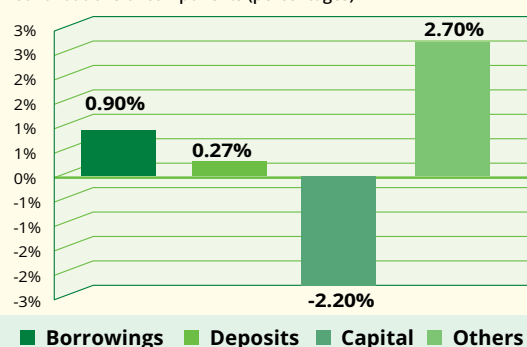
3.1.1 Sources of Funds: Composition and Contribution

As of June 2024, the fund composition of FCs consisted of deposits (47.18%), borrowings (29.19%), capital (-4.69%), and other liabilities (28.32%). Compared to March 2024, the shares of borrowings and other liabilities increased by 0.41 and 2.22 percentage points, while deposits and capital shares decreased by 0.51 and 2.12 percentage points, respectively (see Chart 3.1).

The 1.66% increase in total liabilities and shareholders' equity was primarily driven by increases in borrowings, deposits, and other liabilities, contributing 0.90%, 0.27%, and 2.70%, respectively. However, capital contributed a -2.20% decline (Chart 3.2).

Chart 3.2: Contribution of Different Components in Growth of Liabilities and Equities at end-June

Contributions of components (percentages)

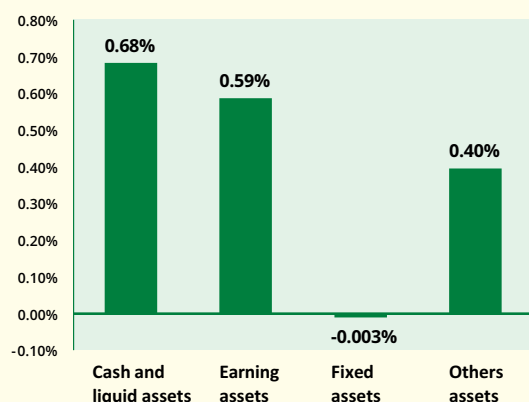


Source: DFIM; Compilation: FSD, BB.

3.1.2 Asset Composition and Contribution

At the end of June 2024, cash and liquid assets, earning assets, and other assets contributed positively to asset growth, while fixed assets showed a nominal decline (Chart 3.3).

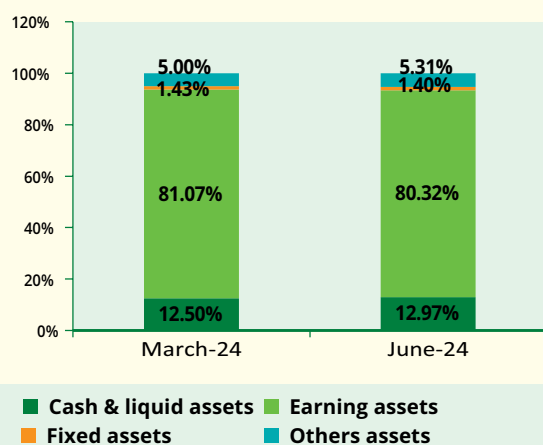
Chart 3.3: Contribution of Components in Growth of Assets at end-June 2024



Source: DFIM; Compilation: FSD, BB.

Earning assets (loans, leases, and investments) accounted for 80.32% of total assets, while cash and liquid assets made up 12.97%. Fixed and other assets accounted for 1.40% and 5.31%, respectively (Chart 3.4).

Chart 3.4: Composition of Assets

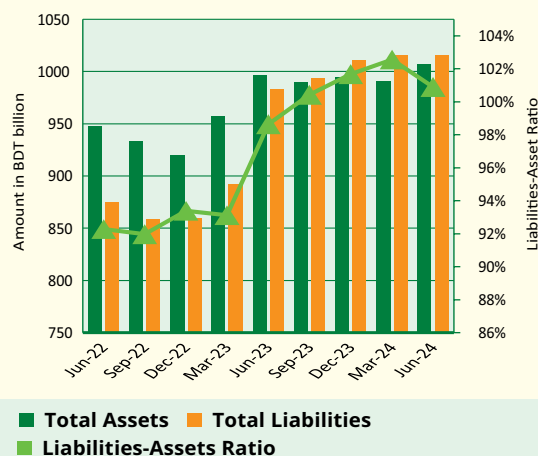


Source: DFIM; Compilation: FSD, BB.

3.1.3 Liabilities-to-Assets Ratio

The liabilities-to-assets ratio stood at 100.89% at the end of June 2024, representing a 1.68 percentage-point decline from March 2024 (Chart 3.5).

Chart 3.5: FCs' Liabilities-Assets Ratio



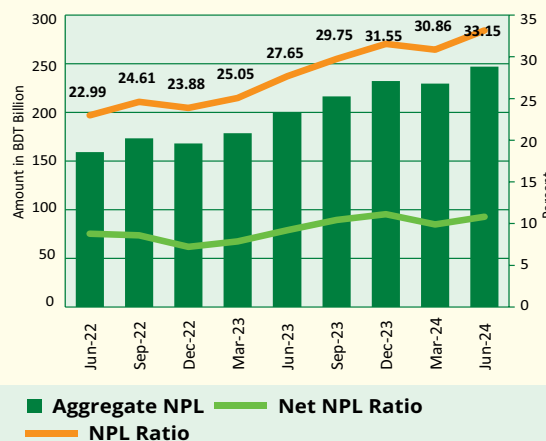
Source: DFIM; Compilation: FSD, BB.

3.2 Asset Quality

Non-performing loans (NPLs) and leases rose by 7.62% in the June 2024 quarter, reaching BDT 247.11 billion, up from BDT 229.61 billion in March 2024. The NPL ratio rose to 33.15%, 2.29 percentage points higher than in the previous quarter.

The net NPL ratio also increased by 0.94 percentage points to 10.83% at the end of June 2024 (Chart 3.6).

Chart 3.6: FCs' Non-performing Loans



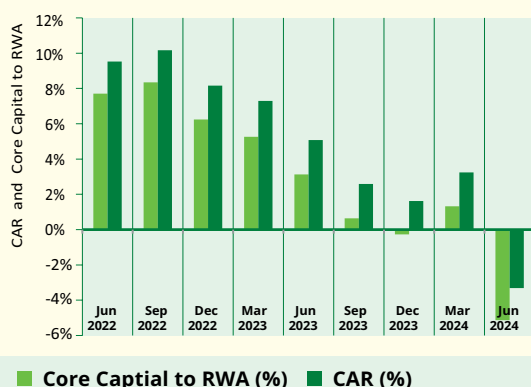
Source: DFIM, BB.

Capital Adequacy

During the review quarter, the Capital Adequacy Ratio (CAR) and the core capital (Tier-1 capital) ratio of the FCs recorded at -3.31 percent and -5.13 percent respectively (Chart 5.1). At end-June 2024, both the ratios decreased by 6.55 percentage points and 6.45 percentage points respectively compared to end-

March 2024. Out of 35 FCs, 16 were able to maintain the required level of CAR in the review quarter. It is noteworthy that aggregate minimum capital level of the FCs was negative and considerably lower than the minimum regulatory requirement 22. It is a matter of concern for the FC industry as well as for the financial system from the stability point of view.

Chart 5.1: Core Capital to RWA and Capital Adequacy Ratio of FCs

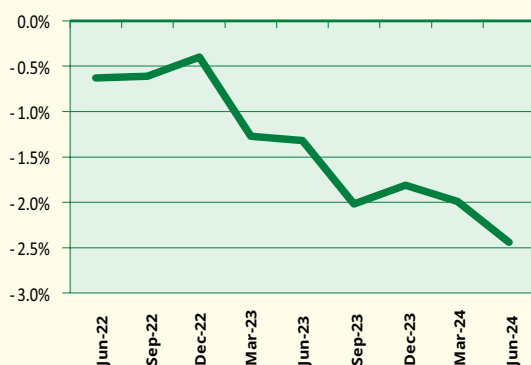


Source: DFIM, BB.

3.3 Profitability

During the review quarter, the annualized ROA of finance companies declined from -1.99% to -2.44% (Chart 3.7). Additionally, total equity fell to BDT -47.21 billion, and the net loss after tax reached BDT 12.28 billion.

**Chart 3.7: FCs' ROA
Aggregate ROA**



Source: DFIM; Compilation: FSD, BB.

3.4 Asset Concentration

The top 20% of FCs held around 60% of total assets, indicating significant asset concentration. The Gini coefficient was calculated at 0.547, reflecting unequal asset distribution among FCs.

Bangladesh's Real Estate Sector Amidst Growth and Constraints

Bangladesh's real estate industry is at a pivotal juncture, offering immense opportunities for growth and expansion. As one of the crucial sectors of the economy, it contributes approximately 7.93% to the country's GDP (Bangladesh Bureau of Statistics, 2023) and serves as the third-largest source of employment. With rapid urbanization, rising income levels, and increasing housing demand, the sector is poised for further transformation.

Urbanization has been a key factor behind the expansion of the real estate market. Currently, 40.47% of Bangladesh's population lives in urban areas across 505 towns and cities. This urbanization rate is expected to grow significantly in the coming years, driven by various socio-economic factors. To accommodate the increasing urban population, approximately 250,000 new houses will need to be built annually to address existing shortages and meet future demand, according to the International Finance Corporation (IFC).

To capitalize on this potential, financial institutions are introducing innovative financing solutions, and the government is taking steps to improve housing finance accessibility.

Real Estate Industry Market Size

The real estate industry in Bangladesh has been experiencing steady growth, driven by rapid urbanization, economic expansion, and increasing demand for housing. The sector began to take shape in the early 1970s and flourished during the 1980s as urban development accelerated. Over the years, the industry has grown significantly, with both large and small developers contributing to its expansion. Currently, the Real Estate and Housing Association of Bangladesh (REHAB) has 904 registered members, representing a major portion of the country's real estate developers. In addition to REHAB-affiliated companies, a substantial number of small-scale realtors operate independently, playing a crucial role in meeting the diverse housing needs of suburban and semi-urban populations.

As per an industry insider, the country's housing sector saw an average annual investment of approximately BDT 1.5 trillion since 2012, prior to the COVID-19 pandemic, highlighting its vital role

in economic development. According to Statista Market Insights, the market size was valued at USD 2.16 trillion in 2020 and showed consistent growth, reaching USD 2.48 trillion in 2023. The industry is projected to expand further to USD 2.84 trillion by 2025, with the residential real estate segment expected to dominate, accounting for an estimated USD 2.07 trillion. Looking ahead, the sector is anticipated to maintain an annual growth rate of 1.99 percent from 2025 to 2029, reaching a total market volume of USD 3.07 trillion by 2029. This sustained expansion highlights the resilience of the industry and the increasing necessity for housing solutions, particularly in urban centers where population density and infrastructure development are key drivers of demand. The continued rise in market value underscores the importance of strategic urban planning, real estate investment, and policy support to ensure sustainable long-term growth in Bangladesh's real estate sector.

Opportunities in the Real Estate Industry

The real estate sector in Bangladesh is positioned for significant expansion, driven by rising urbanization, a growing middle class, and increasing investments in infrastructure. The sector presents a myriad of opportunities for developers, investors, and financial institutions looking to tap into the country's evolving real estate landscape.

Rapid Urbanization

The real estate industry in Bangladesh is experiencing remarkable growth, driven by rapid urbanization and significant demographic shifts. In 1980, only about 15% of the country's population lived in urban areas. Today, that figure has risen above 40%, and by 2030, it is projected to reach 60%. This transformation reflects the increasing migration from rural areas as people seek better economic opportunities, improved access to services, and a higher standard of living in urban centers. As urban populations continue to grow, the demand for housing, infrastructure, and essential services will intensify, making urban planning and sustainable development more critical than ever. Addressing these challenges requires a focus on affordable housing, modern transportation systems, and enhanced amenities to accommodate the rising number of city dwellers. The evolving demographic landscape will shape the future of Bangladesh's real estate market, influencing policies and investment priorities in the years ahead.

Rising Middle-Class and Affordability

Bangladesh is approaching a significant demographic shift, with its middle class poised for rapid expansion in the coming years. Currently, over 34 million people, more than a fifth of the total population, fall within this category, with projections indicating that this share will reach 33% by 2030. This growing segment, backed by rising disposable incomes, is playing a crucial role in driving the real estate market. Increasingly, middle-class households are investing in housing, not only for residential purposes but also as a means of financial security. The demand for property has surged, particularly in Dhaka and Chattogram, where urbanization is advancing at a rapid pace.

Government Initiatives and Policy Support

Initiatives such as the Delta Plan 2100 and Smart City projects are expected to play a key role in enhancing urban living conditions in Bangladesh. Government policies focused on affordable housing and urban planning have further stimulated significant investments in the real estate sector. In addition, the government's emphasis on developing economic zones and offering incentives to foreign investors has made Bangladesh an increasingly attractive destination for real estate investment. These efforts aim to create sustainable urban environments while fostering economic growth, making the country an appealing market for both local and international investors.

Infrastructure Push

Infrastructure development is another important factor enhancing the attractiveness of the real estate sector. Major projects like the Padma Bridge and Dhaka Metro Rail have improved accessibility and increased property values in adjacent regions. These infrastructure projects stimulate economic growth, creating jobs and increasing demand for housing and commercial spaces.

Challenges in the Real Estate Industry

Despite its growth potential, Bangladesh's real estate sector faces several structural and financial challenges that must be addressed for sustainable development. Land acquisition complexities, high inflation, and regulatory bottlenecks remain key barriers that increase development costs and hinder market expansion.

Land Acquisition Complexities and High Land Prices

Land acquisition poses a major challenge in Bangladesh's real estate sector due to the country's complex land ownership laws, which make it difficult to identify the rightful owner of a property. According to a report published in The Financial Express, property registration in Dhaka takes about 264 days, compared to just 108 days in South Asia and approximately 24 days in OECD (Organization for Economic Cooperation and Development) countries. This lengthy process results in significant delays and higher costs for developers. Moreover, land prices in urban areas, particularly in Dhaka, have increased substantially. A report published in The Business Standard in October 2022 cites a study by the Institute for Planning and Development, indicating that land prices in Dhaka surged by up to 2,740% between 2000 and 2021. Referring to the Bangladesh Bank's Monetary Policy Review Report, the article notes that the price of a one-katha plot in Gulshan was BDT 25,000 in 1975, nearly BDT 1 lac by 1990, and soared to BDT 5 crore by 2020.

High Inflation and Price Volatility of Construction Materials

Inflation in Bangladesh has remained at a decade-high since 2023, reaching double digits in July 2024, severely affecting the overall economy, including the real estate sector. One of its most significant consequences has been the sharp rise in construction material prices, which have surged by up to 85% since the pandemic, according to industry insiders. As a result, real estate developers have become increasingly cautious about initiating new projects due to unpredictable cost escalations. The soaring material costs have pushed apartment prices nearly beyond the reach of the middle class. Persistent inflationary pressure has made financial planning more challenging for developers, often forcing them to delay projects or pass the additional costs onto buyers, further worsening housing affordability issues.

Bureaucratic Hurdles and Regulatory Challenges

Cumbersome bureaucratic procedures and regulatory inefficiencies continue to impede real estate development in Bangladesh. A report published in The Financial Express highlights that obtaining a construction permit in Dhaka takes

approximately 281 days, compared to about 150 days in South Asia and 152 days in OECD countries. The inconsistent enforcement of building codes and zoning regulations creates further uncertainty for developers, often resulting in delays and additional expenses. Moreover, the lack of coordination between various government agencies involved in urban development exacerbates inefficiencies, leading to unpredictable and time-consuming approval processes. These regulatory barriers not only inflate development costs but also deter both local and foreign investment in the sector.

Affordability Benchmark

With a price-to-income ratio (PTI) of 12.3, housing in Bangladesh exceeds the affordability benchmark of 5 by a significant margin, making homeownership difficult for many. Countries like India, Germany, and Australia have PTIs of 11, 9, and 7.6, respectively, indicating relatively better affordability. However, Bangladesh is not alone in facing this issue. For instance, some other nations, particularly in the developing world, experience even higher housing costs relative to income. For instance, Sri Lanka and China have PTIs of 26.3 and 29.1, respectively, making housing in these countries even less affordable. This comparison highlights the pressing need for strategic interventions in Bangladesh's housing sector, including policies to improve affordability, enhance financial accessibility, and support sustainable urban development.

Financing Constraints

One of the biggest challenges facing Bangladesh's real estate industry is financing constraints, which affect both homebuyers and property developers. High interest rates, strict lending requirements, and the lack of long-term financing options make it difficult for middle- and lower-income groups to secure home loans. On the supply side, real estate developers face difficulties in accessing affordable project financing, leading to high construction costs and unaffordable property prices.

Comparative Analysis: Housing Finance to GDP Ratios

A key indicator for evaluating the development of a country's housing finance sector is the ratio of outstanding mortgage loans to its Gross Domestic Product (GDP). This ratio reveals the extent of

housing finance penetration within the economy. In 2023, Bangladesh's mortgage market remained underdeveloped, with mortgage loans accounting for only 1.89% of GDP, a 7.71% decrease from the previous year. This follows a peak of 2.05% in 2022 and a low of 0.877% in 2019. Despite this growth, Bangladesh still ranks 60th out of 74 countries in terms of mortgage penetration, according to Helgi Library. In contrast, India's mortgage-to-GDP ratio reached 10.1% in 2023, marking a 33.2% increase from the previous year, underscoring the significant disparity in housing finance accessibility between the two nations. To bridge this gap and enhance homeownership opportunities, Bangladesh needs to explore innovative housing finance solutions, such as affordable home financing, environmentally friendly housing options, and government-backed refinancing schemes.

Way Forward for Bangladesh's Real Estate Sector

The real estate sector plays an important role in Bangladesh's economic growth, contributing significantly to GDP through residential and commercial infrastructure development, land utilization, and employment generation. It also drives demand for related industries such as cement, steel, and other construction materials. However, the future growth of the sector depends on strategic policy reforms, improved financing accessibility, and sustainable urban planning.

One of the most critical challenges in the sector has been housing affordability, particularly for middle- and lower-income groups. Recognizing this, the government is planning to establish a separate Mortgage Refinancing Company (MRC) under the direct supervision of Bangladesh Bank (BB) to make home loans more accessible and affordable. This initiative aims to provide long-term, low-interest financing to banks and financial institutions, enabling them to offer affordable mortgage options to homebuyers. The implementation of MRC is expected to bridge the financing gap in the housing sector, stimulate homeownership, and boost overall real estate investment.

Additionally, the government's 2023 amendments to the Detailed Area Plan (DAP) have introduced revised Floor Area Ratio (FAR) provisions, enabling developers to construct higher buildings and optimize land use. While this adjustment helps

address the housing shortage, concerns remain over reduced landowner shares in joint venture projects, which could discourage future developments. Furthermore, balanced policy interventions are necessary to ensure that both developers and landowners benefit from these regulatory changes.

To enhance investment prospects, Bangladesh must also focus on regulatory efficiency and transparency. No doubt, strengthening land registration systems and digitizing land records will mitigate land acquisition complexities and reduce legal disputes. Moreover, expediting construction permit approvals and minimizing bureaucratic delays will further encourage both local and foreign investments in real estate. Tax incentives for developers focusing on affordable housing projects can also attract greater participation from the private sector.

As Bangladesh experiences rapid urbanization and increasing housing demand, the real estate sector stands at a transformative stage. While challenges such as financing constraints, regulatory inefficiencies, and affordability concerns persist, proactive government policies, innovative financial solutions like MRC, and sustainable urban development strategies can drive long-term growth. With the right measures in place, Bangladesh's real estate sector has the potential to become more inclusive, resilient, and aligned with the country's broader economic and social development goals.

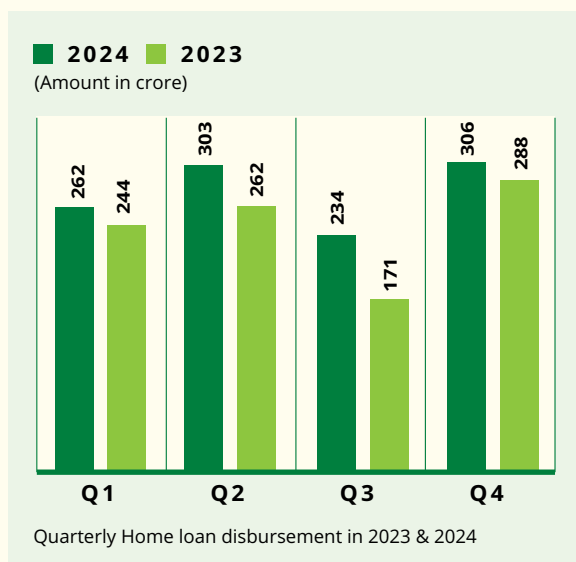
Product wise Performance

■ Performance of Home Loan/Finance Operations 2024

In the year 2024, DBH achieved a total net disbursement of BDT 1,105 crore, reflecting a solid 15% increase compared to the previous year. This strong disbursement performance contributed to a net home loan portfolio growth of BDT 59.20 crore during the same period. The year-on-year growth in disbursement demonstrates DBH has continued focus on expanding its lending activities despite market challenges, ultimately strengthening its overall loan portfolio and reinforcing its position in the housing finance sector.

As part of continuous geographical expansion, DBH launched two new branch in 2024 at Mymensingh and Barisal, two major divisional cities of the

country. In addition to geographical expansion, DBH took a keen focus on affordable housing finance to cater larger target segment of the population.



In the first quarter of 2024, net disbursement stood at BDT 262 crore, marking a 7% increase compared to the same period in 2023. During the second quarter, DBH disbursed BDT 303 crore, reflecting a 16% year-on-year growth. In the third quarter, DBH recorded a net disbursement of BDT 234 crore, the lowest quarterly figure for 2024 despite a notable 37% increase over the same period in 2023. The decline was largely attributed to political unrest in August 2024, which significantly impacted disbursement performance. In the fourth quarter, disbursement reached BDT 306 crore, representing a modest 6% growth from the corresponding period of the previous year.

Throughout the year, DBH continued to experience high volume of prepayments, comprising both voluntary repayments and balance transfers to other banks. This combined with a relatively modest growth in disbursements, led to an overall modest portfolio growth, falling short of the projected and targeted levels. In addition, there was a difference in lending rate from banks offered by DBH, disbursement growth did not pick up at targeted level throughout the year. As of the end of December 2024, home loan portfolio stood at approximately BDT 4,374 crore.

Despite facing various challenges, DBH consistently managed to maintain low operational costs and secure funding at comparatively favorable rates,

thanks to its strong market reputation. This strategic advantage has allowed the company to remain competitive, even alongside several leading commercial banks. As of December 2024, DBH's non-performing loan (NPL) ratio stood at just 0.97% still the lowest in the industry by a significant margin.

Performance of Deposit Portfolio

Over the years, DBH has firmly established its position as one of the foremost depository institutions in the industry, earning the confidence of its clientele through a consistent commitment to transparency and service excellence. The company continues to emphasize deposit mobilization as its principal source of funding, enabling it to finance over 80% of its home loan portfolio through deposit-based funding.

DBH offers a comprehensive suite of deposit products designed to meet the diverse needs of both retail and corporate clients of conventional as well as Islamic financing segment. The product portfolio includes Annual Income Deposit, Day-wise Deposit, Monthly Income Deposit, Quarterly Income Deposit, Flexible Fixed Deposit, Easy Deposit, Cumulative Deposit, Double Money Deposit, and the Deposit Pension Scheme (DPS). In adherence to Bangladesh Bank regulations, the minimum tenure for all deposit products is three months.

As of December 31, 2024, DBH's deposit portfolio stood at Tk. 45,775.34 million, with interest payable amounting to Tk. 1,344.75 million. This reflects a year-on-year slight decrease of approximately 2.00 % in the deposit base. In line with its objective to optimize funding costs and diversify funding sources, DBH has progressively increased its reliance on bond issuance and credit lines from commercial banks, thereby diversifying a portion of its deposit portfolio.

To further support its customers' liquidity needs, DBH also offers Loan Against Deposits (LAD). As of December 31, 2024, the LAD portfolio stood at Tk. 219.49 million.

Recovery

DBH continues to maintain a strong asset quality position, significantly outperforming the industry average in terms of non-performing loans (NPL). As of December 31, 2024, the company's classified

loans stood at Tk. 431.74 million, representing an NPL ratio of 0.97%. While the overall NPL ratio in the banking and financial institution (FI) sectors has seen a notable rise, DBH has effectively contained the increase, maintaining one of the lowest NPL ratios in the industry.

This commendable performance is the result of a proactive and disciplined credit risk management framework, supported by the dedicated efforts of DBH's Recovery Team. Their focused approach to loan recovery—through rigorous follow-ups, structured monitoring, and regular client engagement—has proven instrumental in preserving portfolio quality and ensuring timely resolution of delinquent accounts.

Funding Operations

As one of the largest non-bank depository institutions in the industry, DBH continues to maintain a funding structure predominantly anchored in customer deposits. These deposit products are strategically designed to cater to the diverse needs of both retail and corporate clients. As of December 31, 2024, the Company's deposit portfolio stood at Tk. 45,775.34 million, accounting for 71.77% of the total funding base.

In pursuit of a balanced and cost-effective capital structure, DBH also accesses both long-term and short-term borrowings. The home loan portfolio includes Tk. 808.67 million received under the Bangladesh Bank's Housing Loan Refinance Scheme, alongside Tk. 3,468.81 million in credit facilities and short-term borrowings secured from the domestic financial market.

During the year, DBH successfully issued a five-year non-convertible redeemable fixed coupon senior bond amounting up to Tk. 3.50 billion named as DBH Affordable Housing Bond, which was fully subscribed. As of year-end, the outstanding balance of this instrument stood at Tk. 3,358.23 million. The bond was fully subscribed by International Finance Corporation (IFC), a member of World Bank Group.

DBH's funding portfolio also entails a four year non-convertible redeemable zero coupon bond amounting up to Tk. 3.00 billion issued in the Year 2021. Presently Tk. 969.78 mn is outstanding of the fully subscribed debt instrument.

In addition to external funding sources,

shareholders' equity forms a key component of DBH's capital base, contributing Tk. 9,398.26 million to the overall funding mix as of December 31, 2024.

DBH remains focused on broadening its funding sources to enhance financial resilience, optimize the cost of funds, and mitigate asset-liability maturity and interest rate mismatches. The Company's funding composition as at the close of the year is illustrated below:

Source	Amount in Million Taka	In Percentage
Deposits	45,775.34	71.77%
Borrowing from Banks, FIs & Other Agents	8,605.49	13.49%
Equity	9,398.26	14.74%
Total Funding Portfolio	63,779.10	100%

Treasury Operations

At DBH, the Treasury function plays a pivotal role, serving as the strategic bridge between the Company's core activities—housing finance and deposit mobilization. Despite a challenging operating environment, the focus of Asset-Liability Management (ALM) remained on sourcing low-cost deposits to fund the loan portfolio and maximize spread through prudent portfolio strategies and new market opportunities.

A cornerstone of DBH's financial policy is the maintenance of adequate liquidity at all times. Liquidity risk is actively managed across short, medium, and long-term horizons. The Company operates within well-defined limits for key indicators such as the loan to fund ratio, exposure to other banks, and borrowing from the money market. These controls are designed to ensure that loans and investments are financed through stable funding sources, maturity mismatches remain within acceptable thresholds, and projected cash inflows comfortably exceed outflows—even under stressed liquidity scenarios.

Throughout 2024, the Treasury team effectively managed liquidity gaps by optimizing the flow of assets and liabilities in alignment with regulatory requirements. The funding mix was strategically

reorganized to strengthen liquidity stability and capture arbitrage income opportunities. With cost optimization as a primary objective, the Treasury Department focused on facilitating a diverse funding portfolio to gradually reduce reliance on interbank borrowings by issuance of long-term debt instruments and sourcing public term funds. Additionally, the team leveraged the overnight money market to further enhance treasury income. In recent years, DBH has also earned significantly through investment in Government Securities which offers healthy return from risk free exposures.

Treasury operations also made a meaningful contribution to overall interest income through disciplined and strategic investment activities. Throughout the year, DBH's liquidity position remained well-balanced and fully compliant with the liquidity guidelines and prudential regulations set forth by Bangladesh Bank.

Investment in Securities

The Capital market of Bangladesh faced a challenging year in 2024, influenced by political transitions and shifts in regulatory leadership. Investor sentiment remained subdued throughout the year due to prevailing economic and political uncertainties. As a result, the Dhaka Stock Exchange Broad Index (DSEX) declined by 16.49%, or 1,030.1 points. Trading activity also weakened, with the average daily turnover standing at BDT 6.3 billion and dropping further to BDT 4.1 billion in the final quarter.

In terms of sector-wise performance on the DSE, the pharmaceutical sector led with 17% of the total annual turnover, followed by banking 12% and food and allied sectors 10%. The telecom sector was the only one to post a positive return for the year, contributing 5% to the market's overall return.

Fundraising from the primary market through initial public offerings (IPOs) remained low this year, as no new company received IPO approval. However, six companies that had secured regulatory approval the previous year raised Tk 6.55 billion in 2024. The absence of new IPOs during the year led to a decline in investor participation in the equity market.

The year began with uncertainties surrounding the national elections. Market volatility intensified after the BSEC withdrew floor prices from most

securities, prompting a sell-off of illiquid stocks. A brief recovery was short-lived as the national budget announcement, proposed capital gains taxes, and monetary tightening measures further dampened investor confidence. A partial recovery was observed as opportunistic investors capitalized on oversold stocks. However, renewed volatility in July and August - driven by a student-led movement that ultimately led to a regime change as well as the change in leadership in Bangladesh Securities and Exchange Commission and the Stock Exchanges, which initially brought ray of hope.

To stabilize the market, the regulator reinstated the standard circuit breaker policy and formed an investigative committee to probe market irregularities. Strong regulatory actions, such as stock reclassifications into the Z category and penalties for manipulation continued to pressure on market.

Amid these challenging conditions, our investment strategy remained focused on preserving value. While we awaited more favorable market conditions to make investment decision, the prolonged uncertainty limited our ability to meet projected returns. Our portfolios recorded a total return of BDT (0.47) crore in 2024, compared to BDT 2.34 crore in the previous year, inclusive of gains/losses from the sale of marketable securities and dividend income. This performance reflects the overall adverse environment prevailing in the capital market throughout the year.

Human Resources

DBH believes that human resource is the edifice on which the company's performance and productivity are standing on. As human resources are one of the key success factors of the company, DBH maintains its policy of recruiting the very best and implementing continuous programs to develop, motivate and retain its talented and capable human resources.

DBH's commitment towards maintaining a fair and healthy working atmosphere binds it upon keeping an unbiased/impartial approach in all its scope that is, free from all kinds of discrimination based on gender, age, race, national origin, religion, marital status, or any other basis not prohibited by law. This maximizes efficiencies at tasks and helps employees reach their full potentials.

A separate report on human resources has been presented on page no. 95 of this report.

Information Technology

During the year 2024, the IT Department of DBH Finance PLC introduced several key technological advancements that significantly boosted the company's operational efficiency, digital infrastructure, and information security. In addition to routine operations, the department focused on developing new software modules and expanding the capacity of existing storage and server systems. Noteworthy initiatives included 1) Upgraded E-KYC solution integrated with the NID portal to enable real-time identity verification. 2) RTGS system enhancement to align with the revised framework issued by Bangladesh Bank. 3) Launch of a modern e-learning platform to facilitate employee training and knowledge sharing. 4) Implementation of IFC-led initiatives supporting Affordable Home Loan programs and leveraging data analytics for customer segmentation and defaulter identification, etc.

From an infrastructure perspective, Hyper-Converged Infrastructure (HCI) was successfully deployed to virtualize core systems such as Active Directory, Exchange, and Database Servers, leading to improved scalability and performance. Additionally, cybersecurity and network monitoring capabilities were strengthened through the deployment of SIEM software and ManageEngine OpManager. Together, these initiatives have advanced DBH's digital transformation journey and reinforced its overall IT security framework.

Data Privacy and Cybersecurity

At DBH Finance PLC, safeguarding data privacy and cybersecurity is a top strategic priority. The organization has established a comprehensive, multi-layered security framework designed to protect sensitive data, particularly Personally Identifiable Information (PII), through advanced encryption protocols, rigorous authentication mechanisms, and strict access controls.

In alignment with the core principles of Confidentiality, Integrity, and Availability (CIA), DBH's IT infrastructure incorporates resilient network architecture, secure system design, and robust database management practices. High availability is

ensured through redundancy measures that meet well-defined Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs), guaranteeing minimal disruption during incidents.

Enterprise-grade firewalls, intrusion prevention systems, and next-generation endpoint protection are deployed across the organization's digital environment to defend against unauthorized access, malware, ransomware, and other evolving cyber threats. A Security Information and Event Management (SIEM) system strengthens DBH's security posture by enabling real-time threat detection, automated alerting, and swift incident response.

Continuous monitoring of system performance and availability is conducted using advanced tools ensuring that all critical IT services remain resilient and secure. To proactively identify and remediate vulnerabilities, DBH conducts periodic Vulnerability Assessments and Penetration Testing (VAPT), supported by timely patch management processes and configuration audits.

DBH follows a layered data backup and recovery strategy, including both on-site and off-site redundancies, to support business continuity and enable rapid restoration in the event of data loss or disaster. As an ISO/IEC 27001-certified organization, DBH upholds international standards for information security management systems (ISMS), reflecting its commitment to regulatory compliance, risk mitigation, and industry best practices.

Recognizing that cybersecurity is not only a technological issue but also a human responsibility, DBH fosters a strong internal security culture. Regular training and awareness programs are conducted to educate all employees on emerging cyber threats, phishing prevention, secure data handling, and individual accountability in maintaining data privacy and organizational resilience.

Together, these integrated efforts demonstrate DBH Finance PLC's unwavering dedication to protecting customer data, ensuring operational integrity, and preserving stakeholder trust in an increasingly complex digital environment.

Internal Control System

DBH has adequate system of internal controls for business processes, with regard to operations,

financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal controls and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances. Your Company ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorisation and compliance with the internal policies of the Company.

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of the Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

Codes and Standards

The Company has adopted various codes, standards and policies set out by Bangladesh Bank and Bangladesh Securities and Exchange Commission including inter alia Know Your Customer (KYC) Guidelines, Anti Money Laundering Guideline, Asset Liability Management Guideline, Code of Conducts for Employees as well as the Directors, HR Policies, IT Policies and Treasury Manual etc.

The Company has the mechanisms in place to review and monitor adherence to these codes and standards and ensure reporting and compliances as required.

Credit Rating

DBH Finance PLC. with its strong fundamentals has earned the highest credit rating award for the 19 (Nineteen) consecutive years. Emerging Credit Rating Limited (ECRL) reaffirms AAA in the long term

and ST-1 in the short term rating of DBH Finance PLC. in its latest entity rating done based on the Company's accounting year ended on 2023.

Key operating and financial data of at least last preceding 5 (five) years

Key operating and financial data of last preceding 5 (five) years has been presented under the heading of Operational and Financial Highlights on the page no. 21 of this annual report.

Contribution to National Economy

At DBH we believe that we have some responsibilities to the development of country where we operate our business and to the society where we belong. As a financial institute, DBH contributes to the economic prosperity by providing financial products and services to housing sector. Our total credit exposure as on December 31, 2024 was Tk. 44,509.37 million. We have extended loan to around 17,596 customers to meet their housing need, which is one of the basic needs of people.

DBH contribute to the national exchequer in the form of income tax, VAT & Excise duty. Company's contribution to the national exchequer is given below:

Taka in Million

Particulars	December 31, 2024	December 31, 2023
Income Tax paid on company's income	640.22	461.39
Tax collected at source on behalf of Government	663.31	542.60
Value Added Tax (VAT)	47.19	44.12
Excise Duty	89.01	157.06
Total	1,439.73	1,205.17

Creating employment has a vital impact on the economy and number of employees of DBH as on December 31, 2024 was 373. Efficient workforce is very important for the organization as well as for the country. Keeping same in view, DBH has spent Tk. 1.41 million for training of its employees. During the period from January 1, 2024 to December 31, 2024, DBH has paid Tk. 497.81 million as salaries and allowances to its employees.

Contribution to the society during the year

DBH Finance PLC remains steadfast in its commitment to contributing meaningfully to the betterment of society. As a responsible corporate citizen, DBH actively promotes homeownership, supports wealth creation, and works to uplift underprivileged communities.

The Company's Corporate Social Responsibility (CSR) policy, approved by the Board of Directors, is guided by the Bangladesh Bank's directives on CSR practices. This policy ensures DBH's engagement in a broad spectrum of social initiatives, encompassing both direct support and collaborative efforts.

Key areas of focus include humanitarian assistance, disaster relief, and the empowerment of marginalized groups. DBH places particular emphasis on improving access to healthcare, education, and vocational training, while also advancing environmental sustainability. Through these targeted initiatives, the Company strives to make a lasting and positive impact on the communities it serves.

For comprehensive insights into DBH's CSR undertakings, please refer to the Corporate Social Responsibility section on page 144 of this report.

Highlights on Financial Performance

(Figures in Million Taka)

Particulars	December 31, 2023	December 31, 2024	Percentage Change
Operating Revenue	6,298	8,349	32.57%
Interest Expense	4,130	5,796	40.34%
Operating Expense	638	729	14.26%
Profit Before Provisions	1,530	1,824	19.22%
Profit Before Tax	1,561	1,711	9.61%
Net Profit After Tax	984	1,008	2.44%

Reasons for Significant deviations:

Despite only a 1.9% growth in the loan portfolio, DBH's operating revenue rose by 32.57% in 2024 due

to a sharp increase in average yield (from 10.49% to 13.65%) and higher income from government securities, which more than doubled. Interest expense surged by 40.34%, driven by a steep rise in the cost of funds (from 7.74% to 10.94%). Operating expenses grew by 14.26%, mainly due to increases in salary by 12% due to salary increment to adjust inflationary effect and 10.7% increase in staff number. Profit before provisions rose 19.22% on the back of strong revenue growth but was moderated by higher funding costs and operating costs. However, profit before tax increased by only 9.61% due to a provision of BDT 112 million, primarily for capital market investments, compared to a reversal of BDT 31 million in 2023. Net profit after tax grew marginally by 2.44%, as tax expenses rose due to the inadmissibility of these provisions for tax purposes.

Corporate and Financial Reporting Framework

The members of the Board, as required in accordance with the Bangladesh Securities & Exchange Commission's Corporate Governance Code, 2018 confirms that:

- The financial statements prepared by the Management of DBH, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored. (Statement given on page no. 200).

- The minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.

Going Concern Assessment

The financial statements of the Company have been prepared on a going concern basis, reflecting the assumption that assets will be realized and liabilities discharged in the normal course of business.

Each year, the Board of Directors of DBH undertakes a comprehensive evaluation to determine whether any material uncertainties exist that could cast significant doubt on the Company's ability to continue as a going concern. This assessment involves a detailed review of the Company's budgets, financial forecasts, and the potential impact of known uncertainties.

Based on this thorough review, the Board has concluded that the going concern assumption remains appropriate. No material uncertainties have been identified that would affect the preparation of the financial statements on this basis.

For detailed insights into this assessment, please refer to the separate report provided on page 207.

Explanation of Significant Deviations from Last Year's Results

During the year, receipts from other operating income increased by BDT 836.7 million. However, this was offset by a significant rise in cash outflows, primarily driven by an increase in loans and advances amounting to BDT 835.9 million and a decrease in deposits from banks and other customers by BDT 880.6 million. Consequently, net operating cash flow turned negative by approximately BDT 75 million, resulting in a net operating cash flow per share of BDT (0.38).

While interest income registered a notable growth of 34%, a higher increase in interest expenses by 40% led to a solid 20% rise in net interest income.

It is also worth highlighting the commendable

resilience of the Company's loan portfolio and disbursements despite challenging market conditions. In 2024, net home loan disbursements increased by 15%, reaching BDT 1,105 crore compared to BDT 965 crore in the previous year. This growth was primarily driven by strategic expansion into new geographical areas and the scaling up of disbursements under the Islamic Financing window.

Board Meetings and Attendance by the Directors

Attendance by the Directors in the Board has been summarized and given in Annexure-i and the fees paid to them for attending the Board Meeting during the period has been given in Annexure-ii of this report.

Shareholding Pattern

Shareholding patterns of the Company as at the end of the 2024 has been shown in Annexure-iii of this report.

Proposed Dividend for the Year Ended 31 December 2024

The Board of Directors, in their review of the financial statements for the fiscal year ended 31 December 2024, has recommended a dividend comprising a 15% cash dividend (i.e., BDT 1.50 per share) and a 2% stock dividend (i.e., one bonus share for every fifty shares held), to be distributed from the Company's distributable profits. This proposal will be placed before the shareholders for approval at the forthcoming Annual General Meeting (AGM).

The Board unanimously agreed that, in accordance with the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the stock dividend has been recommended with the intention of converting retained earnings into paid-up capital. This will help enhance the Company's capital adequacy and support its future business expansion.

It is further confirmed that the proposed stock dividend is not declared from any capital reserve, revaluation reserve, unrealized gains, profits earned prior to the Company's incorporation, or by reducing paid-up capital. Additionally, the

declaration of the stock dividend will not result in negative retained earnings or create a debit balance post-distribution.

Moreover, the Directors state that no bonus share or stock dividend has been during the year, or shall be declared in future, as interim dividend.

Directors' Election, Re-election and Appointment

The profiles of the Company's Directors are presented on pages 152 to 158 of this Annual Report.

In accordance with the Finance Companies Act, 2023, the Articles of Association of DBH, and relevant directives issued by Bangladesh Bank, the following Directors are scheduled to retire at the 29th Annual General Meeting:

- **Dr. A.M.R. Chowdhury** (nominated by BRAC)
- **Mr. Syed Moinuddin Ahmed** (nominated by Green Delta Insurance PLC – GDIC)

Dr. A.M.R. Chowdhury, who has served as BRAC's nominated Director since February 23, 2015, will have completed the maximum permissible tenure of nine consecutive years as stipulated under Section 16(3) of the Finance Companies Act, 2023. Accordingly, he will not be eligible for re-election.

Mr. Syed Moinuddin Ahmed, being eligible for re-election, will be proposed for re-election at the AGM, subject to prior approval from Bangladesh Bank.

Additionally, at its meeting held on March 24, 2025, the Board of Directors approved the election of the following distinguished professional as an Independent Director of the Company. Her appointment has been duly approved by Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) on April 24, 2025, and April 30, 2025, respectively. This election will be placed before the shareholders for ratification:

- **Prof. Nausheen Rahman**, Professor of Finance, MBA (Finance), University of Dhaka.

Furthermore, in accordance with Clause 1.2(e) of the BSEC Corporate Governance Code (2018),

the tenure of the following Independent Director concluded in December 2024:

- **Major General Syeed Ahmed, BP (Retd.)**

The Board places on record its sincere appreciation for his valuable contributions during his tenure.

Re-appointment of Statutory Auditors

M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants a reputed audit firm duly registered with Bangladesh Bank (BB), the Bangladesh Securities and Exchange Commission (BSEC), and the Financial Reporting Council (FRC), and qualified to audit financial institutions and listed companies has successfully completed their second consecutive term as the Statutory Auditors of the Company. As per regulatory requirements, their current term will conclude at the upcoming 29th Annual General Meeting (AGM).

In accordance with the applicable provisions of Bangladesh Bank and BSEC guidelines, the firm remains eligible for re-appointment for the financial year 2025. Upon receiving a formal request from M/s. Hoda Vasi Chowdhury & Co. for re-appointment, the Board of Directors has recommended their re-appointment as Statutory Auditors for the year 2025, subject to prior approval from Bangladesh Bank, with a proposed audit fee of BDT 9,00,000 (Taka nine lac) plus VAT.

The proposal for their re-appointment will be placed before the shareholders for approval at the 29th AGM.

Re-appointment of Corporate Governance Auditor

Mr. S. Abdur Rashid, FCS, of M/s. SARashid & Associates, rendered satisfactory services during the last Annual General Meeting (AGM) by issuing the Corporate Governance Compliance Certificate and authenticating the voting results in accordance with the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code, 2018.

As Mr. Rashid has expressed his willingness to continue providing these services for the upcoming AGM and is eligible for re-appointment for the

year 2025, the Board has recommended his re-appointment. It is proposed that Mr. S. Abdur Rashid, FCS, of M/s. SARashid & Associates, be re-appointed to issue the Corporate Governance Compliance Certificate for the year 2025 and authenticate the voting results of the 29th AGM for a total fee of Tk. 55,000/- plus applicable VAT.

This proposal for re-appointment will be placed before the shareholders for approval at the 29th AGM.

Corporate Governance

As a listed housing finance company with a solid track record of 28 years, DBH Finance PLC has established a strong institutional framework to ensure full compliance with regulatory requirements pertaining to corporate governance. Guided by a seasoned and experienced Board of Directors, the Company's operations are overseen through specialized Board Committees, including the presence of Independent Directors whose diverse perspectives and strategic insights enrich the quality of governance and decision-making.

DBH recognizes that sound corporate governance is fundamental to sustaining investor confidence and long-term business success. The Company's unwavering commitment to transparency, accountability, and ethical conduct remains the cornerstone of its corporate philosophy. These principles have not only reinforced stakeholder trust but have also propelled DBH to a leadership position in the housing finance sector.

True to its core values of credibility, responsibility, and openness, DBH continues to serve its stakeholders through robust governance practices and transparent processes that drive sustainable growth.

In accordance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), this Annual Report includes the following disclosures:

- Report of the Audit Committee to the Shareholders
- Report of the Nomination and Remuneration Committee (NRC) to the Shareholders

- Statement on the Financial Statements signed by the Chief Executive Officer (CEO) and the Head of Finance/CFO
- Report on Corporate Governance
- Certificate of Compliance with Corporate Governance Code
- Statement on the Protection of Minority Shareholders' Rights

Additionally, a Statement of Compliance with the Good Governance Guidelines issued by Bangladesh Bank has been included as part of this Annual Report.

Acknowledgement

The Board of Directors of the Company extends its heartfelt appreciation to all valued stakeholders for their continued support, trust, and guidance throughout the year. We are deeply grateful to our esteemed customers, financiers, and regulatory authorities, including Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), and Chittagong Stock Exchange (CSE) for their unwavering support, which has been instrumental in enabling the Company to operate efficiently and grow sustainably.

We also express our sincere thanks to our statutory auditors for their professional diligence and valuable guidance in ensuring strict adherence to regulatory and financial reporting standards.

Finally, the Board acknowledges with great appreciation the relentless dedication, integrity, and hard work of our employees across all levels. Their unwavering commitment and professionalism continue to be the driving force behind the Company's ongoing success and long-term resilience.

For and on behalf of the Board of Directors.



Dr. A.M.R. Chowdhury
Chairman

Directors' Meeting & Attendance

Annexure-i

- During the financial year under reporting total nine Board Meetings were held and the attendance of the Directors are noted below:

Name & Description	Nominated by	Total Meetings	Meetings Attended	Changes during 2024	
				Date	
				Joining	Leaving
Mr. Nasir A. Choudhury Ex - Chairman	Green Delta Insurance PLC	4	4		16/05/2024
Dr. A M R Chowdhury Chairman	BRAC	9	7	-	-
Mr. Syed Moinuddin Ahmed Vice Chairman	Green Delta Insurance PLC	9	9	-	-
Ms. Mehreen Hassan, Bar- at- Law Ex - Director	Delta Life Insurance Company Ltd.	4	4	-	16/05/2024
Mr. Khandkar Manwarul Islam Director	Delta Life Insurance Company Ltd.	9	5	-	-
Mr. Nazir Rahim Chowdhury Director	Delta Life Insurance Company Ltd.	9	8	-	-
Major General Syeed Ahmed, BP (Retd.) Ex - Independent Director	-	9	9	-	27/12/2024
Mr. Imran Rahman Independent Director	-	6	6	06/05/2024	-
Ms. Farzana Lalarukh Ex - Independent Director	-	-	-	20/06/2024	03/09/2024

Directors' Remuneration

Annexure-ii

- The statement of remuneration paid to the Directors during the financial year under reporting are noted below:

Attendance Fee:

Name of Directors	Board		Executive Committee		Audit Committee		Risk Management Committee		Total Fees Paid (Tk.)
	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	
Mr. Nasir A. Choudhury Ex-Chairman	4	38,000	-	-	-	-	-	-	38,000
Dr. A M R Chowdhury Chairman	7	60,000	7	68,000	-	-	-	-	1,28,000
Mr. Syed Moinuddin Ahmed Vice Chairman	9	78,000	-	-	4	40,000	2	20,000	1,38,000
Ms. Mehreen Hassan, Bar- at- Law	4	38,000	4	38,000	2	20,000	-	-	96,000
Mr. Khandkar Manwarul Islam	5	40,000	-	-	3	30,000	-	-	70,000
Mr. Nazir Rahim Chowdhury	8	68,000	7	68,000	-	-	2	20,000	1,56,000
Major General Syeed Ahmed, BP (Retd.)	9	78,000	3	30,000	2	20,000	-	-	1,28,000
Mr. Imran Rahman	6	50,000	-	-	2	20,000	2	20,000	90,000
Total	-	4,50,000	-	2,04,000	-	1,30,000	-	60,000	8,44,000

Monthly Remuneration:

Pursuant to the Bangladesh Bank circular no. 02 dated 13th March, 2024, In addition to the meeting attendance fees, the Independent Directors of the Company get monthly honorarium of Tk. 50,000/= per month and accordingly, the information of the monthly honorarium of the Independent Directors upto 31st December, 2024 are summarized below:

SL#	Name	Amount (Tk.)
01	Major Gen. Syeed Ahmed, BP (Rtd.)	Tk. 50,000/= per month * 9 month 19 days 480,645
02.	Imran Rahman	Tk. 50,000/= per month * 7 month 23 days 387,097
03.	Farzana Lalarukh	Tk. 50,000/= per month * 1 month 4 days 56,451
Total		924,193



Message from the Managing Director & CEO

Nasimul Baten

Dear Shareholders,

I am pleased to present you the Annual Report for DBH Finance PLC for the financial year 2024. This year has been a pivotal one in our journey to make home ownership accessible, inclusive and sustainable for millions of aspiring families across Bangladesh; as we formally launched Affordable Housing Finance for catering the housing need for the

middle income group customers. We were actively working with IFC for last couple of years to better understand the market and to strengthen our foothold in this market segment in line with best practices followed throughout the world. In 2024, we have not only enhanced our capacity to assess these customers well, we also got subscription of USD 30 million from IFC in the DBH Affordable Housing Bond. We launched the Affordable

Housing Loan product in the second half of the year with active guidance from IFC advisory team. We hope this will go a long way for disbursement and portfolio growth in future years and also shape the future of the company aligned to our simple but powerful mission “সবারই হোক নিজের ঠিকানা”. With this vision, we have continued to strengthen our position as a trusted housing finance partner for low and middle income families, particularly in underserved segments and outskirts towns. We believe that our unwavering focus on affordable housing will not only fuel our growth but it will also enable us to make a meaningful social impact.

Despite a dynamic and challenging macroeconomic environment, we achieved healthy growth in net disbursements (15% compared to 2023) and maintained robust asset quality. We have been able to keep our NPL ratio below 1% without any write off. This was made possible through disciplined underwriting, deep customer relationships and efficient distribution model that leverages both technology and physical presence. Our digital initiatives have further enhanced our operational efficiency and improved customer experience. At DBH Finance PLC, consistency continues to define our journey. Our steadfast commitment to responsible growth, operational resilience, and financial discipline once again enabled us to deliver strong performance and uphold our reputation as Bangladesh’s leading housing finance institution.

As I reflect on 2024, I feel a deep sense of pride in our team’s ability to adapt, persevere, and thrive in an environment marked by volatility. We closed the year with notable achievements retaining the lowest non-performing loan (NPL) ratio in the industry at

0.97% and securing our AAA credit rating for an unprecedented 19th consecutive year. As someone who has witnessed DBH’s evolution over the past 27 years, I remain confident in our future and our role in shaping Bangladesh’s housing finance landscape.

Navigating a Challenging Economic Landscape

The year was defined by complex economic dynamics. Globally, trade tensions and geopolitical disruptions slowed momentum. Domestically, political transitions, floods, currency volatility, regulatory shifts, and inflationary pressure posed significant challenges. Bangladesh’s GDP growth rate was revised down to 4.22% in FY24, a four-year low, with modest recovery projected in the next fiscal periods. Inflation remained elevated, averaging 10.34%, while foreign exchange reserves declined steadily, and the exchange rate depreciated by over 9%, placing added pressure on import costs and consumer prices.

Amid this backdrop, the financial sector underwent major policy shifts. The Bangladesh Bank moved to a crawling peg exchange regime and lifted caps on interest rates, resulting in tighter liquidity and increased borrowing costs. These measures, though painful in the short term, lay the groundwork for long-term stability and market-driven financial intermediation.

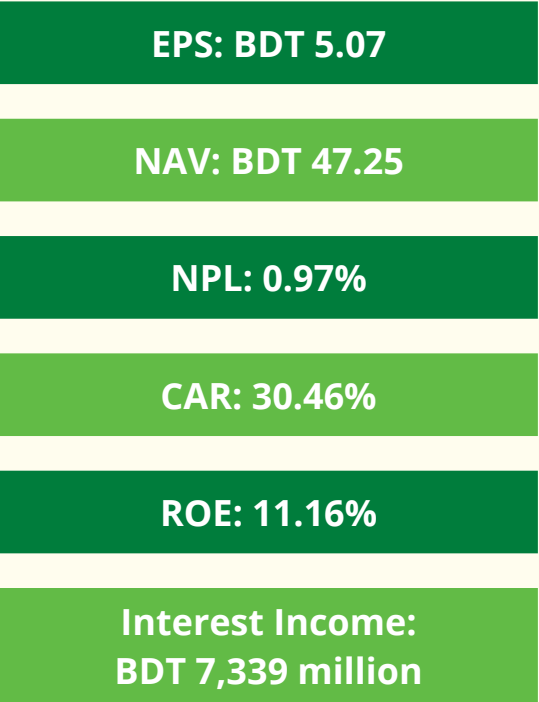
The real estate sector, a key contributor to GDP and employment remained resilient, despite facing headwinds such as rising construction costs and affordability challenges. Government initiatives like the Mortgage Refinancing Company (MRC) and

DAP amendments are expected to improve housing accessibility, but sustained progress will require regulatory efficiency, public-private partnerships, and inclusive finance.

Our Performance

DBH Finance demonstrated strong financial and operational performance in 2024, despite external headwinds and events such as the July revolution and climate-related disruptions. Our loan portfolio grew by 1.92% to BDT 4,451 crore. Operating profit rose 19% to BDT 182 crore, reflecting effective cost management and disciplined execution. Profit after tax reached BDT 100.86 crore, while our investment income rose sharply by 326% to BDT 80.91 crore, offsetting the decline in net interest income. Our deposit portfolio slightly decreased by 1.89% due to a deliberate shift away from high-cost corporate deposits in favor of retail-focused funding.

Key Metrics:



Strategic & Operational Highlights

2024 marked a period of strategic expansion and digital transformation. We inaugurated new branches in Barishal and Mymensingh to broaden access to affordable housing finance. Our Islamic financing portfolio grew substantially, with post-tax profits increasing by 186% year-on-year, and our Islamic Housing Finance portfolio expanding by 177%, underscoring demand for Shariah-compliant products.

Our ongoing digital transformation integrating analytics and automation is expected to enhance credit assessment, risk management, and customer service. We are also developing loyalty programs and digital customer journeys to deliver a more personalized and seamless experience.

A key milestone was our partnership with the International Finance Corporation (IFC), resulting in a USD 30 million investment through an affordable housing bond. We are now expanding this partnership to explore green housing solutions, reflecting our dedication to sustainable, inclusive development.

Strategic Outlook

Looking ahead, our strategic focus includes:

- Targeted Market Segmentation: Offering tailored housing finance and SME solutions across diverse income groups.
- Geographic Expansion: Opening branches in high-potential and underserved areas.

- **Collaborative Growth:** Partnering with financial institutions, fintechs, and government entities to broaden reach and impact.

- **Sustainable Finance:** Embedding ESG principles into all facets of our lending and investment processes.

- **Customer-Centric Innovation:** Strengthening CRM systems to build long-term relationships and loyalty.

The Road Ahead

With a legacy spanning 27 years, DBH has emerged as one of the most trusted and compliant financial institutions in the country. Our continued focus on maintaining industry-best NPL levels, optimizing cost structures, and expanding strategically positions us well for future growth.

The demand for affordable housing continues to rise, driven by rapid urbanization, increasing incomes, and

infrastructure development. We are aligning our capabilities to serve emerging segments including clients in the informal economy without compromising asset quality.

As Bangladesh's premier housing finance specialist, DBH is well-positioned to lead the way in sustainable, inclusive growth. With your continued trust and support, we remain committed to shaping a future where home ownership is within reach for every aspiring family across the nation.

I would like to extend my sincere gratitude to our customers, employees, investors, regulators, shareholders for their trust and support. And last but not the least, I want to convey my thanks to our board for their prudent guidance for the sustainable growth of the company. I am confident that together we'll reach newer heights.

Warm regards,



Nasimul Baten

Managing Director & CEO

Management's Discussion and Analysis (MDA)

Overview of the Financial Services Industry

The financial services sector of Bangladesh is diverse and rapidly expanding, encompassing Commercial and Specialized Banks (both private and public), Non-Bank Financial Institutions (NBFIs), Insurance Companies, Co-operative Societies, and newer entrants such as Mobile Financial Services (MFS) providers. Over the years, the Government of Bangladesh has implemented various reforms to liberalize the industry and improve financial inclusion, especially among unbanked populations in rural and remote areas.

In line with these initiatives, Bangladesh Bank has allowed innovative models like Agent Banking, enabling banks to offer deposit and lending services through authorized agents. This model has gained substantial popularity, with more banks launching dedicated Agent Banking wings to tap into underserved markets.

As of 2024, the financial industry comprises 61 scheduled banks and 35 NBFIs. The NBFI sector, however, has been under stress in recent years due to a surge in defaulted loans and liquidity challenges, with several institutions struggling to repay depositors. According to Bangladesh Bank data, as of September 2024, the volume of defaulted loans in NBFIs reached a record Tk 26,163 crore, representing 35.52% of total outstanding loans—a worrying indicator of growing systemic risks within the sector.

Loans at Affordable Cost and Term

Access to appropriate financing options is essential for accelerating home and flat ownership, particularly among first-time buyers in urban areas. Traditionally, families relied on lifetime savings to purchase homes, but this trend is shifting as younger generations increasingly pursue early homeownership. In response, banks and financial institutions are offering longer-term loans with flexible repayment structures tailored to individual needs. As demand for housing finance continues to grow, lenders must secure stable, long-term funding sources and explore opportunities for

loan book securitization to sustain and scale their lending capabilities.

Pursuant to the Corporate Governance Code, 2018 the management of DBH has prepared the following analysis in relation to the company's position and operations along with brief discussion of changes in the financial statements among others, focusing on:

(a) Accounting policies and estimation for preparation of financial statements

The financial statements have been prepared under the accrual basis of accounting and the historical cost convention, and therefore, do not reflect the impact of inflation. These statements are presented on a going concern basis, based on management's assessment of the institution's ability to continue its operations in the foreseeable future.

The preparation and presentation of these financial statements, along with related disclosures, have been made in accordance with the DFIM Circular No. 11 dated December 23, 2009, and comply with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). They also conform to the requirements of the Companies Act 1994, the Finance Company Act 2023, the Securities and Exchange Rules 1987, the Listing Regulations of the Dhaka and Chittagong Stock Exchanges, and other relevant laws, regulations, and industry practices commonly followed by housing finance institutions in Bangladesh.

Additionally, the Financial Reporting Council (FRC), established under the Financial Reporting Act, 2015, serves as a key regulatory authority for financial reporting and compliance oversight in the country.

As the Bangladesh Bank is the primary regulator of financial institutions, its circulars, guidelines, notifications, and other directives take precedence over IAS and IFRS in the event of any conflict. The accounting policies have been applied consistently in preparing these financial statements, and the estimates and judgments made are based on sound reasoning and prudent assessment.

(b) Changes in accounting policies and estimation

DBH applies its accounting policies consistently to transactions, events, and conditions that are similar in nature and circumstances. This ensures comparability and reliability in its financial reporting. However, where a specific International Financial Reporting Standard (IFRS) requires or allows items to be categorized differently, DBH may adopt distinct accounting policies as appropriate for those categories in accordance with the relevant standard.

For the financial year 2024, the company did not implement any changes to its existing accounting policies or make revisions to accounting estimates. This reflects a stable accounting environment and indicates that the assumptions, methodologies, and recognition criteria used in prior periods have remained valid and relevant during the reporting period. The consistency in policy application enhances the comparability of financial information over time, thereby supporting transparency and informed decision-making by stakeholders.

(c) Comparative analysis of financial performance and financial position as well as cash flows for the current financial year with immediately preceding five years explaining reasons thereof:

The economic landscape in 2024 continued to face significant headwinds, both globally and within Bangladesh. Persistently high inflation, currency depreciation, elevated external debt servicing, and pressure on foreign exchange reserves have compounded challenges for policymakers and businesses alike. The post-election fiscal tightening, combined with global geopolitical tensions—including the ongoing Russia-Ukraine conflict and the evolving Middle East crisis—have disrupted trade flows and intensified economic uncertainty. Bangladesh also grappled with structural issues such as climate vulnerability, infrastructure limitations, and a growing trade imbalance, all of which prompted leading international institutions to maintain a cautious outlook for the country's economic growth in 2024.

Despite this complex and uncertain environment, we are pleased to report that DBH has delivered resilient performance. Our continued success is a testament to the strategic foresight of our

leadership, our specialized focus on the home loan market, and the strength of our human capital, which has enabled us to navigate these multifaceted challenges effectively.

To offer a clear and insightful view of our financial outcomes, we present below the DuPont analysis of our performance for the year 2024, providing a breakdown of the key drivers behind our profitability and return on equity.

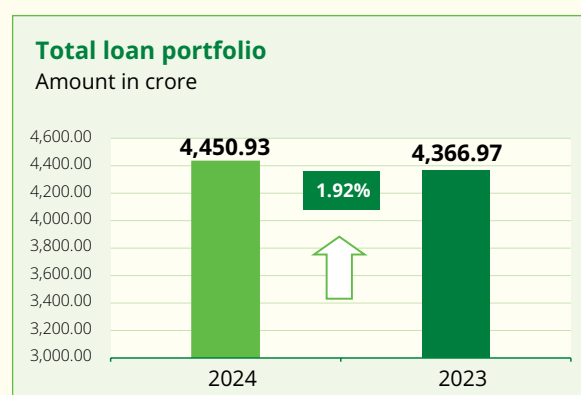
Loan Disbursement & Portfolio Summary:

Amid ongoing economic stress in 2024—driven by persistent inflation, foreign exchange volatility, tightening liquidity, and global geopolitical tensions—DBH has demonstrated notable resilience and operational strength. Despite a challenging macroeconomic environment and cautious consumer sentiment, the company achieved a 15% growth in net home loan disbursements, reflecting strong demand for home financing and our continued focus on prudent lending.

While the overall loan portfolio grew by 1.92%, this modest expansion is a result of faster portfolio run-off due to scheduled repayments and prepayments in a high-rate environment. Nonetheless, this positive growth in the loan book, against the backdrop of widespread economic slowdown, underscores DBH's strategic agility, sound credit risk management, and ability to generate quality business even in a constrained market.

Total Loan Portfolio:

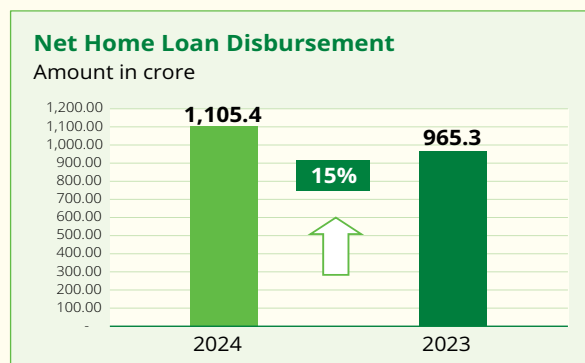
The loan portfolio summary for the year ended December 2024 reflects a modest growth of 1.92%, with the total portfolio increasing to BDT 4,450.93 crore, up from BDT 4,366.97 crore in December 2023. This incremental growth indicates a measured



and cautious expansion strategy in a year marked by continued economic volatility.

While the growth may appear conservative, it is important to view it in the context of the broader macroeconomic headwinds—including persistent inflationary pressure, high interest rates, liquidity constraints, and exchange rate fluctuations—which have impacted both demand for long-term financing and the pace of new home construction. In addition, heightened competition within the housing finance sector, especially from both traditional banks and emerging players, has further intensified the operating environment.

Nevertheless, the positive trajectory of the loan portfolio demonstrates DBH's resilience, disciplined underwriting standards, and focus on asset quality. It also reflects the company's strategy of prioritizing sustainable, risk-adjusted growth over aggressive expansion, ensuring long-term stability amidst an unpredictable economic landscape.

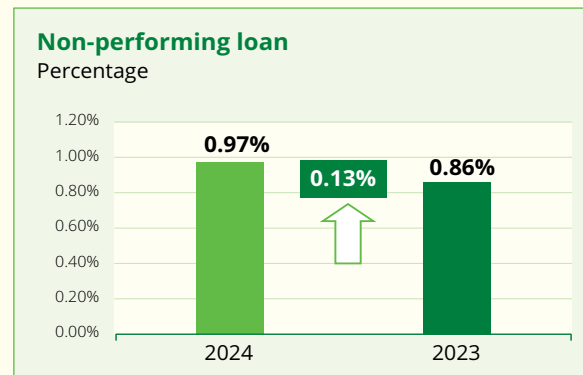


Home Loan Disbursement:

In 2024, DBH recorded a notable 15% increase in net home loan disbursements, reaching BDT 1,105.4 crore, up from BDT 965.3 crore in 2023. This impressive growth came despite a sharp rise in interest rates compared to the previous year, which generally dampened credit demand across the financial sector.

The achievement is even more significant considering the intensified competition in the housing finance market, with several commercial banks aggressively offering home loans at comparatively lower interest rates to attract borrowers. In this challenging environment, DBH's ability to grow disbursements reflects its strong brand reputation, customer trust, efficient loan processing, and superior service delivery.

This performance highlights the company's agility in adapting to market conditions, while maintaining its focus on quality lending and customer-centric solutions. It also underscores the resilience of the housing finance segment and the continued demand for home ownership, even in a high-rate environment.

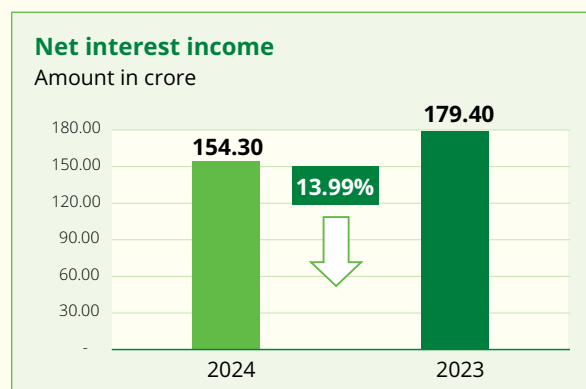


Non-Performing Loan (NPL):

As of the end of 2024, DBH's Non-Performing Loan (NPL) ratio stood at 0.97%, marking a modest rise from 0.86% in the previous year. This marginal increase suggests some pressure on asset quality, likely influenced by the broader economic headwinds. However, DBH's NPL ratio remains significantly lower than the national industry average, which stands around 20% in 2024—the highest levels in recent years. This stark contrast highlights DBH's strong underwriting standards and disciplined credit risk management practices.

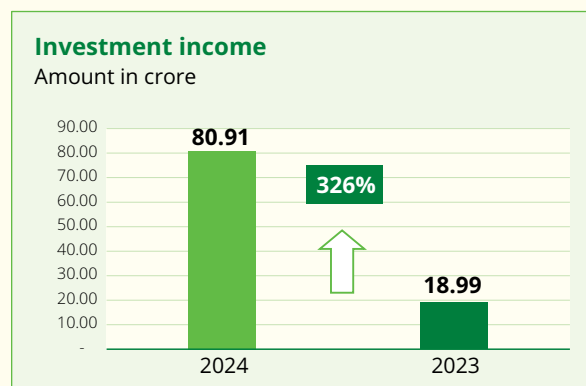
In a year marked by persistent inflation, exchange rate volatility, and the lingering effects of prior economic disruptions, the banking and financial sector in Bangladesh faced heightened challenges. Many institutions witnessed a surge in default rates, exacerbated by structural weaknesses and delayed loan recovery processes. Against this backdrop, DBH's ability to maintain an NPL ratio below 1% is a testament to its resilience and proactive risk mitigation strategies.

The company's robust portfolio quality, even amid a deteriorating macroeconomic environment, underscores its long-standing commitment to sound financial governance and operational prudence. This performance not only reinforces investor and stakeholder confidence but also positions DBH as a benchmark for stability within the financial services industry of Bangladesh.



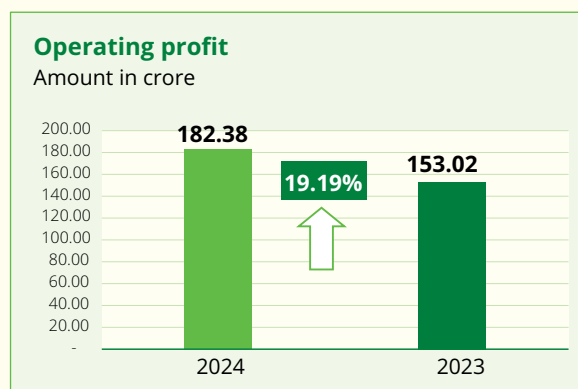
Net Interest Income:

In 2024, DBH's net interest income stood at BDT 154.30 crore, compared to BDT 179.39 crore in 2023, reflecting a decline despite a notable increase in overall interest income. This reduction is primarily attributed to a significant portion of deposits—on which interest was paid at comparatively higher rates—being invested in government securities. As income from government securities is not included in the calculation of net interest income, this strategic allocation resulted in a lower reported net interest income for the year.



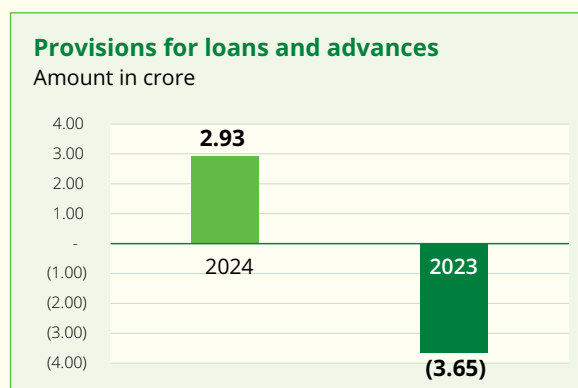
Investment Income:

Overall investment income increased significantly in 2024, reaching BDT 80.91 crore compared to BDT 18.99 crore in 2023, despite incurring a loss on the sale of marketable securities. This substantial growth was primarily driven by DBH's strategic decision to invest heavily in government securities, which offered attractive returns during the year. Additionally, dividend income rose by approximately 48%, amounting to BDT 2.63 crore in 2024, up from BDT 1.78 crore in the previous year, further contributing to the overall increase in investment income.



Operating Profit:

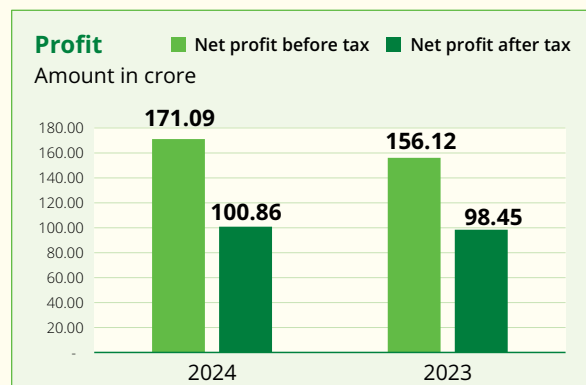
In 2024, DBH reported a notable increase in operating income, rising from BDT 153.02 crore in the previous year to BDT 182.38 crore—reflecting a positive variance of approximately 19.19%. Net interest income, contributing around 85% of the total operating income, remained the principal driver of this growth. However, operating expenses also increased, amounting to BDT 72.90 crore in 2024, compared to BDT 63.83 crore in 2023. As a result, despite the strong growth in income, the rise in operating profit was relatively modest due to the higher expense base.



Provision for Loans and Advances:

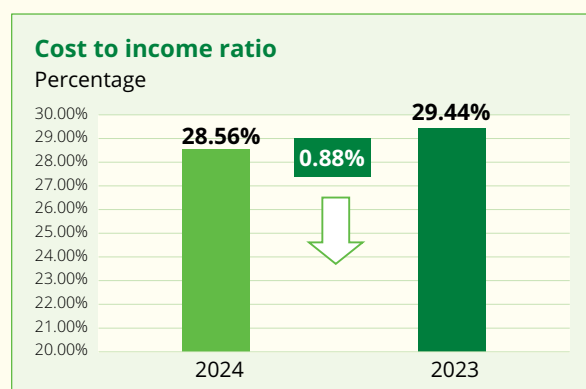
Under DBH's conservative risk management framework, loan provisioning trends shifted notably between 2023 and 2024. In 2023, a reversal of BDT 3.65 crore in provisions was recorded, reflecting improved asset quality at the time. However, in 2024, an additional BDT 2.93 crore was provisioned due to a marginal uptick in the non-performing loan (NPL) ratio—from 0.86% to 0.97%. This increase, though modest, triggered provisioning in line with DBH's policy of fully provisioning loans overdue by

more than 180 days. The approach underscores the company's commitment to maintaining a robust financial position through proactive and prudent credit risk practices.



Net Profit Before Tax and Net Profit After Tax:

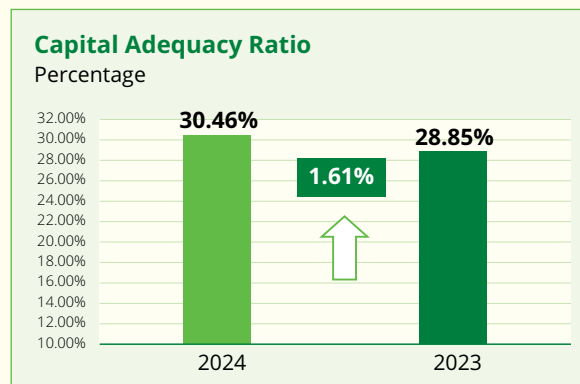
In the year 2024, the Company reported a profit before tax of BDT 171.09 crore compared to BDT 156.12 crore in 2023. However, the profit after tax stood at BDT 100.86 crore in 2024, showing only a marginal increase from BDT 98.45 crore in the previous year. The relatively lower growth in profit after tax, despite a notable increase in profit before tax, is primarily attributable to a higher tax provision. This increase in tax expense arose due to the recognition of a greater amount of provision for diminution in the value of investments, which is treated as a disallowable expense under the Income Tax Act, 2023.



Cost to Income Ratio:

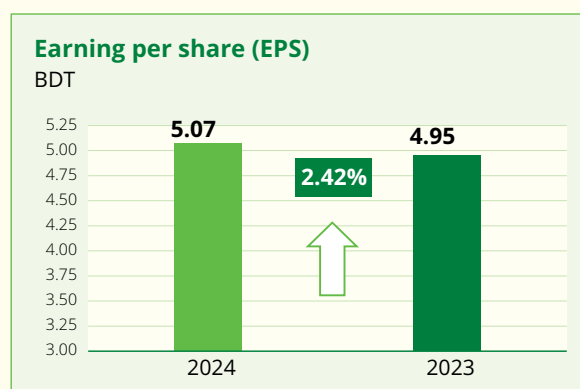
The cost-to-income ratio has witnessed a shift by 0.88% as compared to the preceding year's ratio of

29.44%. The increase in the cost of operation was due to inflationary adjustment of the cost of human capital, some additional expenses for the digital marketing and expansion of the branches network of the company as well as one-time expenditure related to the name change of the company. Despite these increases in cost-to-income, DBH has been able to keep the ratio to minimum compared to the other players in the industry.



Capital Adequacy Ratio (CAR):

In 2024, DBH reported a Capital Adequacy Ratio (CAR) of 30.46%, significantly above the regulatory minimum requirement of 10% set by Bangladesh Bank. This reflects an increase from 28.85% in 2023, representing a growth of approximately 1.61 percentage points. The improvement in CAR underscores the Company's strong capital position, indicating a robust buffer against potential financial shocks and providing a solid foundation to support future growth initiatives.



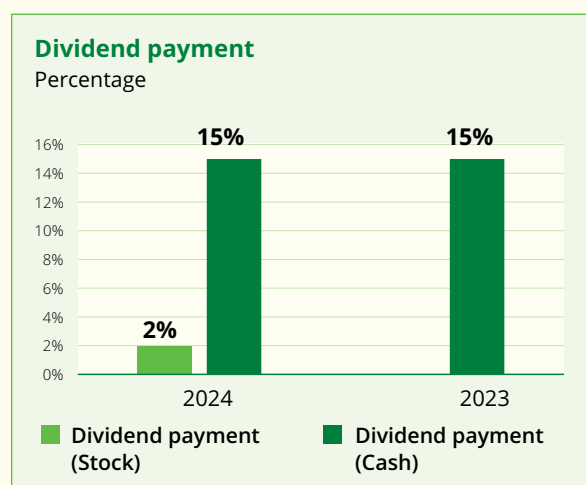
EPS:

Despite widespread economic and political challenges in Bangladesh during 2024, DBH increased its EPS by 2.42% to 5.07 from 4.95 in

the previous year. This growth, though modest, is notable given the turbulent environment and reflects the company's resilience and effective strategic measures to navigate internal and external pressures. Maintaining positive earnings momentum amid such headwinds underscores DBH's strong financial management and operational stability.

Dividend payment:

For the year ended 31 December 2024, DBH has declared a total dividend of 17%, comprising a 15% cash dividend and a 2% stock dividend. This marks an improvement from the previous year, when a 15% cash dividend was declared. The Company's profit after tax increased to BDT 100.86 crore in 2024 from BDT 98.45 crore in 2023, reflecting consistent financial performance. As of 31 December 2024, the total number of outstanding shares stood at 19.89 crore, demonstrating DBH's continued commitment to delivering value to its shareholders while maintaining a strong capital base.



Deposit Mobilization and Portfolio:

As of December 31, 2024, DBH's total deposit portfolio stood at BDT 4,577.53 crore, reflecting a slight decline from BDT 4,665.59 crore recorded at the end of 2023. This minor contraction in the overall deposit base is primarily attributed to a strategic reduction in institutional deposits, particularly those from banks and non-bank financial institutions.

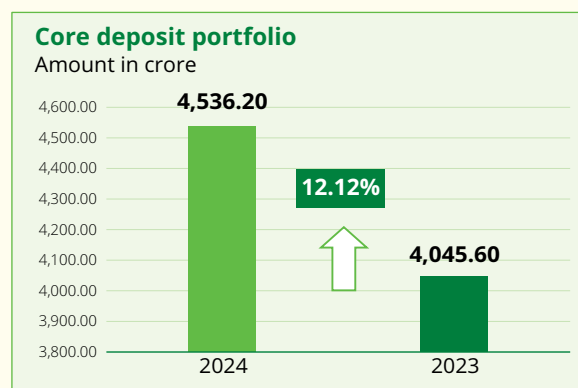
However, a more telling and positive indicator lies in the strong performance of the core deposit portfolio—comprising primarily retail and individual deposits—which surged to BDT 4,536.2 crore in

2024 from BDT 4,045.6 crore in the previous year. This represents a robust year-on-year growth of nearly 12.12%, underscoring the growing trust and engagement of retail clients with DBH.

The expansion of core deposits is particularly noteworthy in the context of a volatile economic environment marked by tight liquidity conditions and rising interest rate pressures. While many financial institutions struggled to retain stable funding sources, DBH's success in growing its retail deposit base points to effective relationship management, customer-centric services, and a strong brand reputation in the housing finance segment.

This shift towards a more stable and diversified funding base not only enhances DBH's liquidity position but also strengthens its resilience against market shocks. Moreover, it reflects the Company's strategic focus on sustainable, long-term growth through strengthening its core business fundamentals rather than relying on short-term institutional inflows.

Overall, the growing reliance on core deposits reinforces DBH's position as a trusted and resilient financial institution, well-equipped to navigate economic uncertainties while continuing to support housing finance in Bangladesh.



DuPont Analysis

Net Profit after tax of DBH finance increased by 2.44% from Tk 984 million to Tk 1,008 million in the year 2024. Even though the interest income has increases hugely by 23.88% the net profit was not to the point as expected. The average asset and equity increased by 4% and 8%. Profit margin, financial leverage, return on equity also slightly decreased than previous years.

Taka in Million

Particulars	2019	2020	2021	2022	2023	2024
Interest Income	6,353	5,909	5,054	4,831	5,924	7,339
Profit after tax	1,073	891	1,044	1,017	984	1,008
Average assets	58,389	58,943	59,443	61,012	64,637	67,362
Average equity	5,424	6,120	6,838	7,620	8,332	9,038
Profit margin	16.89%	15.08	20.66%	21.05%	16.7%	13.73%
Asset turnover	10.88%	10.02%	8.5%	7.92%	9.16%	10.89%
Financial leverage (Times)	10.76	9.63	8.69	8.01	7.76	7.45
Return on equity	19.79%	14.56%	15.27%	13.35%	11.81%	11.16%

Cash Flow Analysis

Taka in Million

Particulars	2018	2019	2020	2021	2022	2023	2024
Net cash flow from operating activities	1,328	1,930	2,777	(8)	(3,831)	8,588	(76)
Net cash flow from investing activities	23	43	(16)	10	(1,674)	(2,564)	(5,010)
Net cash used in financing activities	(366)	(305)	(1,598)	488	4,384	(2,068)	(1,072)
Net increase/decrease in cash and cash equivalents	985	1,668	1,163	490	(1,121)	3,956	(6,158)
Cash and cash equivalent at the beginning of the year	10,816	11,801	13,469	14,632	15,122	14,001	17,957
Cash and cash equivalent at the end of the year	11,801	13,469	14,632	15,122	14,001	17,957	11,799

Cash Flow from Operating Activities

Net cash generated from operating activities decreased from Tk 8,588 million to Tk (76) million in 2024. There was a significant rise in cash outflows, primarily due to an increase in loans and advances amounting to BDT 835.9 million and a decrease in deposits from banks and other customers by BDT 880.6 million.

Cash Flow from Financing Activities

Net cash flow from financing activities stood at Tk. (1,072) million in 2024, compared to Tk. (2,068) million in the previous year. Despite significant loan repayments, DBH managed to generate funds through the issuance of the DBH Affordable Housing Bond.

Overall Scenario

The cash and cash equivalent balance of the company decreased from Tk. 17,957 million to Tk. 11,799 million.

(d) Comparative Financial Performances with the Peer Industry

The financial institution industry is characterized by a vigorous climate of competition, as evidenced by the presence of 35 Non-Bank Financial Institutions (NBFIs) within the market. Although a handful of NBFIs have encountered setbacks throughout the year, several well-established players in the industry have garnered an admirable reputation and earned the trust of their customers. Notably, DBH represents a unique entity within the NBFI sector, as it is the sole financial institution in the country to exclusively focus on housing finance. While Housing Finance Companies (HFCs) are commonplace abroad, within Bangladesh, all private sector NBFIs engage in a multiplicity of products such as SME loans, lease finance, home loans, car loans, suppliers' credit, and the like. Consequently, a direct comparison with other NBFIs may not be entirely practical, given that we operate with only a single product on the asset side, in selected geographical locations. Nonetheless, within this section, we shall

explicate comparative financial performances with other established Finance Companies, named IPDC and IDLC.

(Amount In Million Except Percentage)

Particulars	IPDC	IDLC	DBH
Loans and advances	69,535	112,848	44,509
Deposits	54,319	87,669	45,775
Home Loan Portfolio	10,245	30,863	43,747
NPL	5.83%	4.45%	0.97%
ROE	5.44%	11.06%	11.16%
ROA	0.42%	1.17%	1.50%
CAR	18.09	16.86%	30.46%
EPS	0.93	4.02	5.07
Cost to Income Ratio	45.5%	41.69%	28.56%

(e) Risk and concerns as well as the mitigation plan related to the financial statements

The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to credit, market, liquidity and operations. Details of the Risk Management have been described at notes 2.45 of the Financial Statements on page no. 237 of this annual report. In addition to that, Chapter 5 of this report contains detailed about our approach towards risks and mitigation methodology.

(f) Future plan for Company's operation, performance, and financial position with justification thereof

DBH is committed to maintaining a resilient and growth-oriented operational strategy in the face of ongoing economic challenges. Despite a volatile macroeconomic environment characterized by inflationary pressures and fluctuating interest rates, the Company remains cautiously optimistic and has adopted a steady yet forward-looking business outlook for 2025.

As part of its strategic planning, DBH has prepared a comprehensive budget for the year 2025. The Company targets a 27% year-on-year growth in disbursements, reflecting its intent to deepen market penetration and meet the growing demand for housing finance. Additionally, a 10% growth in the loan portfolio is forecasted, based on prudent credit risk assessment and portfolio diversification strategies.

In anticipation of continued interest rate volatility, the management has factored in multiple macroeconomic scenarios in its budget planning. To safeguard asset quality and ensure financial stability, DBH has provisioned an estimated Tk.

10 crore for loan loss reserves for the year ending 2025.

A key component of DBH's future plan is its sharpened focus on the affordable housing segment. Recognizing the increasing housing needs of the lower- and middle-income population, particularly in underserved regions, the Company is aligning its disbursement strategy to cater to this critical sector. This not only supports inclusive economic development but also positions DBH as a socially responsible financial institution.

To further support its expansion and customer outreach goals, the Company plans to establish new branches in non-metro areas, tapping into emerging markets with strong housing demand potential. By increasing its physical presence outside major urban centers, DBH aims to enhance accessibility and provide tailored financial solutions to a broader segment of the population.

In line with its strong track record, DBH remains committed to ensuring shareholder value by maintaining a consistent dividend policy, supported by sustainable earnings and robust financial management practices.

In summary, DBH's future strategy is centered on measured growth, geographic and sectoral diversification, and a strong emphasis on affordable housing—all while navigating economic headwinds through sound risk management and operational efficiency.

Going Forward

Considering the current economic landscape—marked by inflationary pressures, elevated interest rates, and a cautious credit environment—we aim to achieve steady and sustainable earnings growth in the coming year. While short-term challenges persist, we remain confident in accelerating our growth trajectory in the medium term by capitalizing on the opportunities presented by the country's resilient and expanding economy.

With a proven track record of strong management capabilities, a solid reputation in the market, and longstanding relationships with developers and other key stakeholders, DBH is strategically positioned to navigate present challenges. By focusing on prudent risk management, operational efficiency, and targeted expansion—particularly in affordable housing and underserved non-metro areas—we are well equipped to convert emerging market opportunities into long-term value for our stakeholders.



Nasimul Baten
Managing Director & CEO

ডিবিএইচ ইসলামিক

শরিয়াহভিত্তিক ফাইন্যান্সিং উইং

মুদারাবা ডিপোজিটস

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- মুদারাবা ইজি ডিপোজিট
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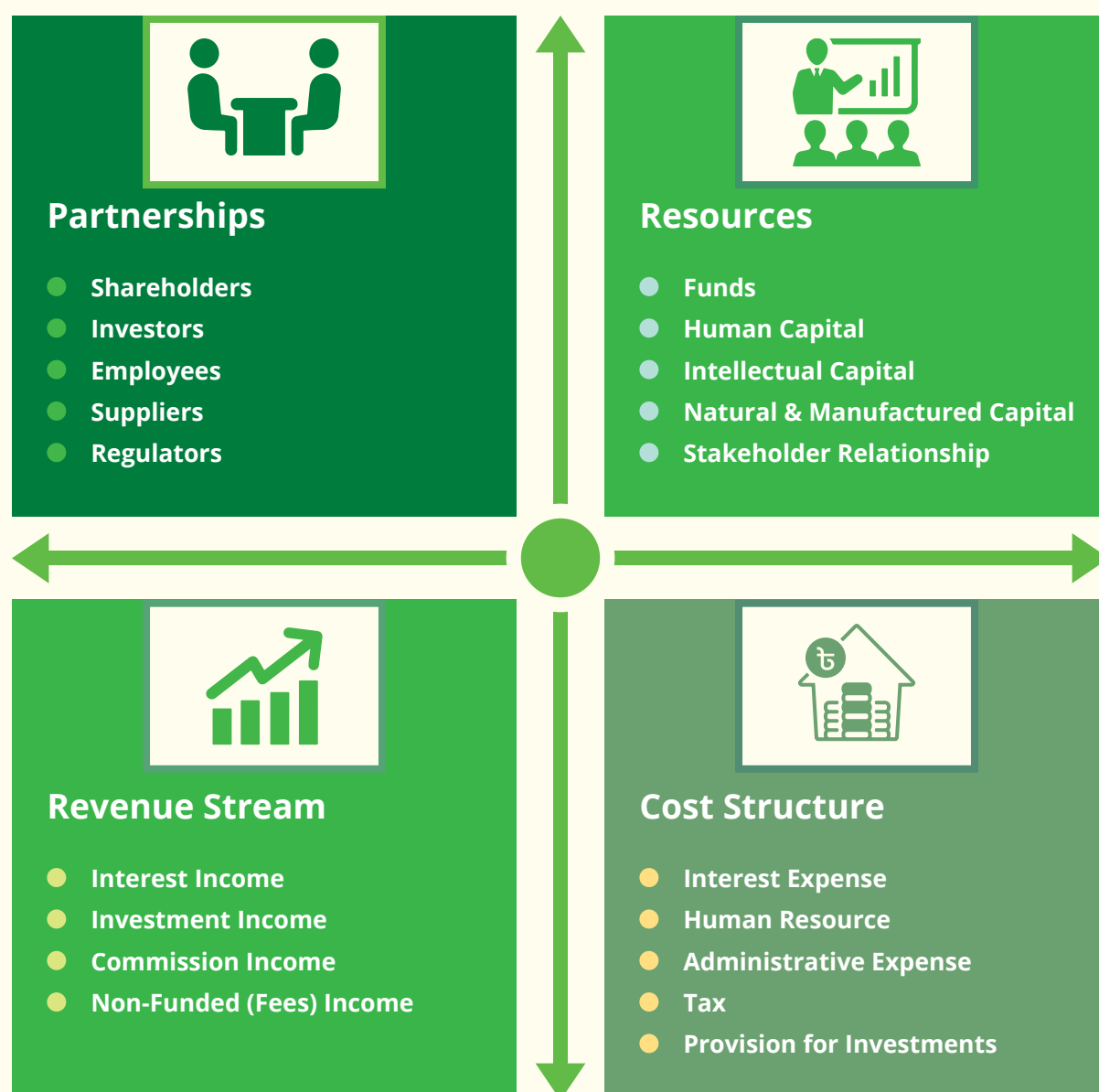


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Business Model of DBH

Through a robust and meticulously crafted business strategy, DBH Finance PLC has established itself as a significant presence in the dynamic realm of Real Estate Financing industry. Our business model is intricately woven with reflections on achievements, challenges overcome, and future trajectories. We take pride in presenting a comprehensive account of these elements in our annual report, offering a transparent glimpse into our journey.





Clientele Segment

Consumers

Investors

Suppliers

Borrowers

Fund Managers

Depositors

Value Proposition

Customer-Centric Approach

Financial Expertise

Innovative Technology Integration

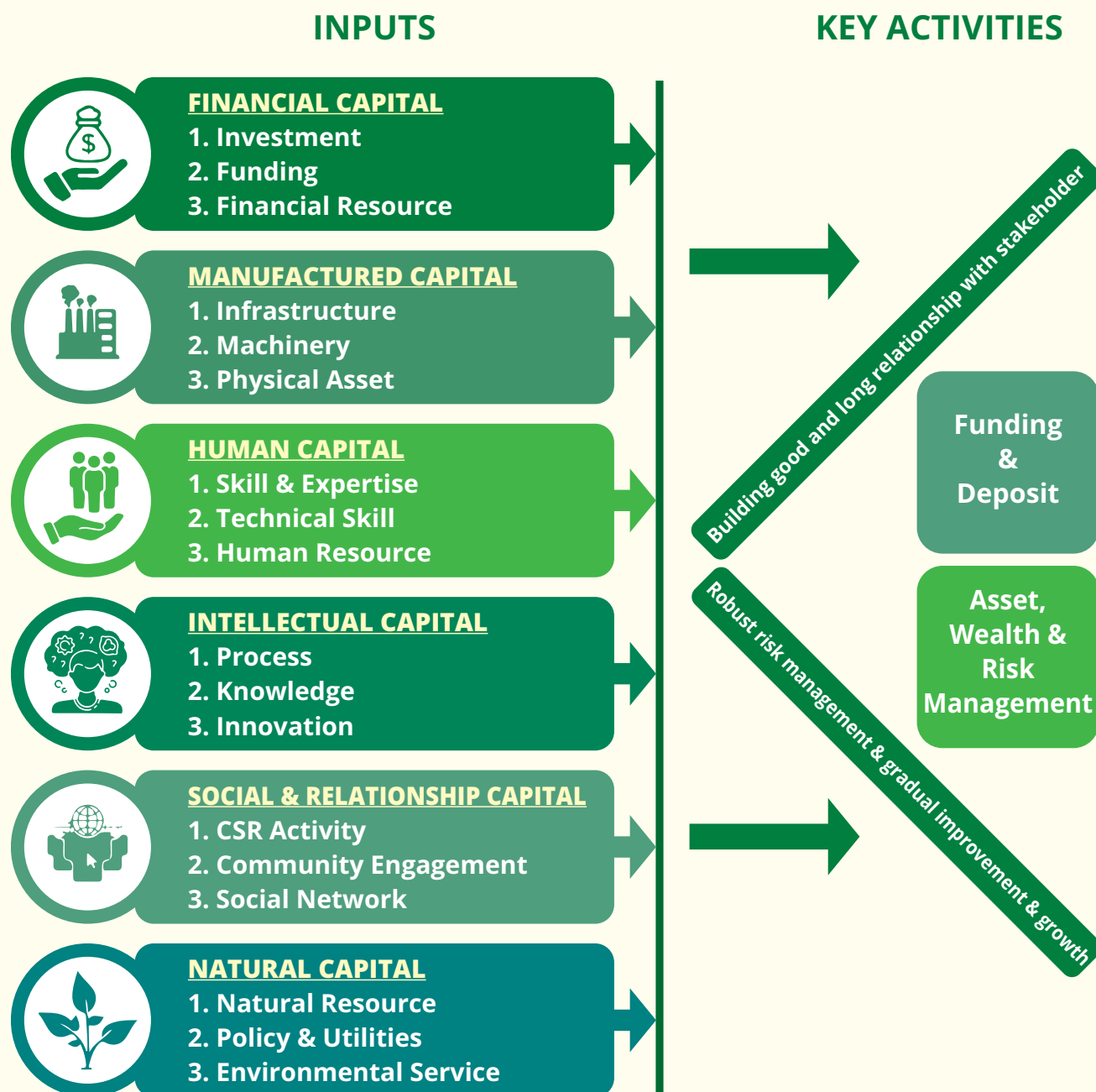
Expanding Business Network

Social Engagement

Environment Friendly Initiatives

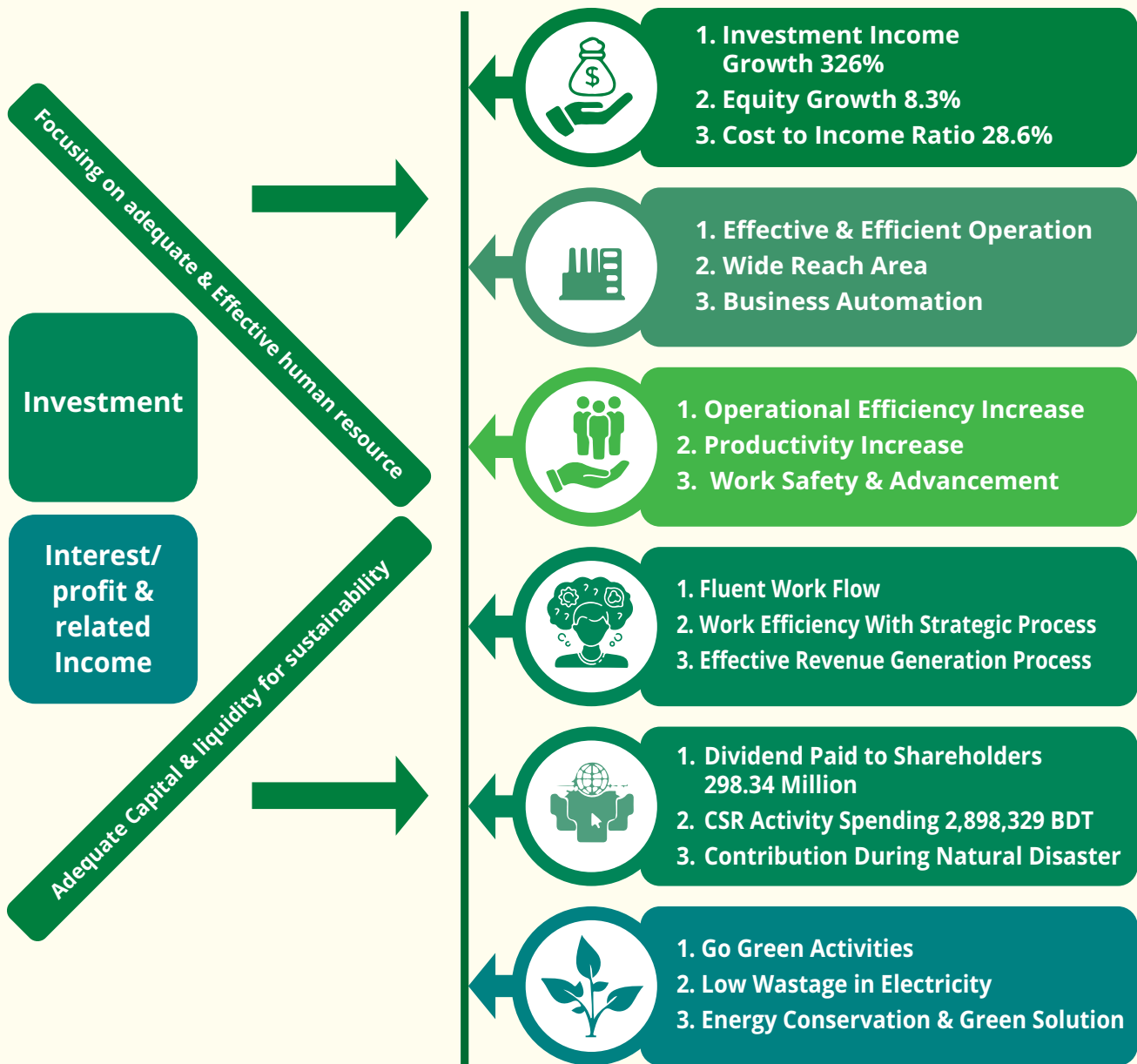
Value Creation Model

DBH Finance Plc is dedicated to providing its stakeholders with significant and long-lasting value through a strong and well-integrated structure for value creation. This structure, which is based on a thorough grasp of the business environment, includes all of the essential components that propel our organization's success and enhance the welfare of our customers, workers, investors, and the general public. Our value creation system is built on the tenets of morally and responsibly conducting business, understanding that success



is determined not only by our bottom line but also by our capacity to make a constructive contribution to society. At DBH Finance PLC, we recognize that generating value entails more than just transactions; rather, it necessitates a strategic, all-encompassing strategy that takes into account many types of capital, such as financial, manufactured, intellectual, human, social, and natural capital.

OUTCOMES



How We Create Value

UNDERSTANDING CUSTOMER NEEDS

In order to create value, DBH Finance first carefully examines and understands the requirements, inclinations, and problems of its target market. This calls for carrying out in-depth market research, distributing surveys, evaluating responses, and keeping a close eye on current market trends. By means of these endeavors, DBH FINANCE guarantees a profound comprehension of its clientele, establishing the groundwork for customized and influential value generation tactics.

PRODUCT OR SERVICE DEVELOPMENT

Sensitive to the demands of its customers, DBH Finance uses a rigorous development process to create financial products and services that precisely target problems and provide the intended fixes. This journey is distinguished by a dedication to innovation, strict quality control procedures, and effective resource management, guaranteeing that every service perfectly fits the budgetary objectives and aspirations of its clients.

DIFFERENTIATION

Developing a unique value proposition is crucial for DBH Finance to differentiate itself in the market. We set ourselves apart from the competition with our financial goods and services by carefully combining cutting-edge features, an unshakable dedication to quality, affordable prices, and a strong brand identity. All of these factors work together to make DBH Finance a more alluring option for clients, surpassing the services provided by our rivals.

EFFICIENT OPERATION

DBH Finance maintains a competitive advantage through careful operational efficiency and process optimization. Our ability to offer our financial products and services at low costs is made possible by this commitment, which is also essential to upholding the high standards of consistency and quality that our clients have come to rely on. DBH Finance establishes itself as a dependable and economical partner in the financial services industry by strategically emphasizing efficiency.

SUSTAINABLE PRACTICE

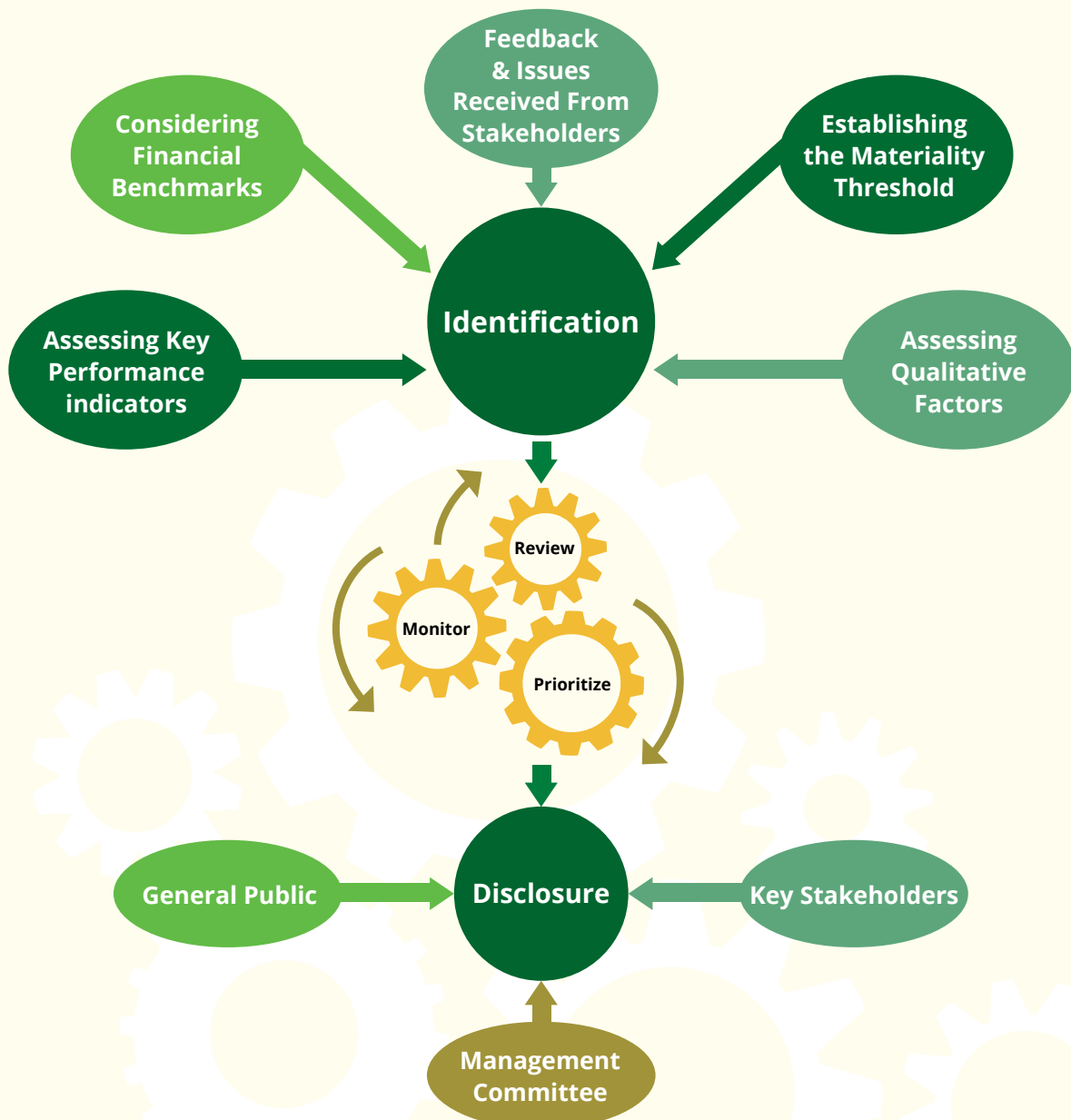
DBH Finance acknowledges the increasing significance of implementing ecologically and socially responsible activities. We hope that integrating sustainability into our business practices would enhance our brand's reputation and solve the growing worries of our eco-aware clientele.

FINANCIAL PERFORMANCE

For DBH Finance, long-term value development depends on developing sustainable earnings and encouraging financial growth. This dedication enhances the experience for shareholders and strengthens the company's ability to allocate resources to vital areas like innovation, staff training, and other projects that make a substantial contribution to overall value. By strategically pursuing financial stability, DBH Finance establishes itself as a strong organization that can provide long-term benefits to its stakeholders and the industry at large.

Determination of Materiality

Our Integrated Report starts with identification of material topics that are essential and will be helpful for stakeholders to comprehend the overall performance and the potential of the entity to make various decisions. By including both financial and non-financial aspects, the Integrated Report aims to go beyond conventional financial reporting. Determining materiality becomes a strategic exercise as we navigate the complex terrain of sustainability and stakeholder engagement, helping to shape the narrative to center on important issues that create value, promote transparency, and add to a complete picture of the organization's journey.



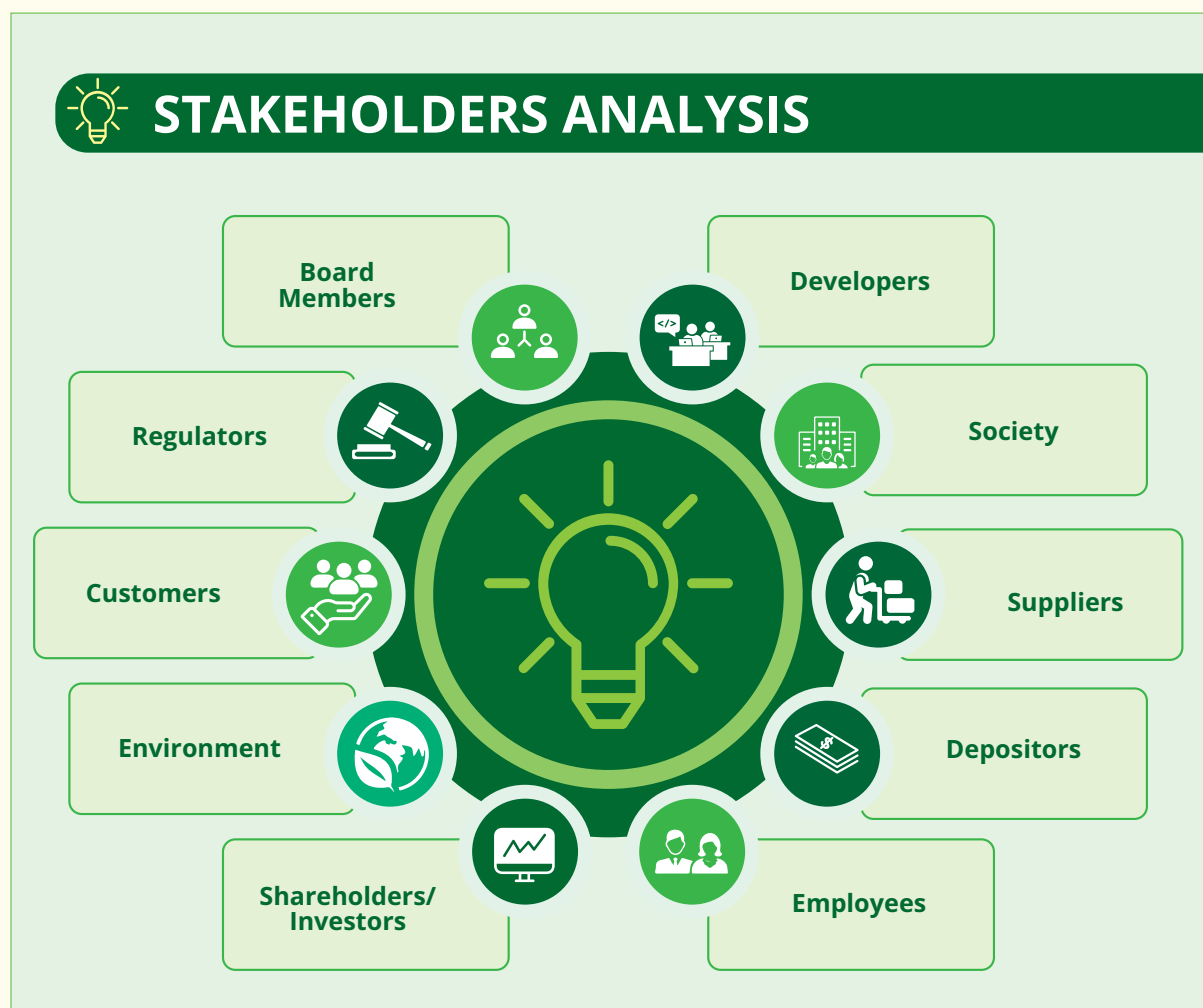
Key Material Factors of DBH Finance PLC and the compliance and maintenance:



Stakeholders Analysis

DBH continues to be an industry leader in the housing finance because of its ability to read the market well and keep a customer focused product and service bouquet at the best pricing. We recognize that we compete and operate on the basis of trust, and it is our stakeholders who are the ultimate mediators of our legitimacy, and therefore our sustainability. Our journey is to continue the relationships we have created and nurtured with our Stakeholders, viz., customers, employees, depositors, regulators, shareholders, community & environment. Transparency in our dealings, proactive communication with existing and new customers,

best-in-class technology and processes for enhanced efficiency have all bundled to offer a robust customer centric delivery mechanism. Our powerful communication to engage with potential customers and the community at large has proved effective in seeding the thought of home ownership. We cooperate with all our stakeholders in order to create sustainable value, and to achieve objectives in a mutually beneficial way. These relationships, through which we hope to create a better tomorrow, for ourselves and all our stakeholders. In order to report, we identified following parties (from a sustainability perspective) as our key stakeholders:

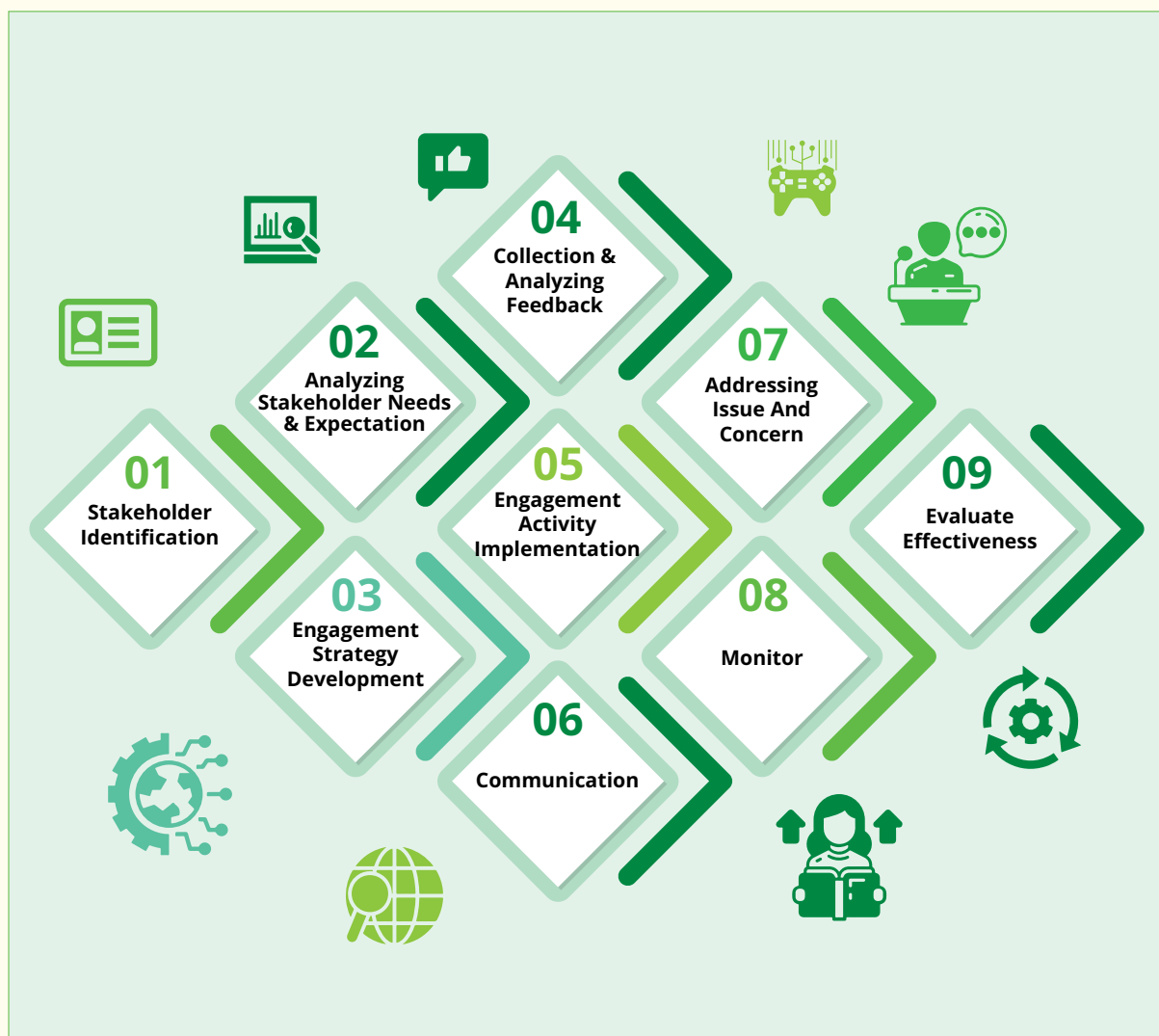


Stakeholders	Importance of Stakeholders	Influence by Stakeholders on DBH	DBH's Influence on Stakeholders
Shareholders/ Investors	Investors remain DBH's key stakeholder, who having invested capital, requires information on a continuous basis to track DBH's performance and achievements in enhancing shareholders wealth.	High	High
Regulators	As a listed Finance Company and a holder of public deposits, various regulatory bodies are engaged to know DBH's progress, to establish the level of safety, soundness and compliance status.	High	High
Employees	Employees are considered DBH's most valuable asset and key to DBH's continued success. Employees are deemed key stakeholders as they drive DBH's businesses forward. They wish to grow with the Company and develop their careers to that they aspire to be, hand-in-hand, whilst the Company progresses.	High	High
Customers	We consider customers as the bread and butter of DBH's business, who remain interested as they transact with DBH on an ongoing basis. It is important for DBH to sustain business and build bonds with them as the loan period is longer comparing the loan provided by Banks and NBFIs in other sectors.	High	High
Depositors	Funding providers, depositors are an important component of DBH's business, as they support DBH in meeting funding needs. It is necessary to sustain a continued relationship, which will yield mutual benefit for both parties.	High	High
Developers	Suppliers of basic lodging unit to our customers are the developers, and they are the key partners of DBH's business. Most of the businesses of DBH are sourced from developers, as the long term partnerships are proven with mutual benefit.	High	High
Suppliers	Material suppliers have become increasingly important to DBH with the expansion of its network and increasing requirement for stationery and other related supplies.	Medium	Medium
Environment	In an era where protection of environment and its resources has become vital, DBH considers environment aspects of high importance, particularly when DBH considers the project financing to the developers.	Medium	Medium
Society	Society has varying expectations on DBH especially from a broader sustainability perspective. Apart from financial needs, they require corporate to act in a socially responsible manner, for societal benefit.	Medium	Medium
Board Members	Board members are part of the investors/ shareholders. But for the roles and responsibilities, Board members remain vital. By overseeing the management activities, they are providing endless support for DBH's success.	High	High

Stakeholder Engagement

DBH finance PLC's stakeholder engagement operation allows them to actively interact, cooperate, and forge bonds with people or groups who have a stake in the operations and results of the business. These parties have a wide range of interests, such as clients, staff members, investors, vendors, local communities, and government agencies. Understanding and addressing the various needs, expectations, and concerns of different groups is the fundamental components of stakeholder engagement operation of DBH Finance PLC. It entails a

continuous conversation that is supported by a variety of platforms and initiatives with the goal of promoting understanding and collaboration. In addition to being a corporate responsibility, effective stakeholder involvement is a critical factor in DBH performance, enhancing decision-making, reducing risk, and generating shared value for the organization and its stakeholders. Skillful stakeholder engagement becomes essential for sustainable growth, innovation, and positive social impact as organizations navigate a constantly changing landscape.



Stakeholders	Engagement Platform	Issues/Concerns	Our Response
Shareholders/ Investors	<ol style="list-style-type: none"> 1. Annual General Meeting 2. Investor conference 3. Social media platform 	<ol style="list-style-type: none"> 1. Financial performance of the company (Revenue, Profit, Market share) 2. Dividend payout in comparison to other companies payout scale. 	<ol style="list-style-type: none"> 1. Providing detailed financial report & explaining factors influencing the performance. 2. Communicating the dividend policy clearly & reasons behind the decisions.
Regulators	<ol style="list-style-type: none"> 1. Regulatory audit 2. Regulatory meeting & compliance 3. Advisory committees 	<ol style="list-style-type: none"> 1. Misleading/ Inaccurate financial reporting. 2. Money laundering & fraud. 	<ol style="list-style-type: none"> 1. Adequate & strong internal control and auditor's verification. 2. Implementing anti money laundering process and encourage whistle blowing.
Employees	<ol style="list-style-type: none"> 1. Employee resource group 2. Internal communication platform 3. Training & development programs 	<ol style="list-style-type: none"> 1. Work Life balance (heavy workload, working hour) 2. Development & career growth 3. Job security 	<ol style="list-style-type: none"> 1. Implement flexible work arrangement. 2. Mentorship program, training & development opportunities. 3. Transparent about companies stability and implement measures to ensure job security.
Customers	<ol style="list-style-type: none"> 1. Customer feedback survey 2. Customer service & support 3. Social media platforms 	<ol style="list-style-type: none"> 1. Payment & billing problems 2. Communication transparency 3. Return & refund policies 	<ol style="list-style-type: none"> 1. Transparent billing practice, provide detailed invoice. 2. Implement clear communication & continually informing customers. 3. Ensuring return policy & prioritize customer satisfaction.
Depositors	<ol style="list-style-type: none"> 1. Savings & investment tools 2. Customer service & feedback forms 3. Personalized financial advice 	<ol style="list-style-type: none"> 1. Account fees & charges 2. Account access & technological issues 3. Security of funds 	<ol style="list-style-type: none"> 1. Transparent disclosure of charges and minimal fees. 2. Support channel for technical assistance & conduct usability test. 3. Providing robust security measures & adherence to regulatory standards.

Stakeholders	Engagement Platform	Issues/Concerns	Our Response
Developers	<ol style="list-style-type: none"> Developer conference event Developer advocacy programs Online workshop & webinars 	<ol style="list-style-type: none"> Communication & collaboration Projects & challenges Technology stack & tools 	<ol style="list-style-type: none"> Implementing collaboration channel & conduct frequent meeting. Encouraging them for innovative & creative projects. Providing with latest tools & feedback on technological challenges.
Suppliers	<ol style="list-style-type: none"> Joint development program Supplier relationship management platform Feedback & mechanism 	<ol style="list-style-type: none"> Payment timelines Volume fluctuation Long term partnership 	<ol style="list-style-type: none"> Strictly following payment terms, schedule and process. Accurate forecast & planning demand and supply. Demonstrating long-term relationship & strategic planning about mutual growth.
Environment	<ol style="list-style-type: none"> Environment sustainability report Green certification program. Waste reduction & Recycling program 	<ol style="list-style-type: none"> Energy consumption. Deforestation & destruction. 	<ol style="list-style-type: none"> Implementing energy efficiency measure & invest in renewable energy. Adopting sustainability sourcing practice & supporting reforestation.
Society	<ol style="list-style-type: none"> CSR programs Stakeholder engagement forums Public awareness campaign 	<ol style="list-style-type: none"> Community engagement & local impact. Human rights. Community displacement. 	<ol style="list-style-type: none"> Addressing community concern, contribution to community development project. Following human right principal & conduct human right assessment. Adequate assessment of the impact, compensating fairly and assist with community development projects.
Directors	<ol style="list-style-type: none"> Regular board meeting Committee meeting Strategic planning session 	<ol style="list-style-type: none"> Risk management Regulatory compliance Stakeholder engagement 	<ol style="list-style-type: none"> Establishing a framework for risk management, conducting ongoing risk assessments, and putting a plan in place to mitigate risks Create a robust compliance program and carry out compliance audits on a regular basis. Developing stakeholder engagement strategies, reporting on engagement initiatives, adopting social responsibility and community engagement.

Business Environment Analysis



Strengths

1. Leading housing finance specialist with strong capital base.
2. Sound & exemplary corporate governance.
3. Strong risk mitigation framework.
4. Conservative and consistent loan provisioning policy resulting one of the lowest NPL ratios in the industry.
5. One of the highest dividend payout ratio in the industry in the range of 25-35% in line with its income and EPS.
6. Effective usage of technology and skilled human resource.
7. Lowest Cost to Income ratio in the industry.



Weaknesses

1. Dependency on a single product.
2. Low interest spread due to dealing with secured loan.
3. Concentrated portfolio on Dhaka region.



Opportunities

1. Real estate demand in the country specially outside of Dhaka.
2. Attracting foreign funding for affordable housing.
3. Digital service offering to onboard more customers.
4. Adoption of new technologies and innovation to boost customer satisfaction, optimize financial processes, and increase operational efficiency.
5. Grow Islamic Wing segment and attract more customers who prefer Islamic financial solutions.



Threats

1. Fierce competition in the NBFI industry.
2. Direct competition with bank on home loan segment.
3. Risks of takeover of good portfolio by banks.
4. Managing Interest spread amid rapid increase of cost of funds due to Central Bank's contractionary monetary policy.
5. Global & political instability and the effect on our economy and finance.

Strategic Indicators for Sustainability

At DBH Finance, a few core factors that not only direct our path but also personify our dedication to sustainable success and ethical business practices, have a significant impact on our strategic decision-making. Above all, customer-centric innovation is a key motivator that pushes us to consistently anticipate and fulfill our customers' changing needs. Our commitment to technological excellence drives us, keeping us at the forefront of innovation in an industry that is constantly evolving. At the same time, we

have a strong commitment to environmental sustainability, which informs our approach and drives us to minimize our ecological imprint and prioritize responsible resource management. Another important factor that fosters a work environment that values diversity, inclusivity, and ongoing learning is employee empowerment and growth. Together, these forces mold DBH's strategic direction as we move forward, securing our goal of long-term expansion, constructive social influence, and continuous value generation.

Influencing Factors



These factors help DBH Finance to contribute to not only to the economy but also the society and direct or indirect stakeholder thus resulting showing their significance in our operation. With these drivers at the helm, DBH is poised to navigate challenges, seize opportunities, and shape a sustainable and impactful future in the ever-evolving business landscape.

PESTEL Analysis



Political

Influencing Factors	Impact on DBH	Our Response
<ol style="list-style-type: none"> 1. Changes in Govt. Policy 2. Regulations 3. Stability 	Stringent regulations can escalate compliance costs for DBH Finance, while political stability may boost investor confidence.	To reduce legal risks, we will keep a close eye on legislative developments and take proactive steps to ensure compliance. It could also be advantageous to take part in advocacy work to create positive policies.



Technological

Influencing Factors	Impact on DBH	Our Response
<ol style="list-style-type: none"> 1. Advancement in Technology 2. Automation 3. Dizitalization 	Traditional financial services could be disrupted by technology, which would present DBH Finance with both opportunities and difficulties.	We can maintain its competitiveness and satisfy changing client expectations by making investments in technological advancements, working with fintech partners, and providing creative digital solutions.



Environmental

Influencing Factors	Impact on DBH	Our Response
<ol style="list-style-type: none"> 1. Climate Change 2. Sustainability 3. Environmental Regulation 	Growing environmental consciousness could spur interest in DBH Finance's sustainable finance offerings.	We can attract socially conscious investors by developing and promoting ecologically friendly financial products, implementing sustainable practices in its operations, and complying with environmental legislation.



Economic

Influencing Factors	Impact on DBH	Our Response
<ol style="list-style-type: none"> 1. Economic Cycle 2. Inflation Rate 3. Interest Rate 4. Exchange Rate 	Economic downturns may increase the default rate, which would affect DBH Finance's bottom line. Interest rate changes can have an impact on investment returns and borrowing costs.	We can manage economic risks by diversifying our offerings, implementing risk management techniques, and modifying interest rate policies in response to market conditions.



Social

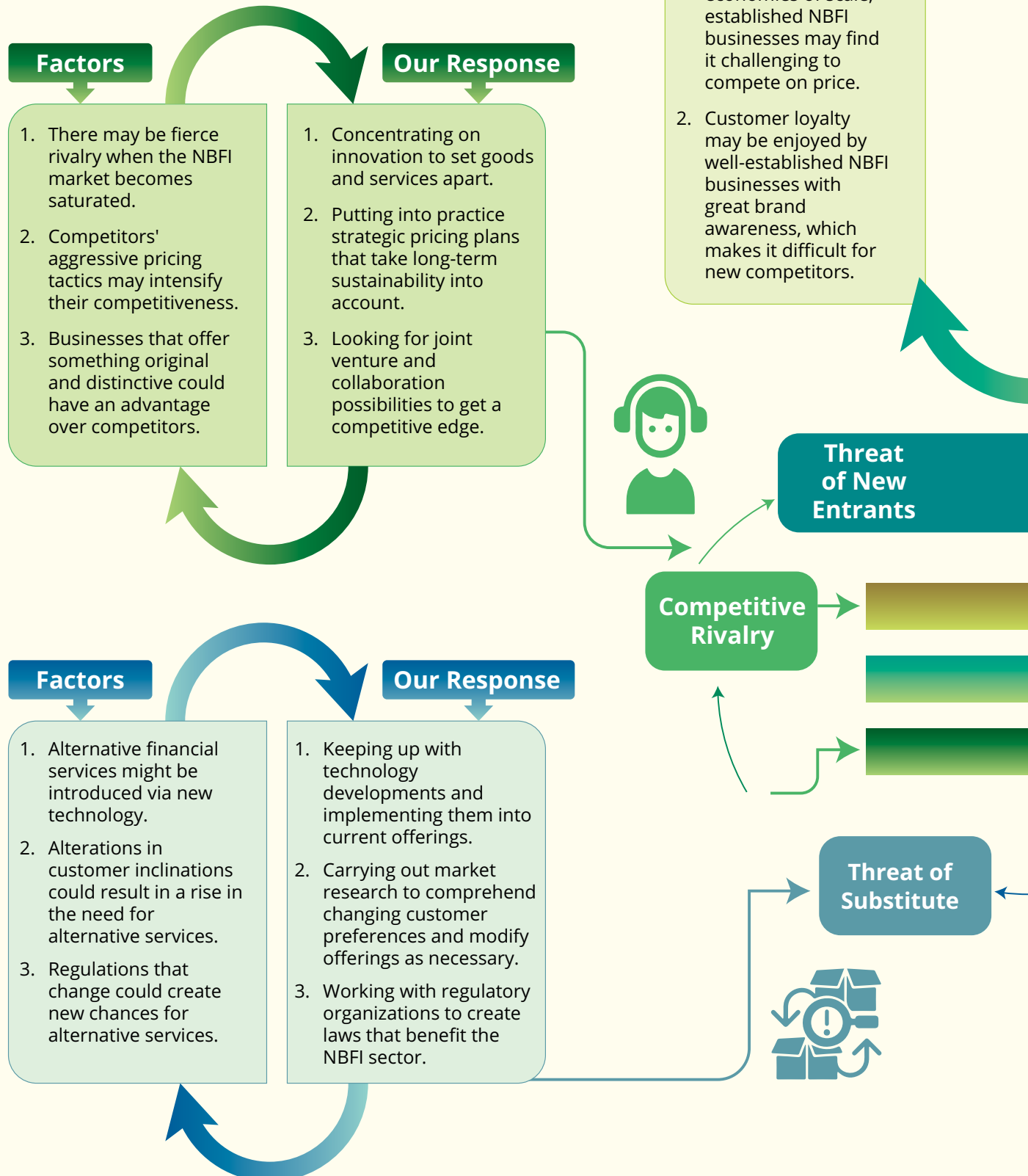
Influencing Factors	Impact on DBH	Our Response
<ol style="list-style-type: none"> 1. Demographic trends 2. Cultural Attitude 3. Social Values 	The demand for the financial services and products provided by DBH Finance may be impacted by shifts in customer preferences and behavior.	We should modify our product offerings and marketing plans to conform to current social trends. Enhancing customer interaction can be achieved by adopting digital channels to accommodate evolving consumer demands.

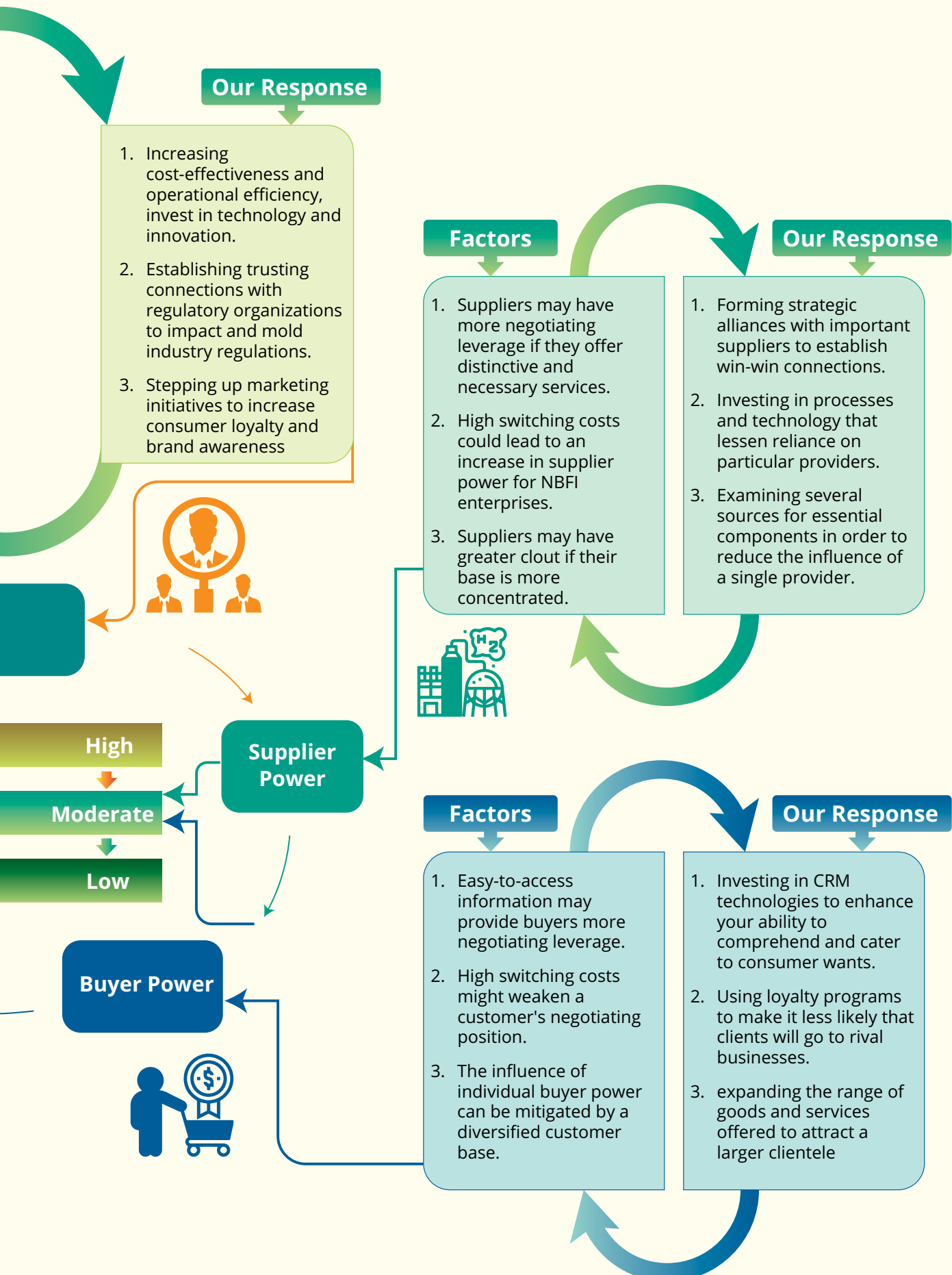


Legal

Influencing Factors	Impact on DBH	Our Response
<ol style="list-style-type: none"> 1. Legal Frameworks 2. Compliance Requirements 3. Regulatory Changes 	Lawsuits and harm to DBH Finance's reputation may result from breaking laws and regulations.	We can reduce legal risks and guarantee compliance with regulations by putting in place strong compliance procedures, keeping up with legal developments, and carrying out frequent legal audits.

Porters Five Forces Analysis





Strategic Focus Area



1. Customer Centric Approach:

A customer-centric approach is the cornerstone of our strategy, and it is essential to attain long-term success. Our steadfast dedication to comprehending the particular needs of each of our clients, providing experiences that are unmatched, and building long-lasting connections is the cornerstone of our concept. The company leverages the power of positive word-of-mouth marketing in addition to encouraging repeat business by prioritizing client pleasure and loyalty. Our commitment to offering financial solutions



that genuinely resonate with our clients is demonstrated by our customer-centric attitude, which also serves to define our interactions and strengthen our position as a reliable partner in their financial journeys.

2. Innovation & Technological Integration:

It is strategically essential for us to be steadfast in its embrace of innovation and integration of cutting-edge technologies. We are not limited by traditional bounds; we also prioritize the ongoing improvement of our goods and services, the prompt integration of new technology, and



the aggressive pursuit of staying ahead of market trends. By putting an emphasis on innovation, the company positions itself to attract new clients looking for cutting-edge and dynamic solutions, as well as to improve competitiveness within the financial sector. This dedication not only strengthens our current market position but also pushes us into new markets, creating doors to exciting new prospects and solidifying our standing as a progressive leader in the financial industry.

3. Operational Efficiency & Cost Optimization:

Our steadfast dedication to sustainable profitability at the company is based on a strategic focus on improving operational efficiency, streamlining internal procedures, and optimizing resource allocation. Understanding that successful operations depend heavily on efficiency, we focus our efforts on cutting expenses, increasing productivity, and putting lean principles into effect. By doing this, we strengthen our capacity to offer our clients unmatched financial services while still guaranteeing a low cost structure. Operational excellence is fundamental to sustained growth, as it enables us to navigate changing market conditions and provide long-term value to our stakeholders.



4. Market Expansion & Diversification:

Strategic market expansion and financial product and service diversity are essential for our company to maintain long-term growth. Our strategy is centered on thorough



market research, which helps us spot new prospects and customize our services to fit the different needs of different clientele groups. Through proactive response to changing market needs, the company expands its market share

and improves its ability to cater to a wider range of customers. Strategically speaking, diversification is essential since it protects against an excessive dependence on a single product or market. These strategic initiatives highlight our dedication to innovation, customer-centricity, and resilience in building long-term success as we navigate the financial landscape.

5. Talent Development & Employee Engagement:

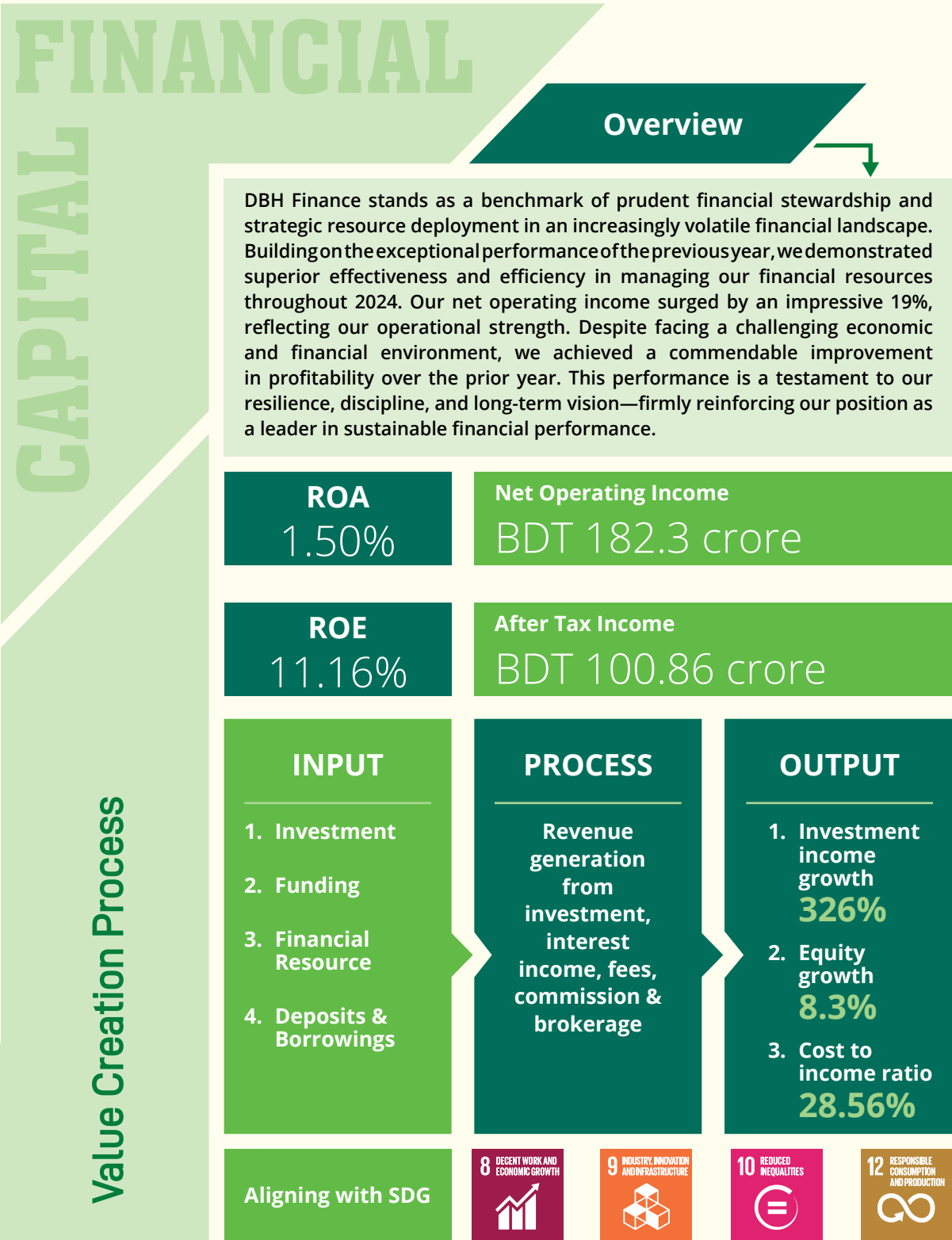
We recognize that our success is intricately linked to the strength and commitment of our workforce. Our strategic focus on talent development, comprehensive training programs, and the cultivation of a positive workplace culture is paramount. By prioritizing the growth and satisfaction of our employees, we not only foster a dynamic



and collaborative environment but also ensure high levels of retention and overall productivity. We understand that engaged employees are the bedrock of innovation and play a pivotal role in enhancing customer satisfaction. Through these strategic initiatives, we are dedicated to nurturing a workforce that thrives on continuous learning, creativity, and a shared commitment to our organizational values.

Six Capitals

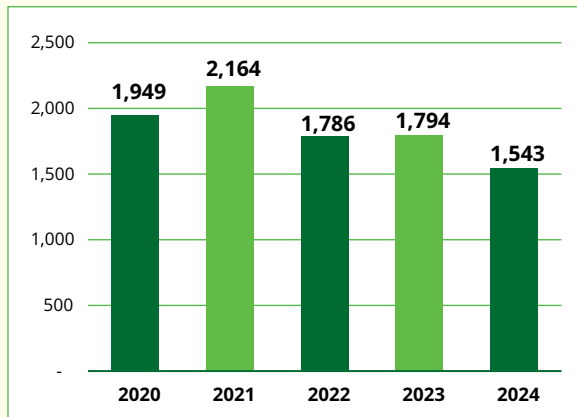
FINANCIAL CAPITAL



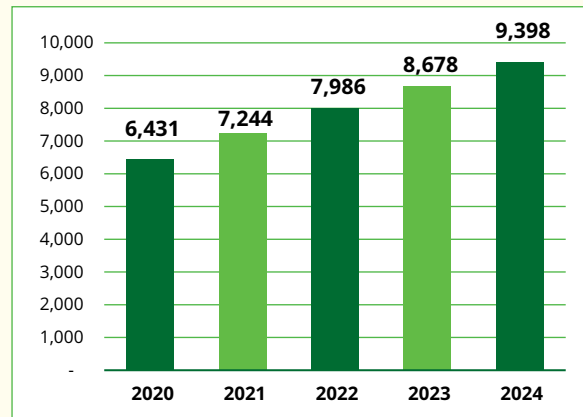
Challenges	Our Response	Way Forward
<p>1. Market volatility frequently creates difficulties for non-bank financial institutions, impacting asset valuation and raising uncertainty.</p> <p>2. Stricter and changing legal requirements make it difficult for NBFI to comply, which raises operating expenses.</p> <p>3. It is very difficult to maintain ideal levels of liquidity, particularly when there are unanticipated disruptions or economic downturns.</p> <p>4. It is always difficult for NBFI to assess and manage credit risk, especially when dealing with complex and diverse lending portfolios.</p>	<p>1. Creating solid risk management policies, portfolio diversification, and applying more advanced models in order to navigate in volatile market environment.</p> <p>2. Establishing a compliance team, invest in detail-control tools, and draft a handbook that outlines regulatory agency processes.</p> <p>3. Developing complete mechanisms for dealing with liquidity crisis, run simulation-based tests and plan in advance to be ready to withstand cash crisis.</p> <p>4. Applying model-based credit risk, examining stress testing, and implement risk sharing, in conjunction with those.</p>	<p>1. To solve issues triggered by market volatility following the market trends, making our technological investments for detection of real-time risks, and explore into other investment alternatives.</p> <p>2. Be an active member of the industry forums, experience change and learn the ways in which regulations can be adjusted, and utilise the latest technologies to make sure the accuracy and efficiency of the compliance procedures are improved.</p> <p>3. Attending the conferences, keeping up with regulatory changes as they come, and use new technology that will make the procedure more accurate, less time consuming, and constant.</p> <p>4. To improve credit risk management, strengthen our ability to identify credit risk, adopt data analytics for predictive modeling, and look into joint ventures for risk-sharing.</p>

Financial Performance Overview

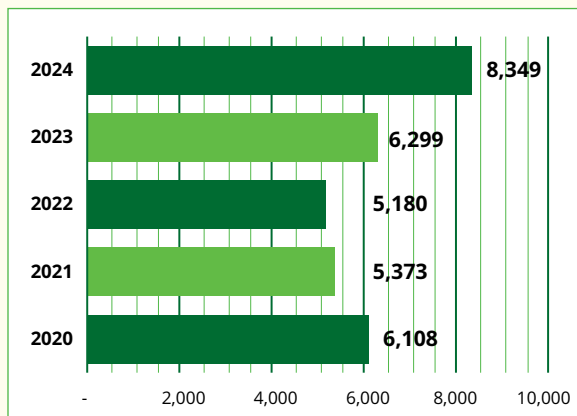
Net Interest Income
(BDT Mn)



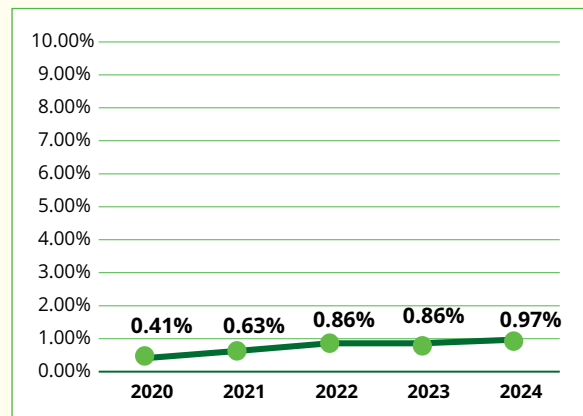
Equity
(BDT Mn)



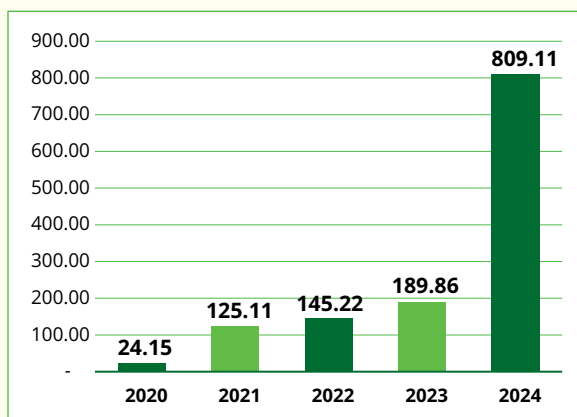
Revenue
(BDT Mn)



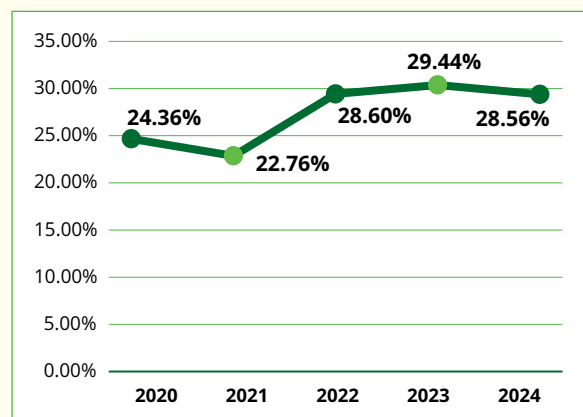
NPL Ratio
Percentage (%)



Income From Investment
(BDT Mn)



Cost to Income Ratio
Percentage (%)



Report on Human Capital

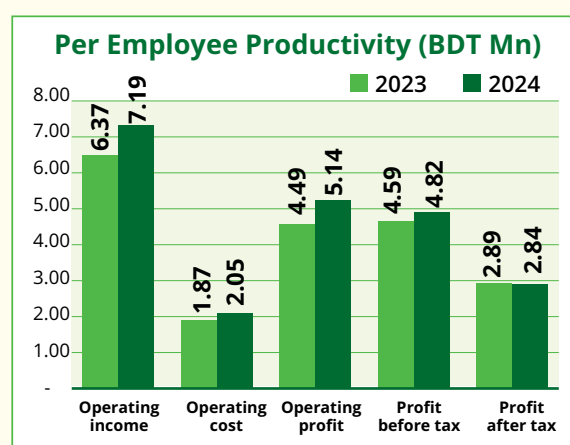
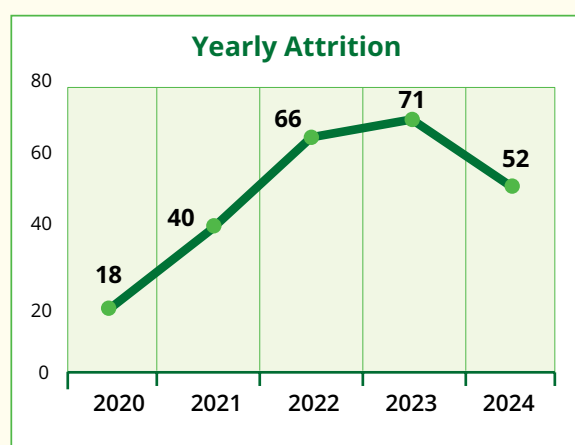
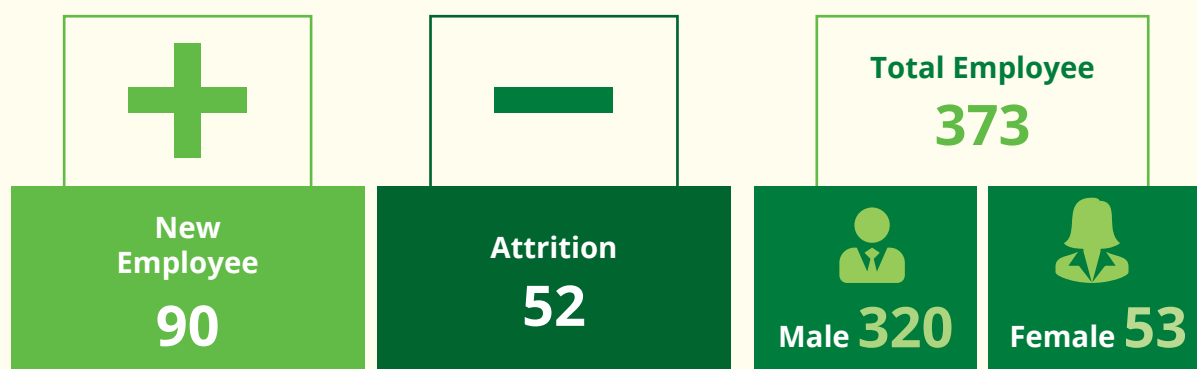
As a shining example of financial success, DBH Finance PLC understands that our people are our most valuable resource. Regarding human resources, we take pride in developing a workforce that embodies talent, creativity, and a common dedication to reshaping the financial industry. At DBH Finance PLC, the people that push our mission forward and exemplify a culture of growth, cooperation, and unrelenting dedication to quality are what truly make us successful—rather than just numbers.

DBH is an organization, which believes its human resources to be one of its best investments. It is the performance and productivity of its manpower which establishes its position. Human resources being one of the highest contributing factors in the success of the company, DBH focuses on hiring the

right person for the right position and concentrate on the proper development and motivation of the personnel. The company also considers strategy for retention of its top performers seriously

Human Resource Accounting

Human Resources Accounting is the process of identifying and measuring data about human resources and communicating this information to the interested parties. It was a method by which a cost was assigned to every employee when recruited, and the value that the employee would generate in the future. Human Resource Accounting reflects the potential of the human resources of an organization in monetary terms, in its financial statements.



HR Planning

DBH focuses on hiring the right person for the right position and also concentrates on the proper development and motivation of the personnel. HR Department, in consultation with other departments, forecasts the future manpower requirements. Then we meet such requirements through recruitment, talent development and succession planning.

The objective of DBH is to recruit the dynamic people who are best suited for the particular job. We also meet our HR requirements through job rotations and job changes. Besides this, the Company places high emphasis on strategy for retention of good performers as well.

In the year under review, a total of 90 new regular employees were hired of which number of male employees was 85 and female employees was 5. During the year 2024, 52 regular employees were separated from the services of the Company.

Since its human resources gives DBH a clear competitive edge, DBH always aspires to hire best of the people with diverse backgrounds. Thus, the focus always remains on fostering talent, unleashing potential and providing long-term career growth. Career development at DBH is solely based on merit, performance and productivity.

INPUT

1. Skill & Expertise
2. Technical Skill
3. Human Resource

OUTPUT

1. Operational efficiency increase
2. Productivity increase
3. Work safety & advancement

Benefit Policy

Festival bonus, Provident fund, Gratuity.

Employee loan facilities (home loan, car loan & personal loan) at a subsidized rate.

Group insurance and health insurance coverage.

Annual Incentive Bonus based on performance.

Reward and recognition for employees' hard work and dedication to the Company.

Performance Appraisal System

The company conducts a structured performance appraisal each year designed to assess employee's contributions objectively and all regular employees undergo this formal process. The performance appraisal helps to emphasize the career growth of our employees and also helps to identify the training needs. The appraisal process considers key performance indicators (KPIs), individual achievements, and leadership potential. Employees receive constructive feedback to support their professional growth. This process ensures that the efforts and contributions of each employee are properly recognized and rewarded.

Promotion, Reward, and Motivation

DBH believes in recognizing and rewarding outstanding employee performance. The company offers promotions based on merit, experience, and contributions to the organization. Our reward and recognition framework includes performance-based incentives, career development opportunities, and non-monetary benefits to keep employees motivated and engaged.

Training and Development

In a bid to keep up with the pace of the ever-changing business world about altering business processes, embracing technological changes and meeting new compliance and regulatory requirements DBH undertakes training and development plans for its employees and arranges in-house functional training sessions as well as sends them over for attending public training programs.

During the year, a total of 20 in-house and external training programs were conducted where 317 persons participated. In these training programs, the Company spent about BDT 14.12 lac in the year 2024.

Health, Safety and Employee Well-being

Healthy employees are productive and sustainably engaged in their workplace. We always comply with internal workplace health and safety policies.

All our branches are well equipped with fire alarms, fire extinguishers etc. In addition, periodic fire drills are carried out to test the effectiveness of the fire safety system. Our branches are also equipped with first aid kits. We have group insurance and hospitalization insurance coverage for the employees.

All our employees enjoy earned leave of 24 days including mandatory annual leave of 2 weeks. Our female employees are entitled to get maternity leave of six months.

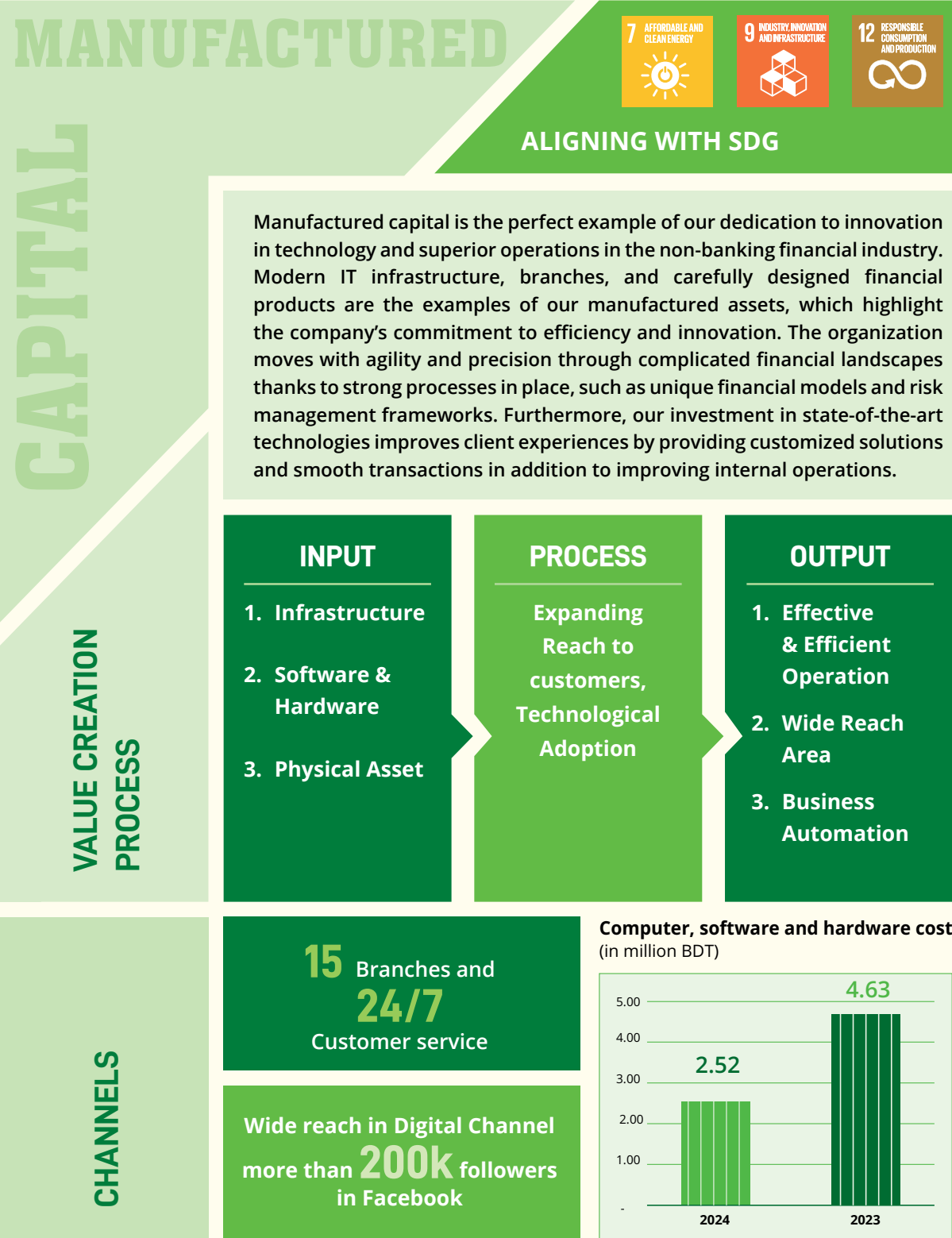
Grievance Management

DBH is committed to fostering a work environment that is free from intimidation, harassment, and discrimination and our employees are encouraged to come forward and inform about anything to the management, which are not aligned with the Core Values of DBH. The company prioritizes compliance with employment laws and regulations while promoting mutual respect, inclusivity, and professional integrity.

DBH maintains a structured grievance management policy to ensure that employee concerns are addressed promptly and fairly. The management welcomes all forms of complaints or expressions of dissatisfaction and follows well-defined principles and procedures to handle grievances transparently and effectively. Each complaint is assessed on its merit, and appropriate actions are taken to resolve the issue.

To further support employees facing workplace challenges, DBH provides confidential counselling services, ensuring that employees receive the necessary guidance and assistance in a safe and supportive environment.

Manufactured Capital



Challenges



Rapid technological innovation presents a substantial problem for DBH Finance in managing its produced capital. Investing heavily in R&D and implementation is necessary to keep up with rapidly changing technologies, which puts pressure on operating and financial resources. Furthermore, sophisticated assaults can jeopardize data integrity and operational continuity, so endangering the company's brand and financial stability. As a result, cybersecurity risks are a persistent risk to manufactured capital. Moreover, regulatory compliance introduces even another level of complexity since strict regulations necessitate frequent upgrades to operational procedures and technology infrastructure, raising the expense and difficulty of compliance.

Response



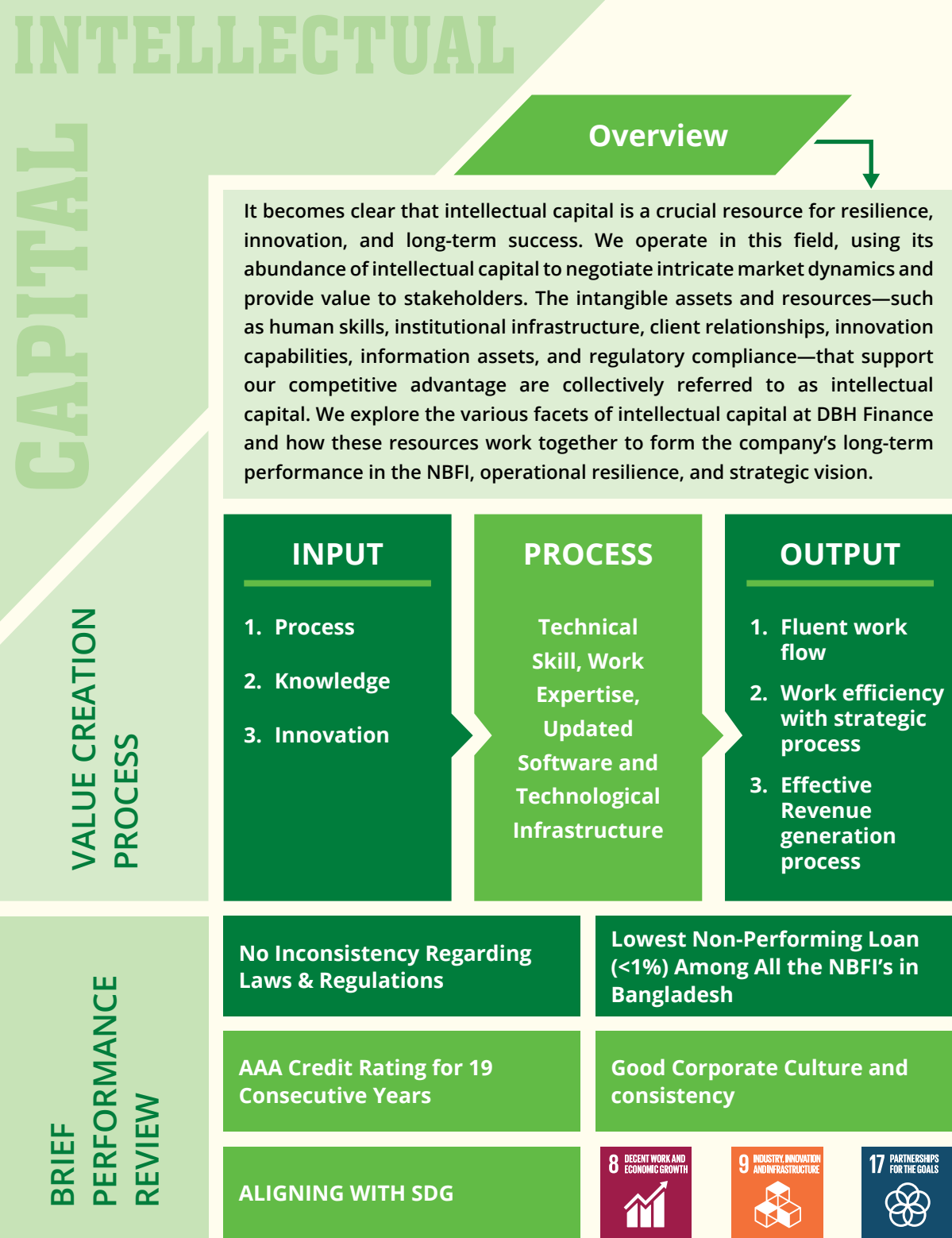
We need to handle our created capital with a proactive mindset in order to overcome these obstacles. In order to guarantee scalability, flexibility, and resilience in the face of technological changes, this entails giving investments in infrastructure upgrades and technological innovation first priority. To reduce cyber threats and protect important assets, the business also has strong cybersecurity measures in place, such as encryption protocols, intrusion detection systems, and employee training programs. Furthermore, it is crucial to keep a close eye on regulatory compliance. To guarantee that regulations and industry standards are followed, regular audits, risk assessments, and compliance training programs are implemented.

Way Forward



In order to improve customer experiences, expedite operations, and make better decisions, we may leverage emerging technologies like block chain, artificial intelligence, and machine learning to strengthen its manufactured capital. Working together with fintech startups and technology partners can also give you access to cutting-edge knowledge and solutions, which can speed up your digital transformation efforts and give you a competitive edge. Additionally, we can create a dynamic and adaptable organizational culture by investing in talent development and fostering a culture of innovation and continuous improvement. This will help the company meet future challenges and seize new opportunities in the quickly changing NBFi landscape.

Intellectual Capital



We face the challenge of retaining top talent in a competitive industry where skilled professionals are in high demand. Employee turnover can lead to loss of valuable expertise and institutional knowledge, impacting the company's intellectual capital.

Effectively managing and disseminating knowledge across the organization poses a challenge, especially as the company grows and diversifies its operations. Siloed information and lack of collaboration can hinder innovation and decision-making.

Rapid advancements in technology require constant upgrades to IT infrastructure and systems. Keeping pace with these changes while ensuring compatibility and security presents a challenge to our intellectual capital management.

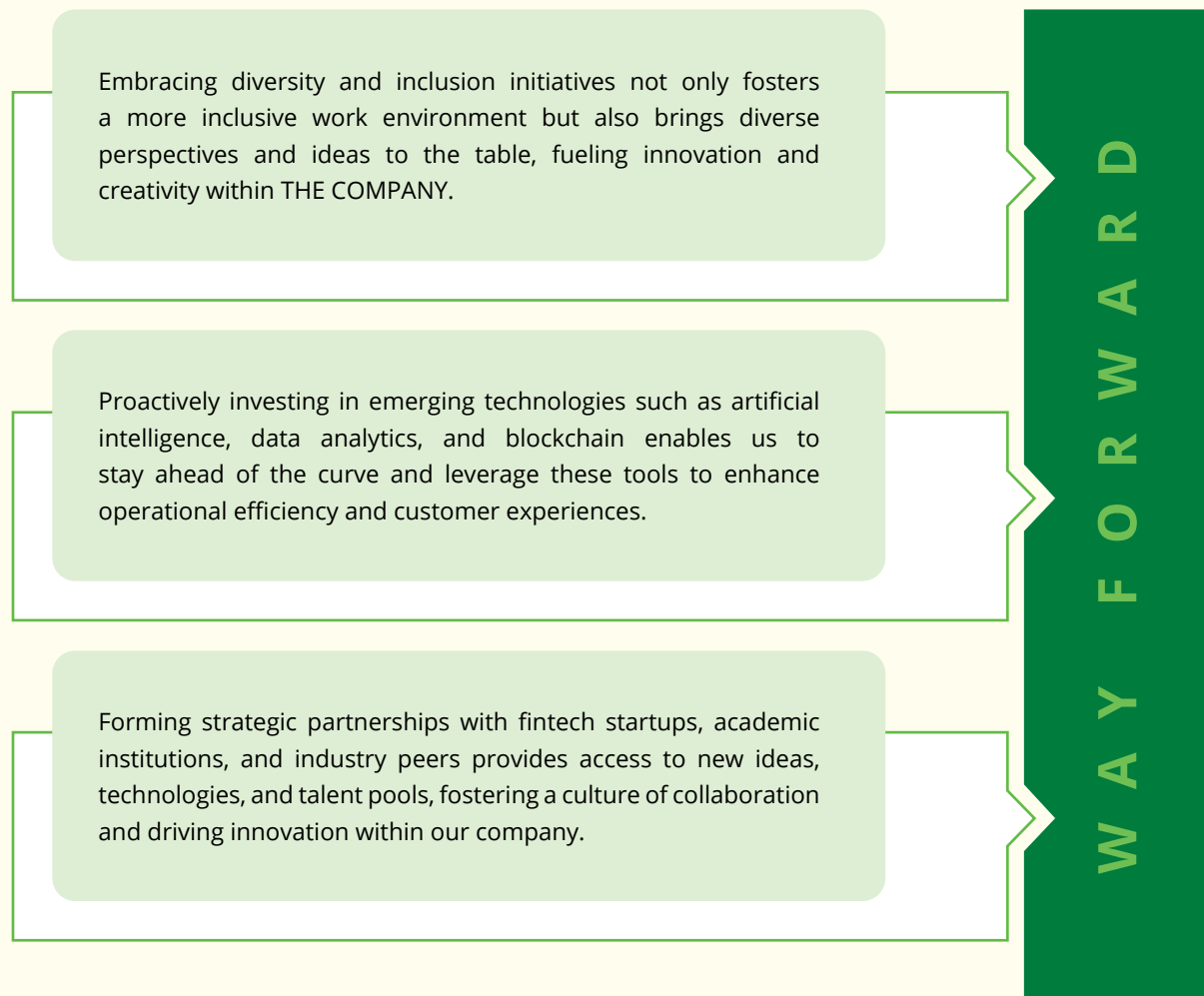
CHALLENGES

We can implement comprehensive talent development programs, including training, mentorship, and career advancement opportunities, to attract and retain skilled professionals. Investing in employee well-being and professional growth fosters loyalty and strengthens intellectual capital.

Establishing knowledge sharing platforms, such as internal wikis, collaboration tools, and cross-functional teams, facilitates the exchange of ideas and best practices across departments, enhancing innovation and problem-solving capabilities.

Promoting a culture of continuous learning and innovation encourages employees to stay abreast of industry trends and technological advancements. We can support this culture through training initiatives, hackathons, and participation in industry conferences and workshops.

RESPONSE



Social & Relationship Capital

CAPITAL

SOCIAL & RELATIONSHIP

The acknowledgment and integration of social and natural capital have become essential elements in the current environment of non-banking financial institutions (NBFIs) in order to promote community-centric initiatives, responsible stewardship, and sustainable growth. In this regard, DBH Finance stands out as a trailblazer, going beyond traditional financial paradigms by appreciating the inherent worth of environmental stewardship and social cohesion.

Being a prominent NBFI, DBH Finance recognizes that its activities go well beyond profit margins to include more important social and environmental imperatives. As such, it is at the forefront of financial innovation and societal responsibility. Its guiding principles center on a dedication to maximizing the use of natural capital, which refers to the limited resources and ecosystems that are the foundation of all economic activity, and social capital, which is the web of connections, trust, and goodwill that are fostered within communities.

DBH Finance represents a new paradigm for NBFI leadership by fusing financial goals with social and environmental responsibility and acknowledging the mutually reinforcing nature of financial prosperity and communal well-being.

VALUE CREATION
PROCESS

INPUT

1. CSR Activity
2. Community Engagement
3. Social Network

PROCESS

Understanding customer needs, social development initiative & programme.

OUTPUT

1. Cash Dividend paid to shareholders Tk 298.34 million
2. CSR activity spending Tk. 2,898,329
3. Contributing in welfare while natural disaster.

ALIGNING WITH SDG



Key Stakeholders
Customer & Client
Supplier & Investor
Community & Environment

CSR Expense
BDT 2,898,329

Breakdown of how DBH Finance interacts with its key stakeholders:



Clients: We place a high value on fostering long-lasting bonds with our clients by offering specialized financial solutions catered to their requirements. The organization guarantees that clients receive prompt assistance and support by utilizing professional relationship managers and web platforms as regular communication channels. Additionally, client feedback channels are in place to allow DBH Finance to keep improving its goods and services.



Employee: We invest in the engagement, well-being, and professional growth of its staff members because we view them as priceless assets. Employees are encouraged to express their thoughts, offer suggestions, and advance their careers in the company's friendly work environment. Open lines of communication, initiatives for performance recognition, and extensive training programs show how the company is dedicated to developing a diverse and driven team.



Investors: DBH Finance regularly notifies its investors on financial performance, strategic initiatives, and corporate governance procedures in an open and transparent manner. By upholding strict guidelines for accountability, transparency, and risk management, the business aims to win over investors. Exchange of positive comments and constructive discourse is facilitated by investor relations activities like yearly meetings, quarterly earnings calls, and investor presentations.



Regulatory & Government Authority: DBH Finance keeps positive working relationships with government officials and regulators while conducting business in accordance with legal regulations. In order to guarantee compliance with legal and regulatory requirements, reduce risks, and handle new regulatory issues, the company regularly interacts with regulatory organizations. DBH Finance's dedication to regulatory integrity and accountability is demonstrated by its transparent reporting procedures and proactive regulatory compliance initiatives.



Community & Society: DBH Finance is steadfastly dedicated to improving the communities it works with. The corporation addresses social and environmental concerns and promotes community development through corporate social responsibility (CSR) initiatives, philanthropic undertakings, and community outreach programs. DBH Finance seeks to generate shared value and promote sustainable socio-economic progress through actively interacting with regional stakeholders, non-governmental organizations, and community groups.

CSR Activity Main Focus Areas:



Education: Education is a fundamental right for every human being. Bangladesh holds tremendous potential for rapid development in the global economy. Its people are ambitious, hardworking, and increasingly aware of the importance of education. However, due to financial constraints, some students are unable to access quality education. Without quality education, national development remains unattainable, as it is a key driver of human development and national empowerment.

Recognizing this, DBH has taken initiatives to support education through various projects. The Company supported CAMPE to organize the 'Challenged Students' Convention', which aims to improve the future prospects of underprivileged and struggling students by providing them with guidance. Additionally, DBH contributed to E.A. Chaudhury Technical Institute to help cover operational costs for its technical and vocational training programs, benefiting students from underprivileged backgrounds.

DBH also donated 5% of its annual CSR budget to the Prime Minister's Education Trust Fund to provide financial assistance to economically disadvantaged individuals. Furthermore, the Company supported Utsho Bangladesh for the education and well being of marginalized children. DBH has also conducted several Financial Literacy Wing Programs aimed at enhancing financial awareness among underprivileged communities through education and outreach.



Health-care: DBH has been supporting BRAC University's (BracU) James P Grant School of Public Health (JPGSPH) for the last two years, which was started from April 2012. This initiative promotes safe birth practices in rural areas by training skilled and compassionate midwives. Since the inception of the Developing Midwives Project (DMP), a total of 1226 Midwives graduated from the first seven batches. In support of the institution and its students, DBH donated Tk. 7 lac during the year 2024.



Environment & Climate Change: In response to the impact of natural disasters and the lack of WASH (Water, Sanitation and Hygiene) facilities in vulnerable areas of Mongla, DBH partnered with Sajida Foundation to improve sanitation conditions and promote WASH practices. This initiative targets climate-vulnerable communities in Mongla, addressing critical issues exacerbated by environment challenges. DBH donated Tk. 5 lac to support Sajida Foundation's WASH block initiative, which aligns with national goals for environmental sustainability and climate change adaptation.



Disaster Management & Others: To support urgent relief efforts during severe flooding in Cumilla, Feni and Noakhali, DBH contributed a total of Tk. 5 lac from its CSR fund to the Chief Adviser's Relief and Welfare Fund. Additionally, DBH contributed Tk. 5 lac to BRAC for flood relief efforts in Feni. This amount included one-day's salary donated by DBH employees, totaling BDT 4.36 lac, supplemented by BDT 0.64 lac from DBH's CSR fund.

In response to Cyclone Remal, DBH donated Tk. 1.75 lac to Sajida Foundation for the distribution of essential relief materials, including drinking water and saline, to affected residents in Mongla and Sharankhola, Khulna.

Natural Capital

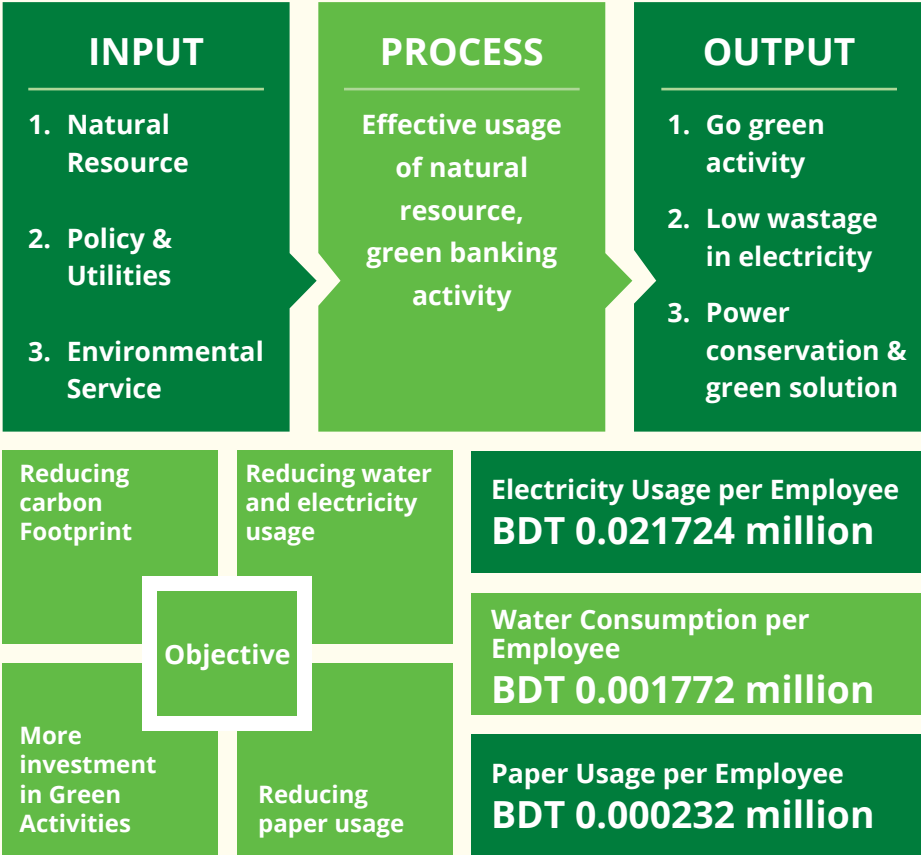
NATURAL
CAPITAL



Aligning With SDG

Understanding that long-term success depends on ecosystem health and sustainable resource usage, DBH Finance acknowledges the intrinsic worth of natural capital in its operations and investments. The company recognizes its obligation as a Non-Banking Financial Institution (NBFI) to actively support economic growth while preserving and enhancing natural capital. DBH Finance aspires to incorporate environmental considerations into its fundamental business practices through strategic initiatives, effective investments, and a dedication to environmental responsibility. In order to produce long-term value for shareholders and society at large, the company balances financial objectives with environmental sustainability. This introduction lays the groundwork for a closer look at how the company interacts with natural capital.

Value Creation Process



Challenges	Response	Way Forward
Regulatory Compliance: <p>DBH Finance faces difficulty in complying with a variety of constantly changing environmental requirements. Standards may differ throughout jurisdictions, necessitating careful observation and compliance measures to guarantee compliance with environmental legislation.</p>	Comprehensive Due Diligence: <p>DBH Finance analyses and graph the factors of environmental risks and opportunities of its prospective investments through intense due diligence. A choice of wise investments involves scrutinizing environmental impact studies, regulatory history and sustainability practices.</p>	Strategic Partnership: <p>Through partnerships with the government, research institutions, and environmental non-governmental entities, we will continuously form the strategic alliances that are necessary for collaborative achievement of environmental objectives. DBH Finance strives to initiate and shape unfaltering progress in the area of sustainable environment.</p>
Risk Management: <p>Investment performance can be impacted by environmental risks like as resource depletion, pollution liability, and the effects of climate change. Protecting DBH Finance's and its stakeholders' interests requires good risk identification, assessment, and management.</p>	Integration of ESG Factors: <p>We understand that investing in a sustainable and socially responsible manner is a key factor for a successful growth. This is why the company takes into account ESG measures when deciding on investments. We will seek investment opportunities that are in tandem with our values of sustainability and socially responsible investments.</p>	Innovation and Technology: <p>It is crucial to pursue a sustainable growth policy and achieve the highest level of environmental performance by embracing both innovation and technology. In order to achieve this environmental aspiration, we will fund innovative ideas such as sustainable infrastructural projects, green refinancing facilities, and renewable energy technology.</p>
Investment Alignment: <p>It might be difficult to strike a balance between financial ambitions and environmental sustainability aims. DBH Finance must make sure that, while making investment decisions, it takes into account variables like project impact and long-term viability in addition to environmental responsibility and profitability targets.</p>	Engagement & Collaboration: <p>We regularly collaborate to address environmental concerns with investee firms, peers in the sector, and stakeholders. DBH Finance supports group efforts towards environmental stewardship by promoting sustainability activities, encouraging discussion, and exchanging best practices.</p>	Transparency & Reporting: <p>We shall be accountable and transparent in all of its environmental endeavors. Continuously reporting on environmental performance, disclosing ESG metrics and stakeholder-consultation which enables superior decision quality and consequently has the company grow closer to its environmental.</p>

ডিবিএইচ ডিপোজিটস



সর্বোচ্চ সুরক্ষা ডিবিএইচ ডিপোজিটস

ডিবিএইচ এর ডিপোজিটসমূহ:

- ডিবিএইচ অ্যানুয়াল ইনকাম ডিপোজিট
- ডিবিএইচ মাসিক/ ত্রৈমাসিক ইনকাম ডিপোজিট
- ডিবিএইচ ইজি ডিপোজিট
- ডিবিএইচ কিউমুলেটিভ ডিপোজিট
- ডিবিএইচ ডে ওয়াইজ ডিপোজিট
- ডিবিএইচ ডিপিএস


ডিবিএইচ সর্বোচ্চ ক্রেডিট রেটিং 'ট্রিপল এ' (AAA) প্রাপ্ত বাংলাদেশের সর্ববৃহৎ গৃহাঞ্চ প্রদানকারী একমাত্র আর্থিক প্রতিষ্ঠান। আকর্ষণীয় মুনাফার হার, আন্তরিক গ্রাহকসেবা এবং সর্বোচ্চ নিরাপত্তার কথা বিবেচনা করে ডিবিএইচ ডিপোজিটস হতে পারে আপনার পছন্দের বিনিয়োগের ঠিকানা।

ডিবিএইচ ফাইন্যান্স পিএলসি



5 Risks & Our Controls

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Economic Review

World Economy

In recent years, the global economy has shown remarkable resilience despite facing major disruptions, including the pandemic and an energy crisis. In 2024, global growth has remained steady, while inflation continues to decline. Although labor markets have softened slightly, unemployment rates in many countries remain near historic lows. Global trade is also on a path to recovery.

The OECD Economic Outlook expects this resilience to continue, with global GDP forecasted to grow by 3.3% in both 2025 and 2026, while inflation gradually converges toward central bank targets. However, this overall strength conceals notable disparities across regions and countries and is accompanied by significant downside risks. Major concerns include rising trade tensions and protectionist measures, the potential escalation of geopolitical conflicts, and fiscal challenges in certain economies.

Table 1.1. Global GDP growth is projected to remain broadly stable over the next two years

	Average 2013-2019	2023	2024	2025	2026	2024 Q4	2025 Q4	2026 Q4
Real GDP Growth¹	Percent							
World ²	3.4	3.2	3.2	3.3	3.3	3.3	3.3	3.2
G20 ²	3.5	3.6	3.3	3.3	3.2	3.3	3.2	3.1
OECD ²	2.3	1.8	1.7	1.9	1.9	1.8	2.0	1.8
United States	2.5	2.9	2.8	2.4	2.1	2.5	2.2	2.0
Euro Area	1.9	0.5	0.8	1.3	1.5	1.1	1.4	1.5
Japan	0.8	1.7	-0.3	1.5	0.6	0.6	1.3	0.3
Non-OECD ²	4.4	4.4	4.4	4.4	4.3	4.5	4.3	4.3
China	6.8	5.2	4.9	4.7	4.4	4.7	4.6	4.3
India ³	6.8	8.2	6.8	6.9	6.8			
Brazil	-0.4	2.9	3.2	2.3	1.9			
OECD unemployment rate⁴	6.5	4.8	4.9	4.9	4.8	4.9	4.9	4.8
Inflation¹								
G20 ^{2,5}	3.0	6.1	5.4	3.5	2.9	4.4	3.1	2.8
OECD ⁶	1.7	7.1	5.4	3.8	3.0	4.7	3.3	2.7
United States ⁷	1.3	3.8	2.5	2.1	2.0	2.5	2.1	2.0
Euro Area ⁸	0.9	5.4	2.4	2.1	2.0	2.3	2.0	2.0
Japan ⁹	0.9	3.3	2.6	1.9	2.1	2.3	1.7	2.1
OECD fiscal balance¹⁰	-3.1	-4.8	-4.8	-4.6	-4.4			
World real trade growth¹	3.4	1.0	3.5	3.6	3.5	4.1	3.4	3.5

1. Per cent; last three columns show the change over a year earlier.
2. Moving nominal GDP weights, using purchasing power parities.
3. Fiscal year.
4. Per cent of labour force.
5. Headline inflation.
6. Moving nominal private consumption weights, using purchasing power parities.
7. Personal consumption expenditures deflator.
8. Harmonised consumer price index.
9. National consumer price index.
10. Percent of GDP.

Source: OECD Economic Outlook 116 database

Recent Developments: Global Economy Shows Resilience Amidst Uneven Recovery

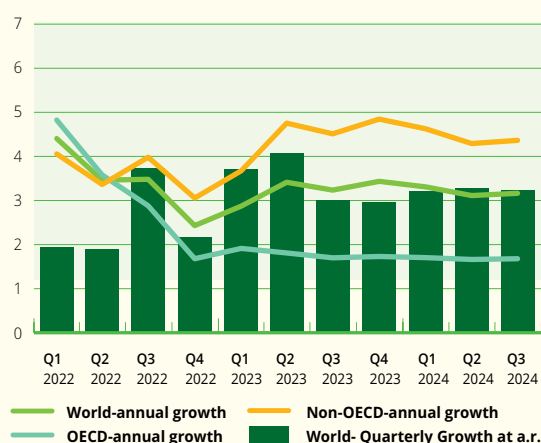
The global economy has demonstrated resilience in 2024, supported by recovering real incomes and easing inflation (Figure 1.1, Panel A). Disinflation has boosted household spending, allowing central banks in major economies to consider easing monetary policy. This has helped to counterbalance geopolitical uncertainties and persistent cost-of-living concerns. However, the recovery remains uneven across countries, with real GDP per capita declining in approximately one-fifth of OECD member states and Argentina during the first three quarters of 2024. The US economy continues to grow robustly, driven by strong private consumption fueled by real wage gains. While some European economies like the Netherlands and Spain have shown relatively strong growth, others, such as Hungary and Latvia, experienced technical recessions. Sentiment in Germany remains weak, hindering investment.

Emerging market economies display a mixed performance. China's GDP growth was sustained by strong export-driven industrial production, but consumer demand remains subdued due to ongoing challenges in the real estate sector. Domestic demand is fueling growth in India and Indonesia, while Brazil's economy benefits from increased private consumption and government spending. Argentina shows tentative signs of recovery after a period of contraction. Leading indicators point to stable near-term growth for most economies, although business surveys indicate a recent softening in some large European countries. The pace of activity is stronger in the service sector than in manufacturing (Figure 1.1, Panel B). Consumer confidence is rising in Europe and in emerging markets like Brazil, while industrial production is stagnating in advanced economies but has risen steadily in China. Retail sales are increasing in both OECD and non-OECD economies, and car sales show signs of recovery in China and Japan.

Figure 1.1. Global growth has been stable with services outperforming manufacturing activity

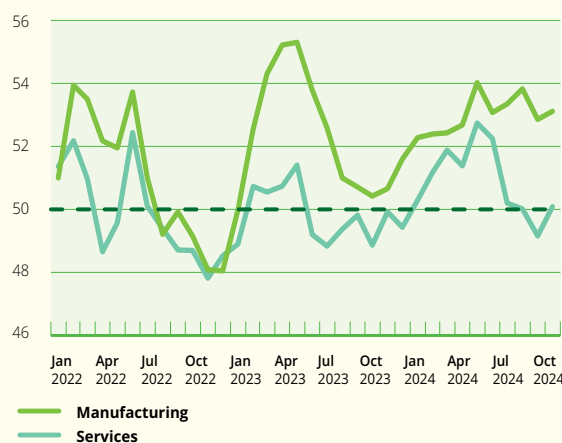
A. Global GDP growth

Percentage



B. Global output PMI

50 = neutral



Note: In Panel A, annual growth denotes the change over the year to the quarter shown. Quarterly growth at a.r. denotes quarter-on-quarter growth at an annualised rate.

Source: OECD Economic Outlook 116 database; S&P Global; and OECD calculations.

Inflation Continues to Moderate, But Core Pressures Persist

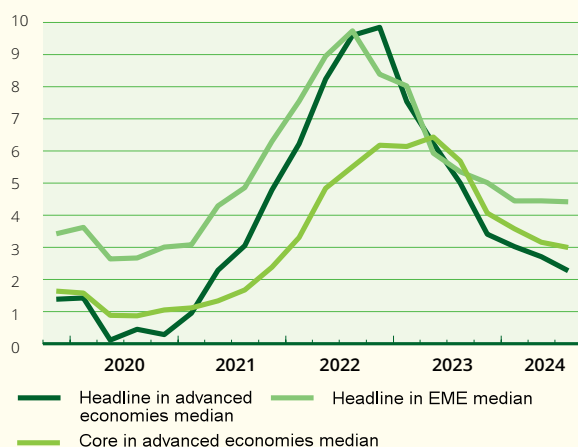
Headline inflation has decreased in most countries throughout 2024, driven by declines in food, energy, and goods prices (Figure 1.8, Panel A). The median OECD economy saw annual inflation fall significantly. Similar declines occurred in Brazil and India, though inflation has recently increased in both countries. China's inflation remains low due to subdued food prices. Headline inflation is now back to central bank targets in about two-thirds of advanced economies and three-fifths of emerging market economies (Figure 1.8, Panel B). However, core inflation remains elevated in many countries, suggesting ongoing underlying price pressures. Unit labor costs are a major factor contributing to recent price growth, while unit profit growth has moderated (Figure 1.8, Panel C & D).

Services price inflation remains persistent at 4% in the median OECD economy in October. The shift in demand towards services following the pandemic, coupled with labor shortages in some service sectors, has contributed to this stickiness. The relative price of goods to services remains high, suggesting a need for further adjustment to return to pre-pandemic trends (Figure 1.9, Panel A & B). Housing costs continue to exert upward pressure on inflation in many countries, fueled by insufficient housing supply relative to population growth and strong demand. Rising housing rents are evident in several advanced economies (Figure 1.10). Less affordable housing can constrain labor mobility and contribute to labor shortages. Easing interest rates could further pressure housing prices upward unless housing supply expands.

Figure 1.8. Inflation has continued to decline to be increasingly in line with central bank targets

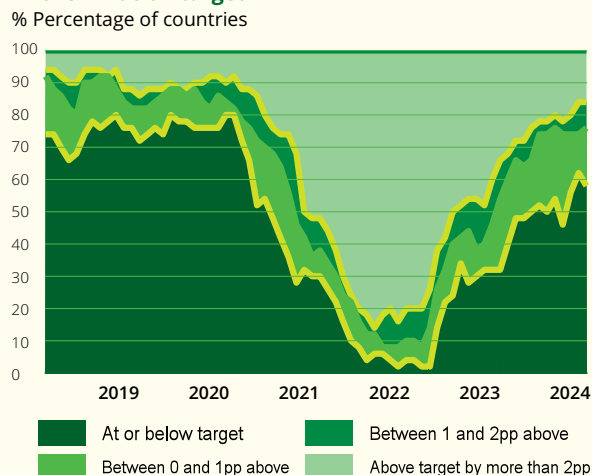
A. Inflation

% Percentage



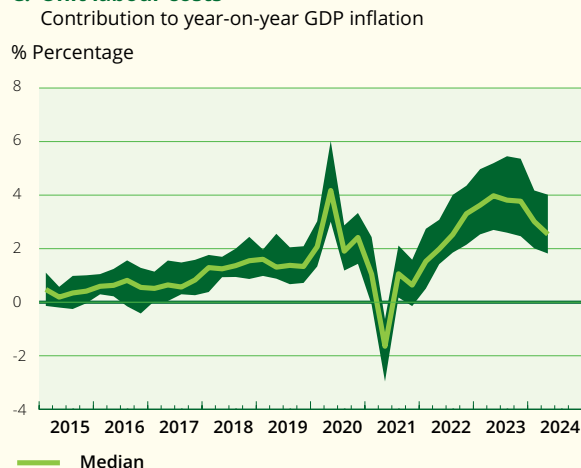
B. Differences between current inflation and the inflation target

% Percentage of countries



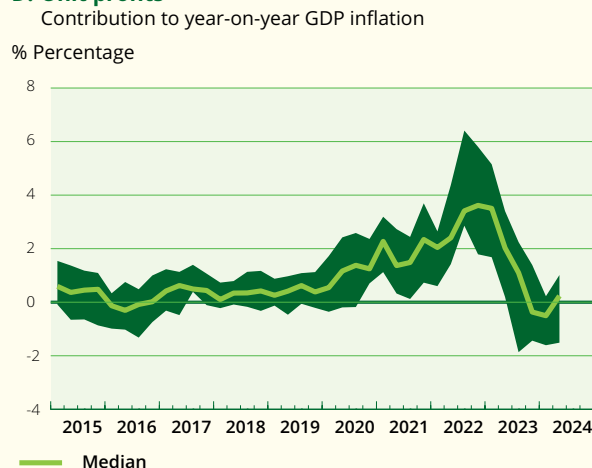
C. Unit labour costs

Contribution to year-on-year GDP inflation



D. Unit profits

Contribution to year-on-year GDP inflation

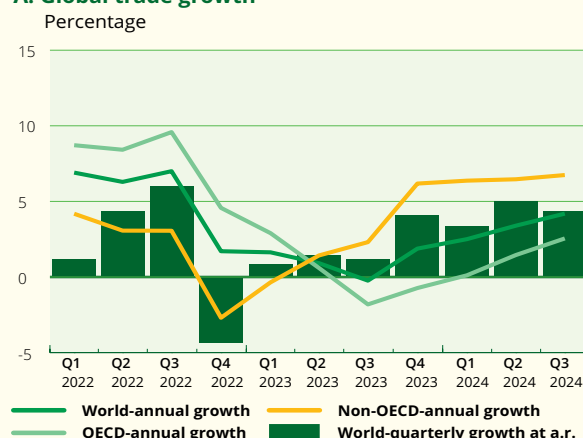


Source: OECD Economic Outlook 116 database; OECD Consumer Price database; Eurostat; various Central Banks; and OECD calculations.

Global Trade Growth Strengthens

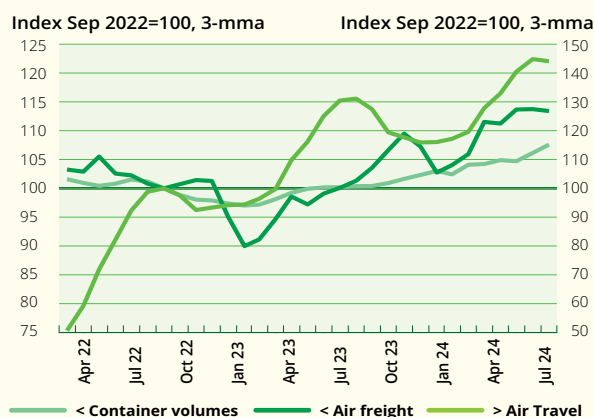
Global trade volumes recovered steadily in 2024, with quarterly growth reaching 4.3% (annualized) by the third quarter (Figure 1.11, Panel A), supported by a rebound in US goods consumption. Export growth also strengthened in China and Dynamic Asian economies due to strong demand for technology

A. Global trade growth



products. Services trade remains robust, driven by growth in business services and tourism. Recent data indicates continued positive momentum in global trade, with rising container and international passenger volumes (Figure 1.11, Panel B). Other trade indicators are mixed. Tech production in Asia improved, but global car sales remain subdued for most of 2024.

B. Trade activity indicators



Note: Panel A: trade based on average exports and imports volumes. Panel B: Air freight represents global volumes for international air freight. Air travel is global air passenger kilometres on international flights. Container volumes are based on world volumes from RWI/ISL. Source: OECD Economic Outlook 116 database; IATA; RWI/ISL container throughput index; and OECD calculations.

Bangladesh's Economic Outlook: Navigating Challenges Towards FY25 and Beyond

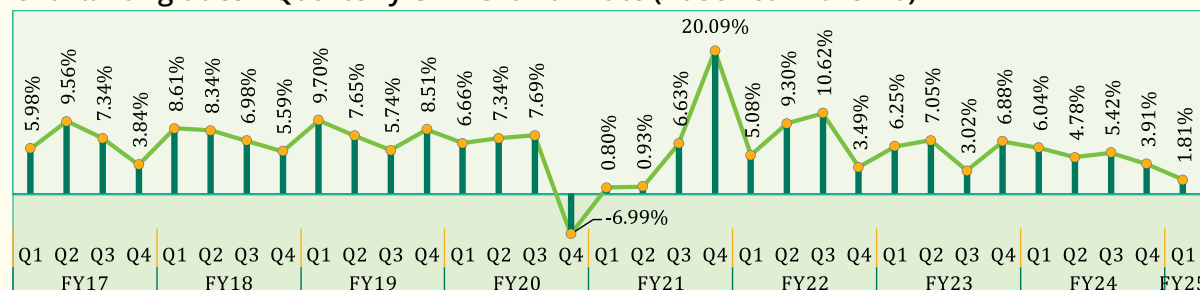
Bangladesh's economic landscape presents a complex picture as it moves into Fiscal Year 2025. While projected GDP growth is anticipated to be between 4-5%, a stronger rebound is expected in FY26, conditional on improved political stability and more effective economic policies. This optimism, mirrored in Bangladesh Bank's (BB) recent monetary policy statement, is tempered by significant headwinds that demand strategic and decisive action.

GDP Growth: A Period of Adjustment and Projected Recovery

FY24 witnessed a downward revision of GDP growth to 4.22%, a four-year low primarily attributed to

subdued domestic consumption and weakened export performance. Data from the Bangladesh Bureau of Statistics (BBS) reflects this slowdown, with a per capita income of \$2,738, revised from an earlier estimate of \$2,784. International financial institutions offer similar cautious forecasts; the World Bank projects 4.1% growth for FY25, while the International Monetary Fund (IMF) anticipates 3.8%, both citing subdued investment and persistent political uncertainty as key inhibitors. The anticipated growth rate for FY25 is expected to remain sluggish between 4.00%-5.00%, however, a recovery to 6% or above is projected for FY26 as political uncertainty subsides and proactive policies take effect. Globally, steady growth of 3.2%-3.33% in 2024 is expected to provide a supportive backdrop for Bangladesh's export recovery.

Chart: Bangladesh Quarterly GDP Growth Rate (Base Year 2015-16)



Key Challenges Impeding Growth:

- **Natural Disasters and Industrial Disruptions:** The impact of floods on agricultural production and labor unrest in crucial industrial zones continues to undermine productivity. The increasing frequency and intensity of natural disasters, exacerbated by climate change, pose a recurring and significant threat.
- **Inflationary Pressures:** While inflation has receded below 10%, achieving the government's target of 6.5% by June 25 presents a significant challenge. Careful management of subsidy reductions is critical to avoid triggering renewed inflationary pressures.
- **Supply Chain Vulnerabilities:** Disruptions within the agricultural sector, compounded by inadequate or delayed policy responses, have contributed significantly to inflationary pressures. Inefficiencies in transportation, storage, and distribution networks exacerbate these issues.
- **Banking Sector Instability:** Rising Non-Performing Loans (NPLs) and liquidity constraints within the banking sector pose a systemic risk. Addressing these vulnerabilities is crucial for restoring investor confidence and supporting sustained economic activity.

Government Initiatives: A Multi-Pronged Approach

The government is pursuing a multi-faceted strategy to mitigate these challenges:

- **Supply Chain Stabilization:** Deployment of special mobile courts and enhanced supervision of cold storage facilities aim to stabilize supply chains and curb price manipulation.
- **Subsidy Management:** Efforts to control subsidies by reducing production costs, particularly in the power sector, are projected to yield savings of Tk. 11,444 crore. This necessitates improvements in efficiency and a transition towards more cost-effective energy sources.

Sectoral Performance and Opportunities:

- **Remittances and RMG Exports:** Dual Engines of Growth: Strong remittance inflows and continued growth in Ready-Made Garment (RMG) exports are expected to provide a crucial

boost to domestic demand. The "China plus one" strategy, coupled with U.S. tariffs on Chinese exports, presents a significant opportunity for Bangladesh's RMG sector to expand its market share. However, diversification within the RMG sector, moving towards higher-value products, is crucial for long-term sustainability.

- **Banking Sector Reforms:** A Necessity: Bangladesh Bank has initiated measures to address the escalating NPLs and liquidity challenges within the banking sector. The establishment of task forces to monitor stressed banks under the forthcoming Bank Resolution Act, coupled with asset quality reviews and potential mergers, represent critical steps in mitigating systemic risks. The success of these measures hinges on effective implementation, stringent enforcement, and a commitment to transparency.
- **Industrial Relations and Labor Issues:** A Continuing Concern: Persistent industrial unrest, such as that seen among Beximco Group employees, underscores the need for improved labor relations and effective dispute resolution mechanisms. Addressing ownership disputes, financial irregularities, and wage payment delays is crucial for fostering a stable and productive industrial environment. Tackling corruption and strengthening law and order in industrial zones are also essential.

Monetary Policy and Inflation Management: A Delicate Balancing Act

Bangladesh Bank's monetary policy for January-June 2025 prioritizes controlling inflation, stabilizing the exchange rate, and rebuilding foreign exchange reserves. Recent increases in policy rates and declining global commodity prices are expected to help moderate domestic inflationary pressures. However, careful monitoring and adjustments are necessary to avoid stifling economic growth. The shift from oil-based to gas-based fuel in the energy sector is projected to lower production costs, but requires significant infrastructure investment and diversification into renewable energy sources.

Forex Reserve Outlook

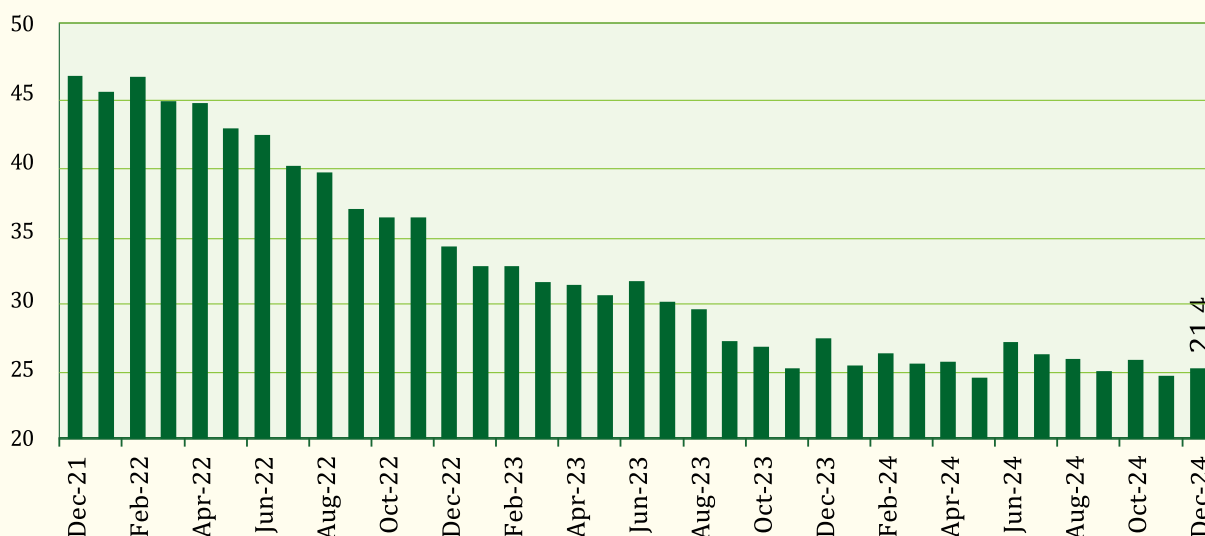
By December 2024, Forex reserves rebounded to USD 21.4 billion, supported by increased remittance

inflows (+27.6%), robust export growth (12.7%), and foreign assistance. Despite this recovery, reserves remain under pressure due to external debt repayments and lingering arrears. Reserves are expected to grow as remittances and exports

strengthen further, though risks like global financial market volatility persists. Diversifying export markets and attracting foreign direct investment are crucial for bolstering reserves and reducing reliance on external debt.

Bangladesh's Forex Reserve: Growth Rate

Chart: Foreign Exchange Reserve (USD bn)

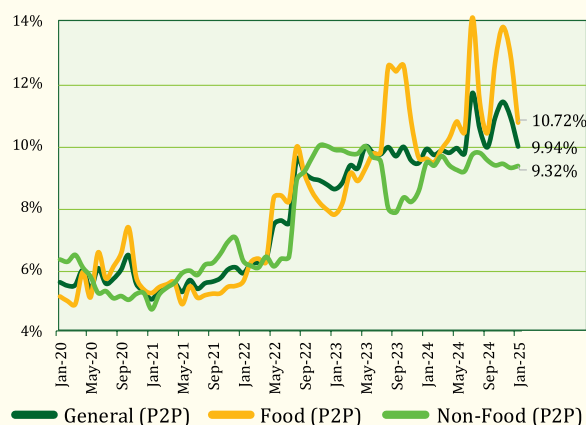


Source: LBSL Monetary Policy Statement review Feb 2025

Inflation Outlook

BB aims to lower inflation to 7-8% by June 2025, supported by exchange rate stability, rising remittances, increased agricultural output, and improved BoP. While risks remain from NPLs, sluggish credit growth, and economic uncertainty, BB remains committed to active monitoring and policy adjustments to maintain price stability.

P2P Inflation



Source: LBSL Monetary Policy Statement review Feb 2025

Bangladesh Capital Market

The DSEX, the key index of the Dhaka Stock Exchange, experienced a highly volatile year, fluctuating between 5,000 and 6,500 points. The index closed at 5,216.44 points, marking a substantial decline of 16.49% from the previous year, the sharpest drop among peer markets. Market capitalization fell to BDT 6,626.20 billion, lowering the Market Cap to GDP ratio to 12.80% YoY.

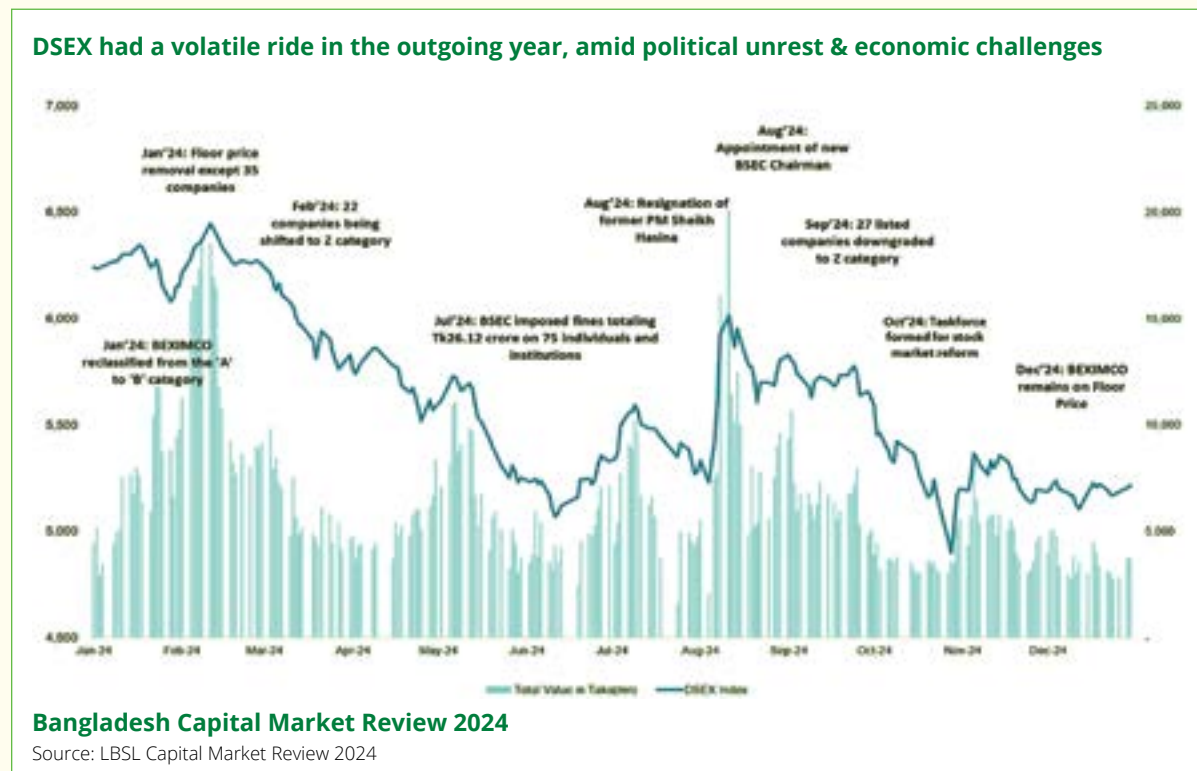
During the 2nd half of the year, Bangladesh's capital market faced notable challenges, driven by political instability, declining investor confidence, and governance issues. The average daily turnover dropped by 10% to BDT 560 crore, reflecting weaker market activity. These disruptions were largely attributed to inconsistent regulatory enforcement and broader economic uncertainties.

In response, the Bangladesh Securities and Exchange Commission (BSEC) implemented stricter regulations to address market misconduct and launched governance reforms. A dedicated task force was also formed to stabilize the market, enhance transparency, and restore investor confidence.

Looking ahead, the capital market is expected to gradually stabilize as ongoing reforms take effect and governance structures improve. Long-

term recovery will hinge on consistent regulatory measures designed to bolster investor trust and enhance overall market resilience.

Bangladesh Capital Market Trends:



Purchasing Managers' Index (PMI): A Glimmer of Hope

The Bangladesh Purchasing Managers' Index (PMI) indicated continued economic expansion in January, driven by growing exports, seasonal consumption trends, and improvements in the agro supply chain. While the agriculture and services sectors experienced faster growth, manufacturing and construction sectors saw slower growth. Business confidence remains subdued due to sluggish demand and rising costs, highlighting the need for measures to stimulate investment and boost domestic demand.

Medium to Long-Term Prospects: Potential and Preconditions

Bangladesh Bank emphasizes that ongoing financial sector reforms and support from international development partners are crucial for bolstering medium to long-term economic prospects. Enhanced remittance inflows, export diversification beyond RMG, and concessional loan disbursements are expected to support macroeconomic stability

and facilitate institutional restructuring. However, realizing this potential requires addressing fundamental challenges related to governance, infrastructure, and human capital development. Investing in education, skills training, and technological innovation are crucial for sustained and inclusive growth.

Conclusion:

Bangladesh's economy faces a challenging, yet potentially rewarding, path in FY25 and beyond. While the projected growth rate reflects a period of adjustment, the potential for a significant rebound in FY26 remains strong. Realizing this potential requires addressing the immediate challenges related to inflation, banking sector instability, and industrial unrest, while simultaneously focusing on long-term structural reforms. Continuous vigilance, proactive policymaking, a commitment to good governance, and sustained investment in human capital are essential for navigating the complex economic landscape ahead and achieving sustainable and inclusive growth.



ডিবিএইচ কার্লোন

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DBH Finance PLC.

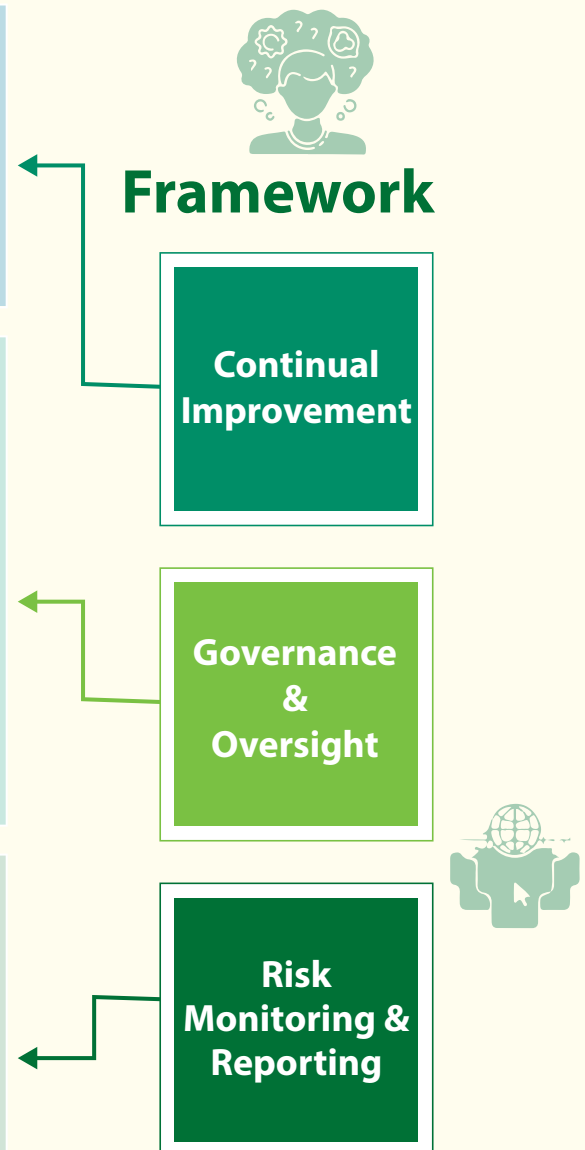
Risk Management Framework

In the Progressing financial sector, resilience and sustainable growth are largely dependent on efficient risk management. We understand that in order to successfully complete our operations, strong risk management techniques are essential. With an unwavering dedication to protecting the interests of its stakeholders and guaranteeing financial stability we have created an extensive risk management framework. In this case, risk management is not only required by law but also deeply embedded in the organizational culture as a strategic objective. Through proactive risk identification, assessment, mitigation, and monitoring, the organization aims to maximize possibilities while taking appropriate

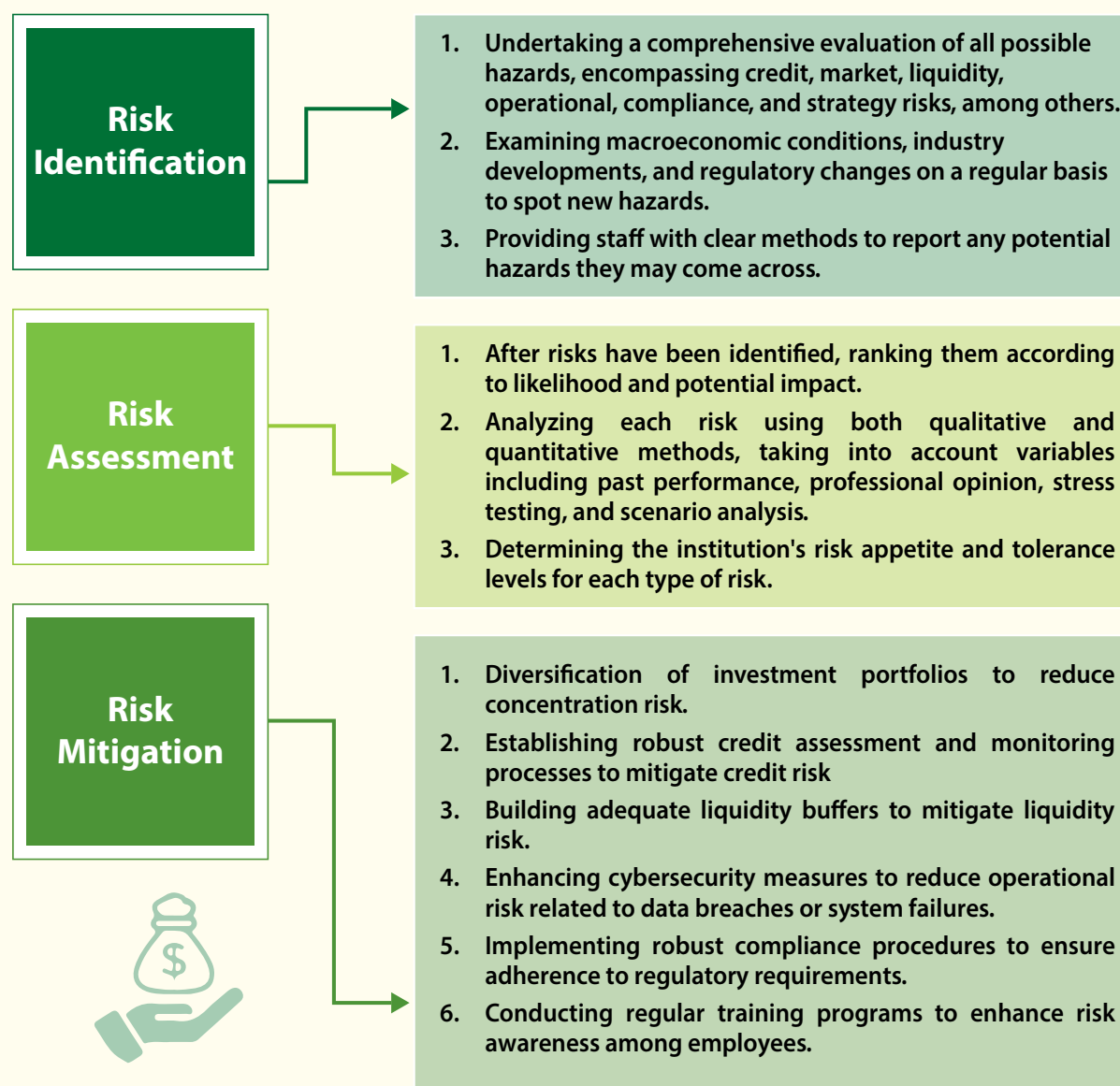
1. Encouraging a culture of ongoing development by getting input from relevant parties and applying the knowledge gained from previous risk experiences.
2. Keeping up with the latest changes in risk management regulations and best practices.
3. Regularly reviewing and updating the risk management framework to adapt to changes in the business environment and emerging risks.

1. Defining clear roles and responsibilities for individuals and committees involved in risk management.
2. Establishing an independent risk management function with adequate authority and resources to oversee the implementation of the risk management framework.
3. Reviewing and assessing the risk management framework's efficacy on a regular basis. This should involve both internal and external assessments.
4. Ensuring alignment of risk management practices with the institution's overall business strategy and objectives.
5. Fostering a culture of risk awareness and accountability throughout the organization.

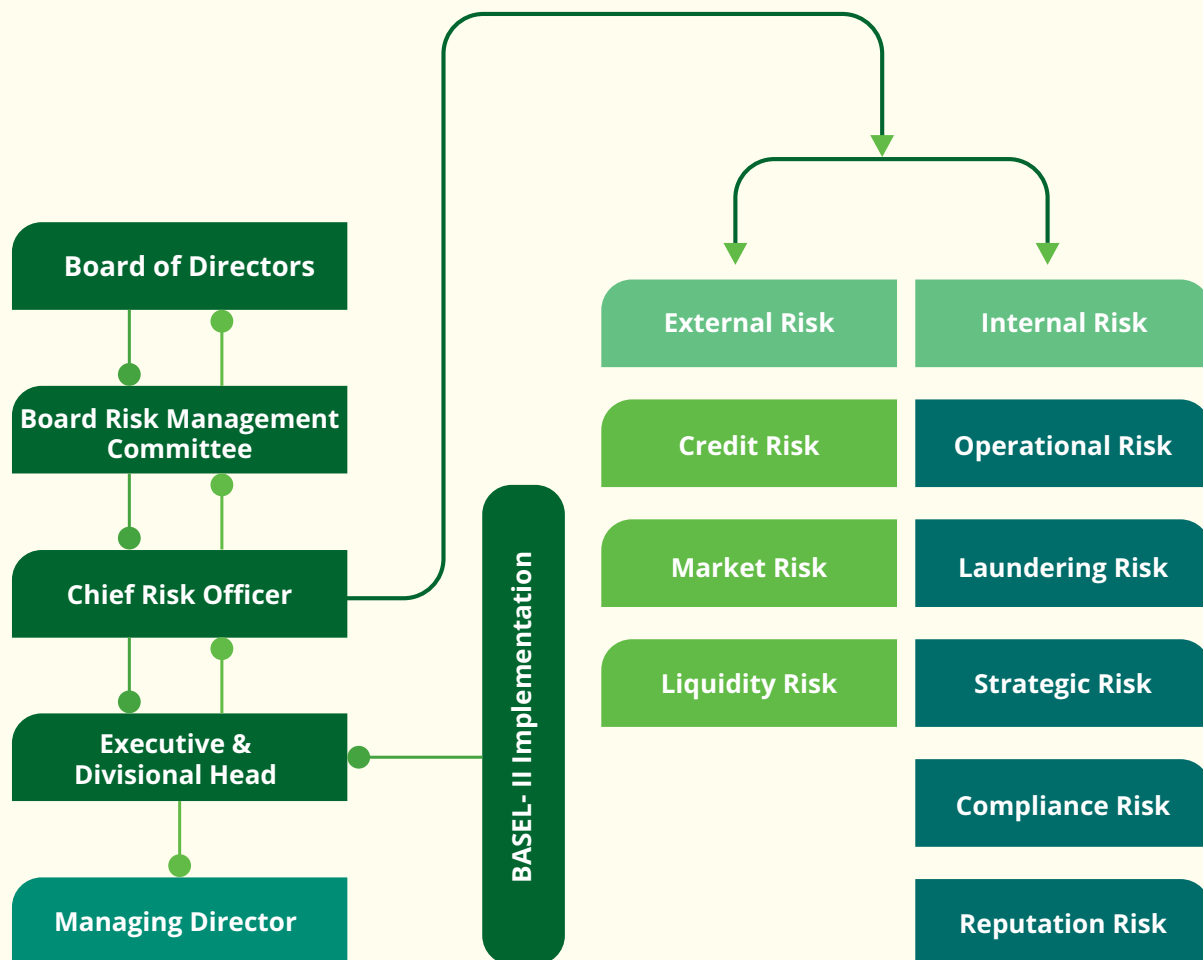
1. Implementing a robust monitoring system to track key risk indicators (KRIs) and early warning signals.
2. Ensuring transparency and accountability in risk reporting processes.
3. Conducting periodic stress tests and scenario analyses to evaluate the resilience of the institution's risk management framework under adverse conditions.



measures to manage potential hazards. DBH Finance is a forward-thinking company that strives to create sustainable value for its clients, shareholders, and the wider financial ecosystem by keeping risk and reward in check. Our framework for managing risks, explaining its main elements, governance, and the proactive steps taken to handle a variety of hazards common in the NBFI industry. As we continue this investigation, it becomes clear that our dedication to excellence goes beyond financial performance and includes risk management in a responsible manner, supporting our company's standing as a reliable partner in the financial services industry.



Risk Management Structure



Basel-II Implementation:

DBH Finance strides boldly into the realm of financial resilience with the implementation of Basel II, marking a pivotal moment in its journey toward fortified risk management. We support the framework's pillars as the regulatory environment changes, strengthening capital sufficiency, improving transparency, and improving risk assessment techniques. With Basel II, we create a tapestry of innovation and caution that goes beyond simple compliance. By using sophisticated risk quantification methods and strong internal models, we carefully measure our risk tolerance to maintain a healthy ratio of reward to risk. With effect from January 1, 2012, Bangladesh Bank established the

"Risk Based Capital Adequacy for FI's" regulatory capital framework. We are 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.

Different Types of Risk and Our Response:

We are aware that risk is a complex concept with many facets that necessitates thoughtful solutions rather than being a single, monolithic entity. With a wide range of risk management techniques at its disposal, we take on all threats to its operations, including the dangers of credit default, market volatility, and the constant threat of operational errors.

Risk Mitigation Methodology

Credit Risk		Risk Severity: High
Risk	Response	Way Forward
<p>Default Risk: This risk arises when borrowers fail to meet their obligations, resulting in non-payment or delayed payments.</p> <p>Underwriting Risk: Poor credit underwriting practices can lead to misjudgments in assessing borrower creditworthiness, resulting in higher default rates.</p> <p>Concentration Risk: Concentration risk occurs when a significant portion of our loan portfolio is exposed to a single borrower, industry, or geographic region.</p>	<ol style="list-style-type: none"> 1. We respond to counterparty default risk by conducting thorough credit assessments and due diligence before extending credit. 2. We employ robust underwriting standards, leveraging data analytics and predictive modeling to evaluate the creditworthiness of borrowers accurately. 3. We diversify our lending activities across various sectors and geographies, setting limits on exposure to any single counterparty or sector 	<ol style="list-style-type: none"> 1. The company may diversify its loan portfolio to mitigate concentration risk and implement stringent monitoring mechanisms to detect early signs of financial distress. 2. The company invests in ongoing training and development programs for its underwriting team to enhance their skills and adapt to evolving market conditions. 3. The company regularly evaluates its portfolio composition to identify and mitigate concentration risk proactively.

Market Risk		Risk Severity: High
Risk	Response	Way Forward
<p>Interest Rate Risk: Fluctuations in interest rates can impact DBH Finance's profitability, as they affect the cost of funds and the interest income earned on loans and investments.</p> <p>Market Price Risk: It arises from fluctuations in the prices of financial assets held by DBH Finance, such as equities, bonds, and derivatives. These price movements can impact the value of the company's investment portfolio and trading positions.</p>	<ol style="list-style-type: none"> 1. We employ interest rate hedging instruments such as interest rate swaps or options to mitigate the impact of adverse rate movements. 2. We employ robust risk management frameworks, including regular monitoring of market exposures, stress testing, and scenario analysis, to assess and mitigate market price risk. 	<ol style="list-style-type: none"> 1. The company may adjust its loan and investment portfolios' duration to align with its interest rate outlook, optimizing the balance between risk and return. 2. The company may diversify its investment portfolio across asset classes and geographic regions to reduce concentration risk and enhance risk-adjusted returns.

Liquidity Risk			Risk Severity: High
Risk	Response	Way Forward	
<p>Funding Liquidity Risk: It arises when we face challenges in raising funds to meet its financing needs, either due to disruptions in the funding markets or a mismatch between our assets and liabilities.</p> <p>Asset Liquidity Risk: It refers to the difficulty of selling or liquidating assets quickly without causing a significant loss in value.</p> <p>Market Liquidity Risk: It arises when we encounter challenges in executing transactions in the financial markets at favorable prices due to insufficient trading activity or depth.</p>	<ol style="list-style-type: none"> 1. We maintain diverse funding sources, including lines of credit, short-term borrowings, and deposits from institutional and retail investors. 2. We manage the risk by diversifying investment portfolio comprising liquid and marketable assets, such as government securities, high-quality corporate bonds, and highly liquid money market instruments 3. We focus on investing in assets with sufficient liquidity and actively monitors market conditions to identify potential liquidity disruptions. 	<ol style="list-style-type: none"> 1. The company should establish contingency funding plans and liquidity buffers to ensure access to funding during periods of market stress. 2. The company should conducts regular stress testing and scenario analysis to assess the impact of adverse market conditions on asset liquidity and adjusts its investment strategy accordingly. 3. The company should also employ hedging strategies and derivatives instruments to manage market liquidity risk effectively. 	

Operational Risk			Risk Severity: High
Risk	Response	Way Forward	
<p>Technology and Cybersecurity Risks: NBFI companies face the risk of disruptions or data breaches due to technological failures or cyberattacks.</p> <p>Business Continuity and Disaster Recovery Risks: Operational disruptions caused by natural disasters, pandemics, or other unforeseen events can impair our ability to serve to its customers.</p> <p>Compliance and Regulatory Risks: Non-compliance with regulatory requirements and industry standards can expose DBH Finance to legal and reputational risks.</p>	<ol style="list-style-type: none"> 1. We invest in cybersecurity measures, including firewalls, encryption, and intrusion detection systems. we conduct regular security audits and employee training to enhance awareness of cybersecurity threats. 2. We develop business continuity plans and recovery strategies. These plans outline protocols for maintaining essential operations, and restoring systems and services 3. We maintain compliance framework, encompassing policies, procedures, and controls designed to ensure adherence to relevant laws and regulations. 	<ol style="list-style-type: none"> 1. We should continuously monitor emerging cyber threats and adopt advanced technologies to strengthen its cyber defenses proactively. 2. The company should conduct regular drills and simulations to test the effectiveness of its plans and enhance preparedness for potential emergencies. 3. We Should stay abreast of regulatory developments and proactively adjusts our practices to align with evolving regulatory expectations. 	

Laundering Risk

Risk Severity: Medium

Risk	Response	Way Forward
<p>Customer Due Diligence (CDD) Risks: Its processes can enable money launderers to use NBFIs services to disguise the origins of illicit funds.</p> <p>Transaction Monitoring Risks: Money laundering activities often involve complex transaction patterns designed to evade detection.</p> <p>Compliance and Reporting Risks: Non-compliance with anti-money laundering (AML) regulations and reporting requirements can expose us to regulatory sanctions and reputational damage.</p>	<ol style="list-style-type: none"> 1. We respond CDD risks by implementing Know Your Customer (KYC) procedures, including verification of customer identities, screening for politically exposed persons (PEPs) and high-risk entities, and ongoing monitoring of customer transactions. 2. We deploy sophisticated transaction monitoring systems that leverage data analytics and machine learning algorithms to identify potentially suspicious activities. 3. The company maintains AML compliance program that includes policies, procedures, and controls designed to detect and prevent money laundering activities. 	<ol style="list-style-type: none"> 1. The company should also conduct enhanced due diligence for higher-risk customers and transactions, such as large cash transactions or those involving jurisdictions with weak anti-money laundering controls. 2. The company should maintain a team of trained analysts responsible for reviewing alerts generated by the monitoring systems. 3. We should demonstrate our commitment to upholding the highest standards of integrity and ethical conduct in its operations.

Strategic Risk

Risk Severity: Medium

Risk	Response	Way Forward
<p>Market Disruption Risk: Rapid technological advancements, changing consumer preferences, and disruptive market forces can pose threats to our traditional business model and market positioning.</p> <p>Regulatory and Compliance Risk: Regulatory changes and evolving compliance requirements can impact our operations, necessitating adjustments to our business practices and strategies.</p> <p>Strategic Planning and Execution Risk: Ineffective strategic our ability to achieve long-term objectives and sustain our competitive advantage.</p>	<ol style="list-style-type: none"> 1. The company adopts a proactive approach to innovation, investing in emerging technologies, and exploring new business opportunities. 2. The company maintains a robust regulatory intelligence program, staying abreast of regulatory developments and engaging with regulators to understand and comply with new requirements. 3. The company adopts a structured approach to strategic planning, involving key stakeholders in the formulation of strategic objectives and initiatives. 	<ol style="list-style-type: none"> 1. Conducting regular market analysis and scenario planning to anticipate and adapt to changes in the competitive landscape, ensuring our continued relevance and competitiveness in the market. 2. Conducting regular compliance assessments and internal audits to identify and address potential compliance gaps, ensuring adherence to regulatory standards and safeguarding its reputation and license to operate. 3. Fostering a culture of innovation and agility, encouraging experimentation and learning from both successes and failures for improvement and adaptation.

Compliance Risk

Risk Severity: Low

Risk	Response	Way Forward
<p>Regulatory Compliance Risk: Non-compliance with laws and regulations governing the financial services industry can expose us to regulatory sanctions, fines, and reputational damage.</p> <p>Data Privacy and Information Security Risk: Inadequate protection of customer data and information security breaches can result in regulatory penalties, lawsuits, and damage to our reputation.</p>	<ol style="list-style-type: none"> 1. To address regulatory compliance risk, the company maintains a robust compliance management framework, comprising policies, procedures, and controls designed to ensure adherence to applicable laws and regulations. 2. The company implements robust data protection measures, including encryption, access controls, and regular security assessments. DBH Finance also maintains compliance with data privacy regulations such as the General Data Protection Regulation (GDPR) and conducts regular audits and reviews to ensure the integrity and confidentiality of customer information. 	<p>We remain committed to enhance our compliance risk management capabilities by investing in technology, talent, and processes. The company continues to monitor regulatory developments, adapt its compliance programs accordingly, and foster a culture of compliance and ethical conduct across the organization. By embracing a proactive approach to compliance risk management and demonstrating a commitment to regulatory compliance and integrity, we aim to maintain the trust and confidence of its stakeholders and sustain its long-term success in the financial services industry.</p>

Reputation Risk

Risk Severity: Low

Risk	Response	Way Forward
<p>Misconduct and Ethical Breaches: Instances of misconduct, unethical behavior, or fraudulent activities by employees or senior management can tarnish our reputation and erode stakeholder trust.</p> <p>Customer Complaints and Dissatisfaction: Poor customer service, product quality issues, or failure to meet customer expectations can lead to negative reviews, complaints, and reputational damage for us.</p>	<ol style="list-style-type: none"> 1. We maintain a strong ethical culture, emphasizing integrity, transparency, and accountability throughout the organization. The company implements robust internal controls, whistleblowing mechanisms, and ethical guidelines to prevent and detect unethical behavior, ensuring alignment with its values and ethical standards. 2. The company prioritizes customer-centricity, investing in training and development programs to enhance the customer experience. 	<p>We remain committed to safeguarding its reputation by fostering a culture of integrity, transparency, and accountability. The company continues to invest in stakeholder engagement, brand management, and crisis preparedness to effectively manage reputation risks and maintain stakeholder trust. By demonstrating a steadfast commitment to ethical conduct, superior customer service, and responsible corporate citizenship, DBH Finance aims to uphold its reputation as a trusted and reputable financial institution in the eyes of its stakeholders and the broader community.</p>

Disclosure on Capital Adequacy and Market Discipline (CAMD) - Pillar III

In compliance with the Prudential Guidelines on *Capital Adequacy and Market Discipline for Financial Institutions*, issued by the Bangladesh Bank on December 28, 2011, the following qualitative and quantitative disclosures are presented under the Basel II framework. These disclosures fall under **Pillar III – Disclosure & Market Discipline**, which serves as a critical complement to **Pillar I – Minimum Capital Requirement (MCR)** and **Pillar II – Supervisory Review Process**.

The primary objective of these disclosures is to enhance transparency and empower market participants to make well-informed assessments of the financial institution's risk profile, capital adequacy, and risk management practices. By providing a standardized and comprehensible disclosure framework, the institution fosters accountability, strengthens stakeholder confidence, and supports the broader stability of the financial system.

To ensure full compliance, the Financial Institution (FI) adheres to an approved disclosure policy that aligns with both local and international standards. These include the regulatory requirements set forth by the Bangladesh Bank, as well as financial reporting standards such as the **International Financial Reporting Standards (IFRS)** and **International Accounting Standards (IAS)**.

In an evolving regulatory and economic environment, especially amid the tightening monetary policy and increasing market scrutiny in Bangladesh during Q1 2025, adherence to Pillar III disclosure requirements is not only a regulatory obligation but also a strategic imperative to enhance risk awareness and promote financial soundness.

A) Scope of Application

Qualitative Disclosures:

- (a) These guidelines apply to DBH Finance PLC.
- (b) DBH has no subsidiary companies.
- (c) Not Applicable

Quantitative Disclosures:

- (d) Not Applicable

B) Capital Structure

Qualitative Disclosures:

- (a) Summary information on terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or Tier 2.

Tier 2 Capital includes:

- i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) of Credit Risk.

Conditions for maintaining regulatory capital:

- i) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.

Quantitative Disclosures:

- (b) The amount of Tier 1 capital, with separate disclosure of:

Particulars	Amount in Crore Taka
Paid up capital	198.89
Non-repayable share premium account	5.50
Statutory reserve	193.39
General reserve & other reserve	378.47
Retained earning	93.58
Dividend equalization account	70.00

Amount in Crore Taka

The total amount of Tier 2 capital	33.89
(d) Other deductions from capital	-
(e) Total eligible capital	973.71

C) Capital Adequacy

Qualitative Disclosures

- (a) A summary discussion of DBH's approach to assessing the adequacy of its capital to support current and future activities.

Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)

DBH has applied Standard Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying capital charge for market risk and operational risk by reciprocal of the minimum capital adequacy ratio and adding the resulted figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Capital as numerator to derive Capital Adequacy Ratio.

Strategy to Achieve the Required Capital Adequacy:

- Rigorous monitoring of overdue loans to bring those under 90 days overdue
- Financing clients having good rating as per Company's policy
- Using benefit of credit risk mitigation by taking eligible collaterals against transactions
- Focusing more to increase the spread on housing loan and thus increasing retained earnings
- Raise fresh capital by issuing bonus share/right issue.

Quantitative Disclosures

(in crore Taka)

(b) Capital requirement for Credit Risk	2711.11
(c) Capital requirement for Market Risk	142.66
(d) Capital requirement for Operational Risk	342.80
(e) Total and Tier 1 capital ratio:	
CAR on Total capital basis (%)	30.46
CAR on Tier 1 capital basis (%)	29.40

D) Credit Risk

Qualitative Disclosures

- (a) The general qualitative disclosure requirement with respect to credit risk including:
- Definitions of past due and impaired (for accounting purposes)

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured

by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

- Description of approaches followed for specific and general allowances and statistical methods

General provisions are maintained according to the relevant Bangladesh Bank Guideline and Specific provisions are maintained as per DBH's internal policy which is much more conservative than Bangladesh Bank Guidelines.

Discussion on FI's credit risk management policy:

Implementation of various strategies to minimize risk:

To encounter and mitigate credit risk, the following control measures are taken place at DBH:

- Vigorous monitoring and follow up by fully dedicated recovery and collection team
- Strong follow up of compliance of credit policies by appraiser and credit department
- Taking collateral, performing valuation and legal vetting on the proposed collateral by members of our own dedicated technical and legal department
- Seeking legal opinion from external lawyers for any legal issues if required
- Regular review of market situation and industry exposures
- Insurance coverage for funded assets.

In addition to the best industry practices for assessing, identifying and measuring risks, DBH also considers Guideline for Managing Core Risks of Financial Institutions issued by Bangladesh Bank for management of risks

Approved Credit Policy by the Board of Directors

The Board of Directors has approved the credit policy for the company where major policy guidelines, growth strategy, exposure limits and risk management strategies have been described/stated. Credit policy is regularly updated to cope up with the changing global, environmental and domestic scenarios.

Separate Credit Administration Department

An independent Credit Administration Department is in place, at DBH, to scrutinize all loans from risk-weighted point of view and assist the management in creating a high-quality portfolio and maximize returns from assets. The Credit department assesses credit risks and suggests mitigations and ensures that adequate security documents are in place before sanction of loan and before disbursement of loans.

Special Recovery and Collection Team

A strong recovery team monitors the performance of the loans and advances, identifies early sign of delinquencies in portfolio and takes corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

Independent Internal Compliance Department

Appropriate internal control measures are in place at DBH. An Internal Compliance Department has been established to ensure compliance with all internal guidelines, Bangladesh Bank guidelines, operational procedures and adequacy of internal control and documentation procedures.

Credit Evaluation

To mitigate credit risk, DBH search for credit reports from Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by Credit Admin Department and Loan Operation Department to understand the liability condition and repayment behavior of the client. Depending on the reports, opinions are taken from the concerned related parties for better understanding about client's credit worthiness.

Credit Approval Process

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system.

Depending on the size of the loan, a multilayer approval system is designed. As smaller loan are very frequent and comparatively less risky, lower sanctioning authority is set to improve processing time and associated risk. Bigger loans require more scrutiny as the associated risk is higher hence sanctioning authority is higher as well.

Early Warning System

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It helps the company to grow its credit portfolio with ultimate objective of protecting the interest of the stakeholders.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardize Approach' is applied by the company to measure its Credit Risk.

Quantitative Disclosures

- (b) Total gross credit risk exposures broken down by major types of credit exposure.

Particulars	Amount in crore Taka
Housing Loan	3971.18
Loan against Deposit	21.95
Staff Loan	17.36
Term Loan	440.45
Total	4450.94

- (c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Area	Amount in crore Taka
Dhaka	3687.74
Chattogram	218.67
Sylhet	23.08
Cumilla	74.15
Gazipur	251.13
Narayangonj	66.17
Khulna	49.63
Rajshahi	30.78
Rangpur	34.43
Mymensingh	10.01
Barishal	5.15
Total	4450.94

- (d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Sector	Amount in crore Taka
Housing & Real Estate	3990.09
Consumer Finance	460.85
Total	4450.94

- (e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

Particulars	Amount in crore Taka
Repayable on demand	33.32
Not more than 3 months	184.95
Over 3 months but not more than 1 year	568.62
Over 1 year but not more than 5 years	2073.49
Over 5 years	1590.56
Total	4450.94

- (f) By major industry or counter party type:
- i) Amount of impaired loans and if available, past due loans, provided separately

The amount of classified loans and advances of DBH are given below as per Bangladesh Bank guidelines.

Particulars	Amount in crore Taka
Housing loans up to 5 years	5.79
Housing loans over 5 years	37.38
Totals	43.17

- ii) Specific and general provisions:

Specific and general provisions were made on the amount of classified and unclassified loans and advances of DBH.

Particulars	Amount in crore Taka
Provision on classified loans and advances	49.02
Provision on unclassified loans and advances	44.42
Total	93.44

- iii) Charges for specific allowances and charge-offs during the year.

During the year the specific and general provisions were made on the amount of classified and unclassified loans and advances of DBH.

Particulars	Amount in crore Taka
Provision on classified loans and advances	0.62
Provision on unclassified loans and advances	2.31
Total	2.93

	Amount in crore Taka
(g) Gross Non Performing Assets (NPA)	43.17
Non Performing Assets (NPAs) to outstanding Loans and Advances	0.97%

Movement of Non-Performing Assets (NPAs)

	Amount in crore Taka
Opening Balance	37.64
Additions	8.46
Reductions	2.93
Closing Balance	43.17

Movement of Specific Provisions for NPAs**

	Amount in crore Taka
Opening Balance	46.71
Provisions made during the period	2.31
Write-off	0.00
Written-back of excess provisions	0.00
Closing Balance	49.02

** As per Bangladesh Bank's Guidelines.

E) Equities: Banking book positions

Qualitative Disclosures

- (a) The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons. Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and conditions of regulatory authority. Mutual funds have been valued at 85% of latest published NAV available as on December, 2023. Unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

- (b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments, for quoted securities, a comparison to publicly quoted share values

where share price is materially different from fair value.

Particulars	Amount in crore Taka
Quoted shares (Market price)	71.33
Quoted shares (Cost Price)	99.58
Unquoted shares	6.45

Breakup of Total Investment

Particulars	Amount in crore Taka
Government securities	912.56
Non marketable securities	6.45
Preference share	-
Marketable Securities	99.58

- (c) The cumulative realized gain (losses) arising from sales and liquidations in the reporting period.

Particulars	Amount in crore Taka
Cumulative realized gain (loss)	(3.10)

d)

Particulars	Amount in crore Taka
Total unrealized gains(Losses)	(23.16)
Total latent revaluation gains (Losses)	-
Any amounts of the above included in Tier 2 Capital	-

- (e) Capital requirements broken down by appropriate equity groupings, consistent with FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital.

Specific Risk –Market value of investment in equities is BDT 71.33 crore. Capital requirement is 10% of the said value which stands at BDT 7.13 crore.

General Risk – Market value of investment in equities is BDT 71.33 crore. Capital requirement is 10% of the said value which stands at BDT 7.13 crore.

F) Interest rate in the banking book

Qualitative Disclosures

- (a) The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

DBH measures the interest rate risk by calculating maturity gap between Risk Sensitive Assets (RSA) and Risk Sensitive Liabilities (RSL) i.e. a positive maturity gap affects company's profitability positively with the increment of interest rate and negative maturity gap affects company's profitability adversely with the increment of interest rate.

Particulars	Maturity wise Distribution of Assets-Liabilities				
	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities (A)	233.78	197.20	200.95	442.07	681.25
B. Total Rate Sensitive Assets (B)	527.82	235.91	284.45	247.60	549.47
C. Mismatch	294.03	38.71	83.50	-194.47	-131.79
D. Cumulative Mismatch	294.03	332.75	416.25	221.78	89.99
E. Mismatch (%)	125.77%	19.63%	41.55%	-43.99%	-19.34%

Interest Rate Risk

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio (BDT in Crore)	-32.73	-65.46	-98.19
Net Interest Income (BDT in Crore)	1.80	3.60	5.40
Revised Regulatory Capital (BDT in Crore)	943.16	912.23	881.30
Risk Weighted Assets (BDT in Crore)	3226.63	3226.63	3226.63
Revised CAR (%)	29.23%	28.27%	27.31%

Quantitative Disclosures

- (b) (b) The increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant). **Interest Rate Risk-Increase in Interest Rate: (BDT in Crore) Where applicable**

G) Market Risk

Qualitative Disclosures

- (a) Views of BOD on trading/investment activities
All the Market risk related policies/guidelines are duly approved by BOD. The BOD sets limits, reviews and updates the compliance on regular basis aiming to mitigate market risk.

Method used to measure Market risk

Market risk is the probability of losing assets in balance sheet and off-balance sheet position arising out of volatility in market variables.

i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book, the company uses Standardize (rule based) Approach. Capital charge for interest rate risk and foreign exchange risk is not applicable to our company as because we do not have such balance sheet items.

Market Risk Management System

A system for managing Market Risk is in place where guideline has been given regarding long-term, short-term funding, liquidity contingency plan, local regulatory compliance etc. Treasury manages the Market risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following manner:

Interest Risk Management

Treasury Department reviews the risk of changes in the income of the company as a result of movements in the market interest rates. In the normal course of business, DBH tries to minimize the mismatches between the duration of interest rate sensitive

assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market analysis

Market analysis over interest rate movements are reviewed by the Treasury Department of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and earning value perspective.

GAP analysis

ALCO has established guidelines in line with central bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between rate sensitive assets and rate sensitive liabilities and takes decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk.

Continuous Monitoring

Company's treasury manages and controls day today trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assured risks.

Equity Risk Management

Equity Risk is the risk of loss due to adverse change in the market price of equities held by the Company.

Equity Risk is managed by the following manner:

DBH minimizes the equity risks by portfolio diversification as per investment policy of the Company.

Quantitative Disclosures

- (b) The capital requirements for Market Risk:

Amount in crore Taka	
Interest rate risk	-
Equity position risk	14.26
Foreign Exchange Position and Commodity risk (If any)	-

H) Operational Risk:**Qualitative Disclosure:****a) Views of Board on the system to reduce Operational Risk:**

All the policies and guidelines of internal control and compliances are established as per advice of the Board. The Board delegates its authority to Executive Committee and Managing Director. Audit Committee of the Board oversees the activities of internal Control and compliance as per good governance guideline issued by Securities and Exchange Commission.

Performance gap of executives and staff

DBH's recruitment policy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. Favorable job responsibilities are increasingly attracting greater participation from different level of employees in the DBH family. We aim to foster a sense of pride in working for DBH and to be the employer of choice. As such there exists no performance gap in DBH.

Potential external events

No such potential external event exists to raise operational risk of DBH at the time of reporting.

Policies and Procedure for mitigating operational risk.

DBH has established a strong Internal Control Department to address operational risk and to frame and implement policies to deter such risks. Internal Control Department assesses operational risk across the company and ensures that appropriate framework exists to identify, assess and manage operational risk.

Approach to calculate capital charge for operational risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. DBH uses basic indicator approach for calculating capital charge against operational risk.

i.e. 15% of average positive annual gross income of the company over last three years.

Quantitative Disclosures:**b) Capital requirement for operational risk:**

Amount in crore Taka	
Capital requirement for operational risk:	34.28

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Sustainability and Climate-Related Financial Disclosures (as per IFRS S1 and S2)

This report presents DBH Finance PLC's sustainability and climate-related financial disclosures for 2024 in alignment with IFRS S1 and IFRS S2. It outlines DBH's governance structures, strategic direction, risk management framework, and climate performance metrics—including Scope 1, 2, and 3 emissions. The report also introduces emission reduction targets and action plans while providing financial insights tied to environmental risks and opportunities. DBH is committed to climate-aligned finance, operational decarbonization, and long-term resilience.

Beyond its core financial services, DBH actively integrates sustainability into its operations—offering green financing solutions, promoting energy and resource efficiency, and investing in climate-resilient community development initiatives. Guided by its mission of “Building Better Lives,” DBH continues to innovate, expand its impact, and contribute meaningfully to Bangladesh’s sustainable development goals.

Governance for Sustainability Oversight

DBH Finance PLC maintains a robust governance structure to oversee climate and sustainability-related risks and opportunities. The Board of Directors, supported by the Risk Management Committees, is responsible for embedding environmental considerations into the company's

strategic planning and risk management framework. These responsibilities are guided by formal mandates and regulatory standards, ensuring consistent oversight of Environmental Due Diligence (EDD), green financing, and sustainability performance. The Board continuously builds its ESG oversight capacity through training and expert input, while regular and ad-hoc reporting keeps directors informed of emerging risks. Climate risks are integrated into major financing decisions and operational assessments, with policies in place to balance financial outcomes and environmental impacts. Although sustainability metrics are not yet linked to executive remuneration, the Board closely monitors its environmental targets and green initiatives. Senior management, including internal committees, is tasked with implementing these strategies through integrated controls, audits, and compliance mechanisms, reinforcing DBH's commitment to sustainable finance and responsible governance.

Sustainability Governance Structure

DBH Finance PLC follows a layered governance structure for ESG and sustainability oversight:

Board of Directors



Risk Management Committees



Sustainable Finance & ESG Implementation Team



Departmental ESG Champions

Climate Risk Heatmap

This heatmap categorizes identified climate-related risks by likelihood and financial impact:

High Impact, High Likelihood:

Flood-related damage to mortgaged properties

Rising construction costs due to climate regulations

Medium Impact, High Likelihood:

Power disruption due to temperature rise

Increased operating costs from heat-related energy usage

Low Impact, Medium Likelihood:

Reduced loan repayment due to weather-impacted income

Strategic Direction for Sustainable Growth

DBH Finance PLC is strategically committed to embedding sustainability into its business operations, driving performance through environmental responsibility and climate resilience. The company integrates Environmental Due Diligence (EDD) into its lending process to ensure that all financed projects (especially housing projects) meet environmental compliance standards and contribute to sustainable development. Our green financing initiatives support energy-efficient housing, renewable energy integration, and climate-resilient infrastructure. In recent years, DBH has successfully reduced internal electricity, water, and paper usage, enhanced operational efficiency and lowered its environmental footprint to some extent.

Looking ahead, we aim to expand our sustainable finance portfolio, align our practices with global ESG standards, and invest in digital innovation to minimize environmental impacts. Through structured scenario analysis and climate risk assessments, we are proactively preparing for regulatory and market shifts. Our sustainability strategy ensures long-term financial resilience while creating measurable environmental and social impact.

Risk Management Approach for Climate and Sustainability Resilience

DBH Finance PLC maintains a comprehensive and evolving risk management framework to effectively identify, assess, prioritize, and monitor sustainability and climate-related risks and opportunities. Central to this approach is the integration of Environmental Due Diligence (EDD) into credit approval processes, ensuring that financed projects meet environmental compliance standards and contribute to long-term sustainability goals. The Asset Liability Management Committee (ALCO), alongside the Internal Control and Compliance Department (ICCD), plays a pivotal role in evaluating market and operational risks, while the Audit and Risk Management Committees provide oversight on ESG performance and climate-related risk exposure.

To support informed decision-making, DBH utilizes scenario analysis and stress testing, evaluating potential impacts from regulatory shifts, extreme weather events, and market volatility. Risks are assessed based on their likelihood, financial magnitude, and long-term implications, and are prioritized in alignment with DBH's broader enterprise risk management framework. ESG factors are weighed alongside credit, market, and operational risks to ensure a balanced and forward-looking risk response.

DBH also monitors emerging climate-related opportunities through proactive green financing strategies, sustainable housing investments, and renewable energy financing. Climate-related scenario analysis is used not only to evaluate risks but also to uncover growth prospects and align investment decisions with national and international sustainability goals. The risk management process has evolved significantly over the past year, with enhanced data-driven monitoring, scenario-based analysis, and deeper integration of ESG metrics across departments.

By embedding sustainability into the core of its risk management processes, DBH Finance PLC strengthens its capacity to adapt to climate uncertainties, manage transition risks, and seize new opportunities that support environmental resilience and long-term financial stability.

Climate Responsibility and Sustainable Performance

In alignment with its sustainability objectives, DBH Finance PLC recorded a total of 25,464.8 metric tons of CO₂ equivalent emissions in the reporting period, based on the equity share method. This includes 156.12 tons from direct (Scope 1) emissions and 395.12 tons from indirect (Scope 2) energy-related emissions. In addition, Scope 3 financed emissions were calculated at 24,913.56 tons. These values reflect enhanced data collection methods and adherence to international standards such as the Greenhouse Gas Protocol, PCAF, etc.

In response to both climate transition and physical risks, DBH is actively channeling investments into green infrastructure, renewable energy, and low-impact housing. Capital deployment in these areas reflects our strategic shift towards environmentally responsible financing. To measure progress, DBH has taken a strategic approach to set targets reducing its emission figures both direct and indirect using 2024 as the baseline year, along with increasing the use of recycled materials. But these targets are not finalized yet. We hope these targets will underscore our commitment to climate resilience and sustainable financial growth.

Emission Calculation Results

A. Scope – 1 Emissions

i. Emissions from Fuel use in Generator for the year 2024

Total Diesel Use in Liter	4,663
Total Emissions in ton CO ₂ e from Fuel Use in Generator in 2024	13.57

In 2024, DBH Finance PLC recorded a total consumption of 4,663 liters of diesel for generator use, resulting in an estimated emission of 13.57 tons of CO₂ equivalent (tCO₂e) over the year. The monthly breakdown reveals notable variations that reflect both operational needs and potential seasonal demand.

Diesel usage was lowest in March (199 liters) and February (211 liters), corresponding to emissions of 0.58 tCO₂e and 0.61 tCO₂e respectively, likely due to milder weather conditions and reduced reliance on generators. In contrast, September marked the highest diesel consumption, with 933 liters used—contributing to 2.72 tCO₂e. This spike may be attributed to frequent power outages or increased operational activity during that period.

From May to July, diesel use remained consistently high, with each month surpassing 400 liters, indicating a sustained period of generator reliance, possibly due to the onset of summer and increased cooling demand. Conversely, months like October to December showed a moderate decline, suggesting improved grid stability or reduced energy demand.

This monthly evaluation highlights the importance of tracking fuel use to identify opportunities for energy efficiency. DBH's structured monitoring of diesel consumption reflects its ongoing commitment to environmental responsibility and supports its broader sustainability strategy.

ii. Emissions from IPS for the year 2024

Electricity Use from IPS in KWH	1,764
Total Emissions in ton CO ₂ e from Electricity Use from IPS in KWH in 2024	1.094

In 2024, DBH Finance PLC recorded a total of 1,764 kWh of electricity consumed through IPS units, resulting in an estimated 1.094 tons of CO₂ equivalent (tCO₂e) emissions, calculated using the national grid emission factor of 0.00062 tCO₂e/kWh. The IPS setup consisted of seven units, each rated at 1 kW, used consistently across all months.

From January to June, electricity consumption by IPS remained steady at 140 kWh per month, corresponding to 0.087 tCO₂e in emissions. This reflects uniform operational hours (20 per month), indicating stable energy demand and usage patterns during the first half of the year. A shift occurred in July, where operating hours increased to 25 hours, pushing monthly consumption to 175 kWh—the highest recorded in the year—and emissions to 0.109 tCO₂e. This likely correlates with heightened usage due to seasonal power fluctuations during the summer months.

A gradual decline in operating hours is noted in the final quarter of the year, with November and

December showing the lowest figures at 18 hours and 126 kWh, each resulting in 0.078 tCO₂e. This may reflect reduced operational dependency on IPS systems, improved grid stability, or enhanced energy efficiency efforts.

iii. Emissions from Fuel Use in Company owned Vehicles for the year 2024

Total Octane Use in liter	12,310
Total CNG Use in m3	10,405.74
Total LPG Use in liter	24,68.80
Total Emissions in tCO ₂ e from Fuel Use in Company owned Vehicles in 2024	51.38

Throughout 2024, DBH Finance PLC recorded the use of three types of fuels—octane, CNG, and LPG—in its company-owned vehicles, contributing to a total of 51.38 tons of CO₂ equivalent (tCO₂e) emissions. Among the fuels, octane consumption was the highest at 12,310 liters, resulting in 28.19 tCO₂e, followed by 10,405.74 cubic meters of CNG (19.56 tCO₂e) and 2,468.80 liters of LPG (3.63 tCO₂e).

The monthly breakdown shows a relatively consistent fuel usage pattern, with February, March, September, October, November, and December emerging as the months with the highest overall vehicle emissions, each exceeding 4.4 tCO₂e. November stands out with the peak emission level of 4.85 tCO₂e, likely driven by high usage of all three fuel types, including the highest CNG consumption of the year. On the other hand, August reported the lowest emissions at 3.49 tCO₂e, which can be attributed to a significant drop in CNG use during that month.

While octane remained the dominant emission contributor each month, noticeable variations in CNG and LPG usage highlight shifts in vehicle deployment patterns, fuel availability, or operational demands. For example, June saw the highest LPG usage, contributing 0.82 tCO₂e, indicating a temporary reliance on LPG-powered vehicles.

This evaluation underscores the need for continuous monitoring of fuel types and usage patterns to manage vehicle-related emissions.

iv. Emissions from Refrigerant Refill for the year 2024

AC Gas Type	R-22
Total AC Refrigerant Gas Refill in Kg	49
Total Emissions in tCO ₂ e from Fugitive Emissions (AC Gas Refill) in 2024	88.69

In 2024, DBH Finance PLC recorded the use of 49 kilograms of R22 refrigerant gas across its air conditioning systems, resulting in a total emission of 88.69 tons of CO₂ equivalent (tCO₂e). The refrigerant refilling data reveals that multiple AC units required 4 kg recharges, each contributing 7.24 tCO₂e, with a few units requiring smaller recharges of 1 to 2 kg, reflecting varying levels of refrigerant leakage or system inefficiencies.

The heavy reliance on R22, a hydro chlorofluorocarbon (HCFC), is significant due to its high global warming potential (GWP). The emissions from refrigerant usage alone contribute substantially to DBH's overall carbon footprint, emphasizing the need for focused attention on AC system maintenance.

To reduce future emissions, DBH could consider phasing out R22-based systems in favor of more climate-friendly alternatives such as R32 or R290, and invest in leak detection systems and regular maintenance protocols. These steps would not only reduce emissions but also align DBH with global best practices for sustainable facility management.

v. Emissions from Fire Extinguisher Refill for the year 2024

Fire Extinguisher Type	Mostly ABCE Dry Power and CO₂
Total AC Refrigerant Gas Refill in Kg	1,884
Total Emissions in tCO ₂ e from Fugitive Emissions (AC Gas Refill) in 2024	3.391

In 2024, DBH Finance PLC undertook systematic fire safety maintenance across its premises through the refilling of various types of fire extinguishers, ensuring compliance with safety regulations and operational readiness in the event of an emergency. The company recharged a total of 1,884 kg of extinguishing agents, consisting mainly of ABCE Dry

Powder, along with combinations involving CO₂ and automatic-type powder systems.

The environmental impact of the refilling process has been carefully accounted for, with the total emissions from these activities estimated at 3.3912 tons of CO₂ equivalent. This reflects DBH's effort to track not just safety measures but also their indirect environmental footprint, in line with its broader ESG reporting commitments.

Total Scope 1 Emissions

156.12-ton CO₂e

In 2024, DBH Finance PLC conducted a comprehensive assessment of its Scope 1 emissions, focusing on direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization. The evaluation identified five primary emission sources under Scope 1: fuel use in generators, AC refrigerant refills, electricity consumption via IPS (Instant Power Supply) units, grid electricity use (indirect but often included for operational insights), and fuel consumption in company-owned vehicles. These categories collectively contributed to a total of 156.12 tons of CO₂ equivalent (tCO₂e) emissions, reflecting the organization's operational carbon footprint from on-site and mobile fuel usage.

Among these sources, fuel use in generators contributed significantly to emissions, driven by seasonal power shortages and backup energy demands. Diesel generators were used across various months, with peak usage observed during high-demand periods such as summer and monsoon months. Meanwhile, electricity consumption from IPS units, although relatively lower in total emissions, accounted for steady emissions throughout the year due to their regular operation during power outages.

Refrigerant refilling in air conditioning systems represents another source of Scope 1 emissions, as refrigerants like HFCs have high global warming potentials. These emissions, though periodic, have a notable impact on the total GHG output and are monitored closely under facility maintenance protocols.

The fuel use in company-owned vehicles constituted a significant portion of direct emissions. Vehicles operated on a mix of octane, CNG, and LPG, with monthly fuel consumption varying due to

operational needs, mobility demands, and fleet coverage. Emissions were calculated accordingly, revealing that the combined use of different fuel types generated a consistent stream of mobile source emissions.

While grid electricity consumption typically falls under Scope 2 in GHG accounting, DBH includes it here to reflect a more complete picture of operational energy use, especially where captive backup systems (like IPS) interface directly with grid usage.

By identifying and quantifying these emission sources, DBH Finance PLC demonstrates a strong commitment to environmental accountability. The total Scope 1 emissions figure of 156.12 tCO₂e provides a baseline for setting emission reduction targets and developing mitigation strategies.

B. Scope – 2 Emissions

i. Emissions from Electricity for the year 2024

Total Electricity Consumption in KWH (Grid Electricity)	548,773.88
Total Emissions in ton CO ₂ e from Electricity Consumption in KWH in 2024	395.12

In 2024, DBH Finance PLC recorded a total electricity consumption of 548,774 kWh (548.77 MWh) across its operations, resulting in a total of 395.12 tons of CO₂ equivalent (tCO₂e) emissions. This electricity consumption is the highest contributor to the company's total carbon footprint, highlighting the significance of energy usage in office facilities and branch operations.

Electricity consumption peaked in the months of October and September, with usage reaching 66,062 kWh and 64,177 kWh respectively. These months alone contributed approximately 44.53 tCO₂e and 43.26 tCO₂e, reflecting higher operational activity. Conversely, the lowest consumption was observed in January (24,444 kWh), resulting in 16.48 tCO₂e, likely influenced by reduced operational demand at the start of the year or cooler weather requiring less cooling.

From March to August, electricity usage remained relatively high and consistent, averaging over 50,000 kWh per month, indicating sustained operational loads across the branches and head office. These months together contributed significantly to DBH's

annual emissions. Minor emission contributions from methane (CH₄) and nitrous oxide (N₂O) were also considered in line with standard grid emission factors, although their impact remained negligible compared to CO₂.

Total Scope 2 Emissions

395.12-ton CO₂e

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C. Scope – 3 Emissions

ii. Financed Emissions for the year 2024

Financing Sector	Outstanding Balance (BDT)	Final Emission in ton CO2e
Housing Finance	44,352,229,464	24,883.32
Consumer Finance	54,390,374	30.24

In 2024, DBH Finance PLC's financed emissions totaled 24,913.56 tons of CO₂ equivalent, reflecting its exposure to climate impact through lending activities. The majority of these emissions, approximately 24,883.32 tCO₂e, originated from the housing finance sector, where DBH maintains a substantial loan portfolio of over BDT 44.35 billion. This high volume of emissions is expected, as housing finance often involves energy-intensive construction activities and long-term infrastructure development that contribute significantly to embodied and operational carbon footprints.

In contrast, consumer finance—including car loans and staff car loans—accounted for a much smaller share of financed emissions, contributing 30.24 tCO₂e from an outstanding balance of BDT 54.39 million. This relatively low emission value aligns with the smaller size of the portfolio and the generally lower carbon intensity of personal vehicle financing compared to housing and real estate projects.

Total Scope 3 Emissions (Financed Emissions)

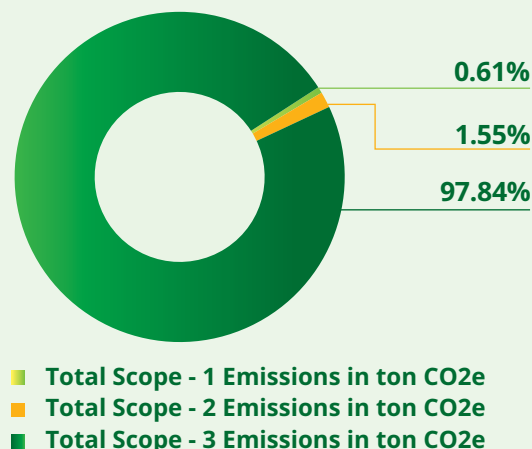
24,913.56-ton CO₂e

D. Targets to Reduce Emissions

DBH Finance PLC has recognized climate target-setting as a strategic approach within its broader

Total GHG emissions Summary

Scope 1, Scope 2 and Scope 3 Emissions Scenario of DBH Finance PLC in ton CO₂e



sustainability framework, aligning with international standards and national climate priorities. Targets for reducing emissions across its operations and financed activities are currently under development. These planned targets are yet to be finalized and approved by the top management or Board of Directors, and therefore have not been publicly disclosed. Once formalized, they will serve as a guiding framework for integrating climate considerations into DBH's operational and financial decision-making processes

Action Plans to Reduce Emissions

Scope 1 Emissions

DBH Finance PLC has identified key sources of direct (Scope 1) emissions, which include diesel use in generators, fuel consumption in company-owned vehicles, IPS systems, AC refrigerant refills, and fire extinguisher refills. As part of its broader sustainability strategy, DBH is exploring several potential emission reduction approaches. These include evaluating the feasibility of hybrid or solar-powered backup

systems to reduce generator emissions, considering electric or hybrid vehicles for company use, and improving energy efficiency across backup systems. The company is also reviewing options to upgrade to low-GWP refrigerants, strengthen maintenance protocols to prevent AC refrigerant leakage, and explore eco-friendly fire suppression agents. While these strategies remain under assessment, they reflect DBH's commitment to progressively managing its operational emissions in alignment with global sustainability practices.

Scope 2 Emissions

To reduce indirect emissions from purchased electricity (Scope 2), DBH Finance PLC is assessing potential measures such as investing in rooftop solar energy systems for its office buildings and enhancing energy efficiency in lighting, HVAC, and other operational systems. The organization is also considering the use of smart energy monitoring tools and exploring opportunities for sourcing green electricity as market options evolve. These efforts are part of DBH's long-term vision to reduce dependency on fossil fuel-based electricity and transition towards cleaner energy solutions.

Scope 3 Financed Emissions

DBH's Scope 3 emissions, largely associated with financed activities such as home and car loans, are a significant focus area. As a forward-looking measure, the company is considering the development of green financing products that promote energy-efficient housing solutions—such as improved insulation, rooftop solar, and water-saving technologies—as well as preferential terms for low-emission vehicles like hybrids and EVs. Environmental due diligence (EDD) is being integrated into lending practices to encourage sustainability across the value chain. These initiatives, currently under strategic review, aim to guide borrowers toward more sustainable choices and align DBH's financial portfolio with national and international climate goals.

Environment Related Initiative

Our main objectives regarding environmental sustainability



Reducing Paper Usage



Reducing Electricity & Water Usage



Green Banking Initiatives

With its creative project “Green Financing for a Greener Tomorrow,” DBH Finance has made a noteworthy contribution to environmental sustainability. We have included environmental considerations into its fundamental business strategy, acknowledging the urgent need to address environmental challenges and promote sustainable growth.

Offering green loans and finance options designed especially for environmentally friendly projects and activities is one of the main tenets of our environmental program. These could be waste management systems, energy-efficient infrastructure, sustainable agriculture, renewable energy projects, and other environmentally friendly initiatives. DBH Finance incentivizes companies and people to participate in environmentally conscious projects that mitigate climate change and conserve the environment by providing favorable terms and circumstances.

We aggressively encourage environmental education and awareness among its stakeholders in addition to providing green funding. The organization aims to educate its clients, staff, and the general public about the value of environmental preservation and the part financial institutions may play in promoting sustainability through a variety of outreach

initiatives, workshops, and seminars.

Furthermore, we incorporate eco-friendly policies and practices into our own operations, living up to our words. This can entail cutting back on paper use, using less energy, implementing ethical purchasing procedures, and planting trees or making investments in renewable energy sources to offset carbon emissions.

Working together with governmental bodies, ecological associations, and additional interested parties, we promote legislative changes that uphold sustainable development and green financing. Through proactive discourse and advocacy, we seek to foster an atmosphere that supports environmentally conscious investments and behaviors.

Our dedication to sustainable development and corporate social responsibility is demonstrated by its environmental effort. We are improving the environment and assisting in the shift to a more resilient and sustainable future through its advocacy activities, internal sustainability initiatives, educational programs, and green financing solutions.

Here are some segments where we are trying to reduce our usage to create more ecofriendly environment,



Energy Consumption

Adopt energy-saving strategies in office buildings, such as employing energy-efficient HVAC, appliances, and lighting. When not in use, remind staff members to turn off lights, computers, and other electronics. To offset carbon emissions related to power usage, invest in renewable energy sources like solar panels or buy renewable energy credits. Energy consumption per employee in our company is BDT 20,786.



Paper Usage

Reduce the amount of paper you use by encouraging electronic communication and digital documentation whenever you can. Promote the use of digital platforms and electronic signatures for transactions and record-keeping. Use recyclable paper for printing as needed, and print on both sides of the page. Implement initiatives for recycling paper in workplace buildings. Paper usage per employee here is BDT 2,385.



Water Conservation

Install water-saving fixtures in office buildings, such as low-flow toilets and faucets, and water-conserving landscaping. Encourage staff members to report and quickly address leaks. Inform employees on the value of water conservation and practical strategies for cutting back on water use at home and at work. Water consumption per employee here is BDT 1,695.



Waste Management

Establish a thorough waste management program that addresses recycling, waste reduction, and appropriate disposal of waste products. Provide recycling containers in workplace spaces for materials such as paper, plastic, glass, and other recyclables. To guarantee that hazardous trash is handled and disposed of properly, collaborate with waste management firms.



Transportation

Encourage staff members to make their regular commutes using environmentally friendly forms of transportation like walking, bicycling, carpooling, or public transportation. Provide rewards to carpoolers, including discounted public transportation passes, bike racks, or parking spots. Encourage flexible work schedules and telecommuting to lessen the need for commuting.



Procurement

For office operations, look for green products and services. Examples of these include energy-efficient office equipment, cleaning supplies that are safe for the environment, and products made from recycled paper. Form alliances with vendors and suppliers who place a high value on environmental responsibility and sustainability in their operations.

Green Banking Activities & Social Obligation

Green banking considers all the environmental factors along with financial priorities with an aim to protect the environment as well as to foster the economic development in a more environment friendly way. This concept of Green Banking will be mutually beneficial to the banks, financial institutions and the economy. DBH has outlined a policy guideline for implementing Green Banking activities in a structured manner in line with standard norms so as to protect environmental degradation and ensure sustainable business practices.



Environment Friendly Loan Financing

We have incorporated sustainability principles into day-to-day activities of the Company. Our aim is to do best to ensure that the credits we extend to our customers are utilized for environmentally sound and sustainable purposes. DBH complies with environmental standard while financing. Projects with likely adverse impact on environment are strongly discouraged by DBH. As an environment responsive Financial Institution, DBH ensures that the borrower has the due environmental clearance certificate from the concerned authorities while granting or renewing credit facilities. DBH has assessed environmental and social issues related to the projects at the time of granting credit facilities which reflects DBH's strong commitment in ensuring environmental and social safeguard of the projects, while creating a sense of accountability for the borrowers. DBH also encourages its borrowers to have solar panel in their project at the time of appraising and granting housing loan facilities. In future the company aims to enhance the effort on preserving ecosystem, land, air and water, in line with broad corporate mission of the Company.



Improved In-house Management & Green practices

The Company has been maintaining a balanced initiative and supporting activity to contain things that may adversely affect the environment. DBH encourages rational use of energy in the office and promotes the spirit of environment friendly action plans. Reduced utilization of electricity and minimum uses of water and paper have become mandatory for the officials.



Environmental Due Diligence (EDD)

DBH maintains Environmental Due Diligence at the time of processing proposal before placing the same to Management. Few clients of DBH have found applicable for EDD and after conducting Environmental Risk Rating (EnvRR) it is found that few clients have been fallen in the category of low risk and in moderate risk level.





Environmental Education and Awareness

Plan outreach initiatives, workshops, and seminars to educate staff members, clients, and the general public on environmental issues and sustainable practices. Give stakeholders access to instructional materials and resources so they can comprehend the value of environmental preservation and their part in advancing sustainability.



Community Development Initiatives

Invest in community development initiatives that tackle environmental and social issues in marginalized areas. This can entail lending support to programs pertaining to sustainable livelihoods, clean water access, healthcare, and education. DBH Finance can support social inclusion, poverty reduction, and environmental sustainability by funding community development.



Stakeholder Engagement and Advocacy

Take part in lobbying for laws and policies that promote sustainable finance and ethical business practices by interacting with governmental organizations, regulatory authorities, trade groups, and other interested parties. This can entail taking part in industry forums, making policy contributions, and endorsing programs meant to advance sustainability in the financial sector.



Corporate Social Responsibility (CSR) at DBH

At DBH Finance PLC (DBH), we believe that corporate success is intrinsically linked to our ability to create a meaningful and lasting impact on society. As a responsible financial institution, DBH is committed to integrating Corporate Social Responsibility (CSR) into its core business operations. Our CSR approach extends beyond compliance; it is about driving sustainable development, uplifting communities, and fostering ethical business practices.

Aligned with international standards and Bangladesh Bank's policies, DBH has undertaken initiatives in key areas such as education, healthcare, environmental sustainability, and disaster management. Through these efforts, we strive to build a more resilient and inclusive future, ensuring transparency, diversity, and social equity in all our engagements.

CSR Policy Highlights and Implementation Framework

DBH Finance PLC's Corporate Social Responsibility (CSR) Policy outlines a structured and accountable framework for contributing to social development through impactful and sustainable initiatives. The policy is aligned with the CSR Guidelines issued by Bangladesh Bank (SFD Circular No. 01 dated January 9, 2022) and reflects DBH's commitment to integrating social responsibility into its core operations.

The overarching objective of the policy is to support humanitarian relief, inclusive development, healthcare, education, environmental sustainability, and climate resilience. The allocation of CSR funds is strategically guided as follows:

- 30% of the CSR fund is allocated to promote education,
- 30% to support preventive and curative healthcare,

- 20% for environmental and climate change adaptation projects,
- The remaining 20% to other approved areas such as disaster relief, income-generating activities, sports, cultural development, and infrastructure.

As per policy, DBH allocates approximately 0.5% of its annual net profit after tax to CSR initiatives, subject to the Board's approval on an annual basis. The Board also considers future profitability and organizational needs before determining the final allocation. Additional sources may include compensation realized, zakat fund, doubtful income, and income not distributed from the Islamic wing, where applicable.

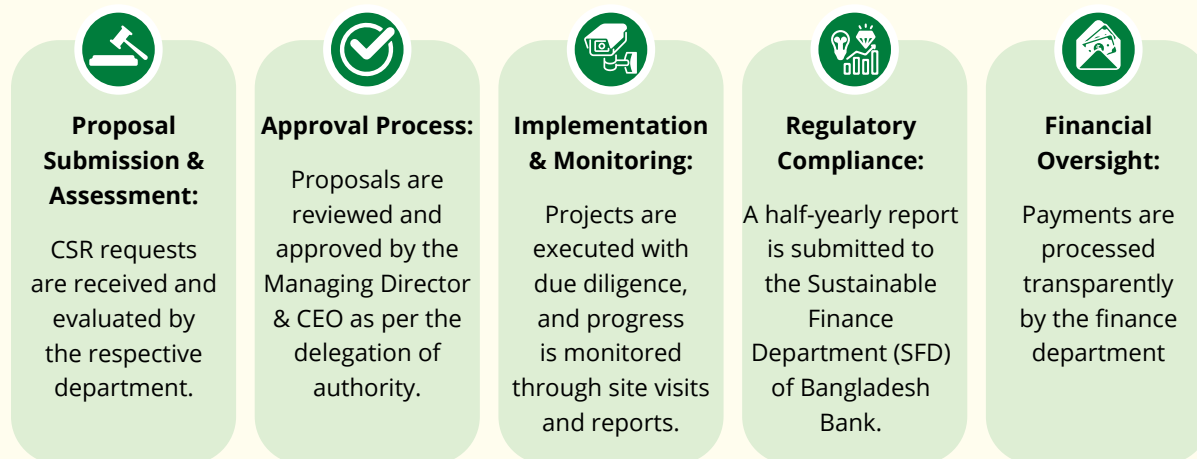
A dedicated CSR Unit—comprising the Company Secretary, Head of Finance, and Manager of Brand & Communication, under the supervision of the Managing Director—oversees the planning, execution, and monitoring of all CSR activities. This unit proposes annual budgets, coordinates project implementation, and ensures alignment with both internal policy and regulatory expectations.

Fund utilization is governed by specific authority thresholds, with higher-value projects requiring Chairman or Board approval. All CSR activities are subject to robust end-use monitoring through internal audits, Memorandums of Understanding (MoUs), and periodic review by the Board or Management Committee. Any unutilized CSR fund at year-end is not carried forward.

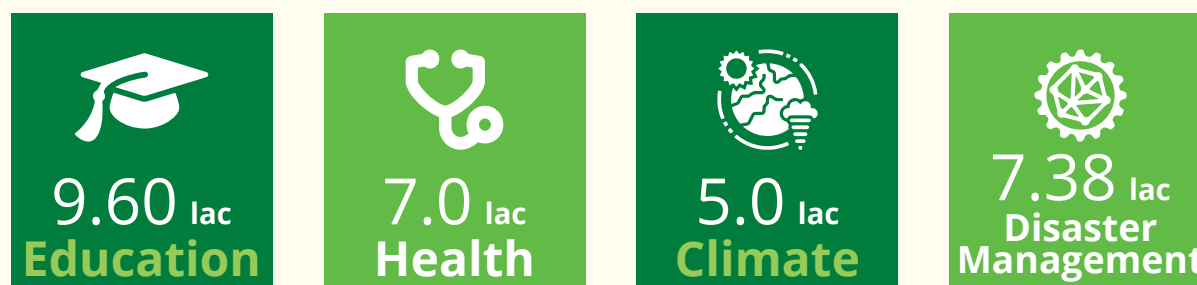
By adopting a disciplined and transparent approach to CSR, DBH Finance PLC ensures that its business success translates into meaningful contributions to society, reinforcing its role as a responsible financial institution.

CSR Initiative Framework

DBH follows a structured approach to CSR implementation, ensuring accountability and effectiveness at every stage:




CSR Impact



28.98 lac

CSR Initiatives & Impact



Education

DBH's Commitment to Educational Advancement DBH has consistently supported initiatives aimed at expanding access to quality education for underprivileged communities. Key contributions include:

- **Donation to E.A. Chaudhury Technical Institute:** Supporting technical and vocational education for disadvantaged students.
- **Contribution to CAMPE (Campaign for Popular Education):** Funding the 'Challenged Students' Convention' to empower underprivileged students.
- **Support for Utsho Bangladesh:** Enabling 556 marginalized students to access education, accommodation, and essential services.
- **Financial Literacy Program:** Enhancing financial awareness among underprivileged groups.
- **Donation to PM Education Trust Fund:** Supporting higher education for financially disadvantaged students.



Midwifery Program at BRAC University JPGSPH

- Since 2022, DBH has provided annual financial support of BDT 7.00 lac to BRAC University's James P. Grant School of Public Health (JPGSPH) for its Midwifery Diploma Program.
- The program trains midwives to improve maternal healthcare in rural Bangladesh, benefiting underserved communities and ensuring safer childbirth practices.



Enhancing Sanitation in Climate-Vulnerable Regions

- **Project with Sajida Foundation:** DBH contributed BDT 5.00 lac for the construction of 10 piloted toilets and hygiene training in Mongla, benefiting 50 individuals from climate-vulnerable areas.
- **Focus on Sustainability:** This initiative aligns with environmental and climate change mitigation goals by improving access to resilient sanitation facilities.



Training on WASH Initiatives



Implementation of Rain Water Harvesting System



Emergency Relief & Rehabilitation Efforts

- **Cyclone Remal Relief Operation:** In partnership with Sajida Foundation, DBH allocated BDT 1.75 lac to distribute fresh drinking water and saline packs to 1,300 cyclone-affected households in Mongla and Sarankhola.
- **Flood Relief Contribution:** DBH donated BDT 5.00 lac to the Chief Advisor's Relief & Welfare Fund, assisting flood victims in Feni and Noakhali.
- **Partnership with BRAC for Flood Relief:** DBH employees contributed one day's salary, totaling BDT 4.36 lac, supplemented by BDT 0.64 lac from DBH's CSR fund. Additionally, DBH ensured timely assistance to flood-affected communities.



DBH employees contribute a day's pay to help flood victims



Emergency Relief for Flash Flood Victims in Feni

Conclusion

DBH Finance PLC takes pride in its CSR initiatives, demonstrating a strong commitment to social welfare, sustainability, and community empowerment. By aligning with national and global sustainability goals, DBH continues to foster positive change, ensuring long-term benefits for society at large.

ডিবিএইচ সবারই হোক নিজের ঠিকানা



ডিবিএইচ এর সেবাসমূহ

- অ্যাপার্টমেন্ট পারচেজ লোন
- কনস্ট্রাকশন লোন
- হোম এক্সটেনশন/ রেনোভেশন লোন
- গ্রুপ কনস্ট্রাকশন লোন
- হোম ইকুইটি লোন
- সেমিপাকা কনস্ট্রাকশন লোন
- সশ্রয়ী আবাসন লোন
- ব্যালেন্স ট্রান্সফার লোন
- পার্সোনাল লোন
- কার লোন

ডিবিএইচ ফাইন্যান্স পিএলসি

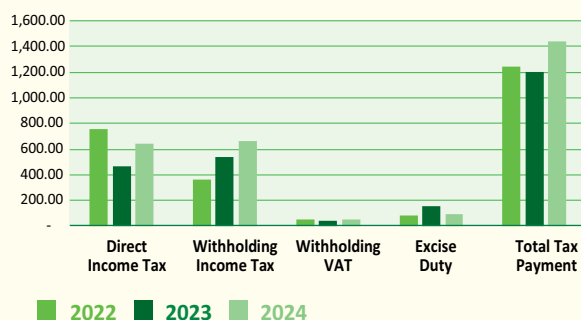
Statement of Contribution to Government Exchequer

The Statement of Contribution to Government Exchequer outlines the various forms of financial contributions made by the organization to the Government of Bangladesh. This comprehensive summary underscores the organization's consistent fiscal responsibility and its role in supporting national revenue generation through direct and indirect taxation.

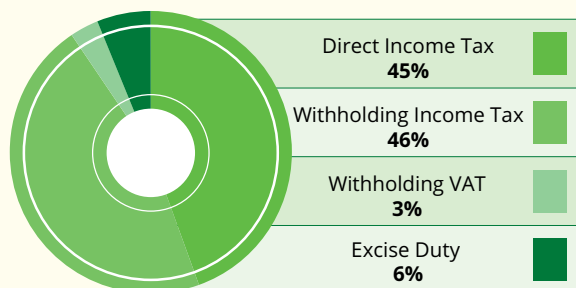
(Amount in Million BDT)

Forms of Contribution	2022	2023	2024
Income Tax	1,111	1,004	1,304
Salary	25.40	37.14	26.88
Interest on savings deposit	279.82	442.78	576.24
Payment of Supplier	5.56	4.64	6.01
House Rent	1.48	1.48	1.48
Advance Corporate Tax	665.89	458.22	592.46
Return Submission	85.35	3.17	47.76
Dividend Payment	47.62	56.48	52.59
Others (Directors Honorarium)	0.08	0.08	0.11
VAT	49	44	47
House Rent	6.48	6.54	6.73
Processing, Documentation Fee etc.	30.41	27.20	28.85
Procurement of goods and services	12.31	10.29	11.53
Director Fees	0.08	0.09	0.09
Excise Duty	79	157	89
Collection of excise duty from clients	73.96	151.26	83.48
Excise duty deducted by bank	5.45	5.80	5.53
Total Contribution to Government	1,240	1,205	1,440
Summary:			
	2022	2023	2024
Direct Income Tax	751.24	461.39	640.22
Withholding Income Tax	359.96	542.61	663.31
Withholding VAT	49.28	44.12	47.19
Excise Duty	79.42	157.06	89.01
Total Tax Payment	1,240	1,205	1,440

Contribution to Govt. Exchequer



Composition of Tax: 2024



Report on Financial Inclusion-2024

In line with Bangladesh Bank's Strategic Plan (2020–2024), which emphasizes “Strengthening Financial Literacy and Financial Education Initiatives,” DBH Finance PLC. has established a dedicated Financial Literacy Wing (FLW), comprising of nine members led by the Deputy Managing Director and Chief Operating Officer. The FLW is responsible for planning, implementing and monitoring financial education programs to promote greater financial inclusion.

Under the DBH Financial Literacy Plan (FLP), eight financial literacy programs were successfully conducted in 2024 across Gazipur, Rajshahi, Rangpur, Khulna, Cumilla, Savar, Narayanganj and Chattogram urban areas. These initiatives were focused on empowering youth, women and students, utilizing various engagement tools such as educational leaflets, visual displays (x-banners), structured content presentations and interactive Q&A sessions. Through these efforts, DBH directly reached over 450 young individuals, with a significant emphasis on female participations, thereby fostering financial inclusion and gender empowerment.



Cumilla Financial Literacy Program 2024



Khulna Financial Literacy Program 2024

DBH employees engaged in virtual and on-site events, directly interacting with customers, sharing financial information and participating in discussions to mark “Financial Literacy Day 2024”. DBH actively participated in the observance of “Financial Literacy Week 2024”. Activities included creation and dissemination of digital literacy content through Facebook and LinkedIn platforms with a reach over 23000 people and the FLP News Tab to enhance awareness among both internal and external audiences.

DBH Finance PLC. remains steadfast in its commitment to promote financial literacy and support national efforts towards building a financially resilient and inclusive society and hence contributing to broader sustainable development goals of Bangladesh Bank.



Rajshahi Financial Literacy Program 2024

Board of Directors



Dr. A M R Chowdhury
Chairman



Mr. Syed Moinuddin Ahmed
Vice Chairman



Mr. Nazir Rahim Chowdhury
Director



Mr. Khandkar Manwarul Islam
Director



Mr. Imran Rahman
Independent Director



Ms. Nausheen Rahman
Independent Director



Mr. Nasimul Baten
Managing Director & CEO

Shari'ah Supervisory Committee



Dr. Muhammad Saifullah
Chairman



Mr. Md. Fariduddin Ahmed
Member



Mr. Md. Abdul Awwal Sarker
Member



Dr. Zubair Mohammad Ehsanul Hoque, CSAA
Member



Mr. Nasimul Baten
Ex- Officio Member
(Managing Director & CEO)



Mr. Tanvir Ahmad
Member
(Head of Islamic Financing Division)



Mr. Md. Abu Yousuf, CSAA
Member Secretary
(Assistant Vice President, Islamic Financing Division)

Profile of the Board of Directors



He has been a Director of DBH, nominated by BRAC, since February 2015 and Chairman of DBH since May 2024.

Dr. A M R Chowdhury
Chairman

Dr. Ahmed Mushtaque Raza Chowdhury is a Professor of Population and Family Health at the Mailman School of Public Health of Columbia University in New York. Previously, he was the Vice Chair and Executive Director of BRAC, the world's largest non-governmental organization and was the founding Director of the Research and Evaluation Division and founding Dean of the James P. Grant School of Public Health. During 2009-12, he worked as the Senior Adviser for the Rockefeller Foundation, based in Bangkok, Thailand. He also served as a MacArthur Fellow at Harvard University. Dr. Chowdhury was a coordinator of the UN Millennium Task Force on Child Health and Maternal Health, set up by the former Secretary General Kofi Annan. Dr. Chowdhury holds a PhD from the London School of Hygiene and Tropical Medicine, an MSc from the London School of Economics and a BA (Hon's) from the University of Dhaka.

Dr. Chowdhury had been awarded the prestigious "Medical Award of Excellence" in the year 2017 by US-based Ronald McDonald House Charities (RMHC) for his outstanding contribution to improving health and ensuring wellbeing of

children. He is a co-recipient of the 'Innovator of the Year 2006' award from the Marriott Business School of Brigham Young University in USA and in 2008 he received the PESON oration medal from the Perinatal Society of Nepal. He is a recipient of the Dr Mohammad Ibrahim Gold Medal from the Bangladesh Diabetic Samity (2016). Dr. Chowdhury has published over 200 articles in peer-reviewed national and international journals. Two of his recent books are: "Corona Tale: A Bangladeshi family's pen-war against the pandemic" (*AnyoProkash*, 2021) and "আমার ব্রাক জীবন: একজন উন্নয়ন কর্মীর বেড়ে ওঠা" (Prothoma, 2021).

Dr. Chowdhury is a founder of the Bangladesh Education Watch and Bangladesh Health Watch, two civil society watch-dogs on education and health respectively. He is on the board and committees of several organizations and initiatives, including: Board of Trustees of BRAC University in Bangladesh, and International Growth Centre and the South Asia Centre at the London School of Economics. He is also a Senior Fellow of the Bangladesh Institute of Development Studies (BIDS).



He has been a Director of DBH, nominated by Green Delta Insurance PLC, since September 2019 and Vice-Chairman of DBH since May 2024.

Syed Moinuddin Ahmed
Vice Chairman



Mr. Syed Moinuddin Ahmed is a respected banking and finance professional in Bangladesh with an experience spanning over two decades.

Having an MBA in Finance from the University of Dhaka, Mr. Ahmed started his career at Southeast Bank. Beginning as a management trainee at the bank, he subsequently drew rich experience by virtue of working with several other reputed commercial banks in the country and across various roles, before joining the renowned Green Delta Insurance Group in 2009.

Mr. Ahmed's contribution in evolving the GDIC Group into its present exalted status has been a highlight of his long and illustrious career. At Green Delta Insurance, the flagship of the GDIC Group, Mr. Ahmed has worked in various departments and has taken up several responsibilities that include managing Board affairs and engaging in business development, business process optimization, technology, forging strategic alliances, optimising

human resource and ensuring project deliverables. The recognition of Mr. Ahmed's relentless efforts in building strong foundations of the Group was his elevation to the role of Additional Managing Director of Green Delta Insurance PLC and Managing Director of GD Assist, a fast-emerging company in the group.

Today, Mr. Ahmed continues to lead and inspire his team through his experience and foresight. Having travelled throughout the world for work and having being exposed to several workshops and seminars globally, Mr. Ahmed is passionate about implementing global best management practices and technological advancements in Bangladesh, thereby contributing to the country's advancement in his own small way.

He has been a Director of DBH, nominated by Green Delta Insurance PLC, since September 2019 and Vice Chairman of DBH since May 2024.



He has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.

Nazir Rahim Chowdhury
Director, DBH

Mr. Nazir Rahim Chowdhury is a promising entrepreneur with an excellent business background in Export & Import in the readymade garments sector in the country. He has also extended business in the areas of IT and Trading in partnership with experienced specialists in the country.

Mr. Chowdhury completed his Bachelor's degree in Business Administration and started his career in Standard Chartered Bank Bangladesh, and provided high-level customer service and sales in high-volume areas. After 10 years of service in the banking sector, Mr. Chowdhury involved himself in

the family business since 2012. Currently, he is the Vice Chairman of M.I.M. Fashion Wear Ltd.

Mr. Chowdhury is also involved with many social activities and is associated with Chittagong Club Limited, Bhatiyari Golf & Country Club, Chittagong Senior's Club Limited, and Chittagong Chamber of Commerce & Industry.

Mr. Chowdhury has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.



He has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.

Khandkar Manwarul Islam
Director



Mr. Khandkar Manwarul Islam is a reputed Business person in Bangladesh with an overall 24 years of experience in different sectors of the country.

Mr. Islam obtained his MBA degree from Southeast University, Dhaka in the year 2002 & BBA from the University of Madras, India in the year 1998. He also did his Diploma in Computer Integrated Management from First (1st C) Computers, Madras, India. Mr. Islam did a research study & submitted the report on 'Growth and Development of Small Scale Industries' under the supervision of the Project Management Department, University of Madras, and under the assistance of Bangladesh Small & Cottage Industries Corporation (BSCIC).

Before starting his own business in RMG Sector, he was a professional banker with Shahjalal Islami Bank Limited, where he worked for around 17 years, Mr. Islam also contributed for a while to the largest NGO (BRAC) in the country. Currently, Mr. Islam is the Managing Director as well as the Chief Executive Officer of Styllent Knit Limited (Export oriented Sweater Industry).

Mr. Khandkar Manwarul Islam has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.



**He has been a Director of
DBH, since May 2024.**

**Professor Imran Rahman
Independent Director**


Professor Imran Rahman is a distinguished academician and currently serves as the Vice Chancellor of the University of Liberal Arts Bangladesh (ULAB), a leading private university. This is his second term as a Vice-Chancellor. His journey at ULAB began in 2006 as the Dean of the School of Business. He subsequently held the positions of Pro-Vice Chancellor and Special Advisor to the Board of Trustees. Prior to joining ULAB, Professor Rahman was a finance faculty member at the Institute of Business Administration (IBA), Dhaka University for 25 years.

In 1994, he co-founded a merchant bank in Dhaka, demonstrating his entrepreneurial spirit and passion for finance. He actively led the bank for six

years. Professor Rahman has also made significant contributions to the finance sector through his roles as an Independent Director at National Housing Finance and Investment Ltd, and Sonali Investments Ltd.

Professor Rahman was a doctoral researcher at the Manchester Business School, UK, as a Commonwealth Scholar. He has an MBA from IBA, and a B.Sc. Economics degree from the London School of Economics and Political.

Beyond academia and finance, Professor Rahman is an accomplished musician. He is a vocalist and guitarist of Renaissance, a prominent band in Bangladesh.



**She has been a Director of
DBH since April 24, 2025.**

Professor Nausheen Rahman
Independent Director



Professor Nausheen Rahman is a venerated academic in the realm of finance, with a distinguished career spanning over 27 years. Currently a Professor in the Department of Finance at the University of Dhaka. Her teaching portfolio is as diverse as it is extensive, encompassing Finance, Economics, Accounting, and Marketing across undergraduate and postgraduate programs, including BBA, MBA, Evening MBA, and the Master of Professional Finance (MPF).

Professor Rahman's contributions extend well beyond the classroom. She has held a series of academic and administrative appointments, including Director of the Department of Finance Executive Program, MBA Program Director, and Placement Director. She has also played a vital editorial role as a board member of the Journal of Finance and Banking since 2014, and served as a Student Counselor, reflecting her holistic approach to academic leadership. Her pedagogical influence is further amplified through her roles as adjunct faculty at North South University, AIUB, Presidency University, and ULAB.

In parallel with her academic endeavors, Professor Rahman has made significant contributions to corporate governance and national financial institutions. She has served as an Independent Director at MJL Bangladesh and Meer Akhter

Ltd., as well as a Nominated Director at Omera Petroleum Ltd. and Omera Cylinders Ltd. Her expertise has been sought by pivotal regulatory and advisory bodies, including the Bangladesh Securities and Exchange Commission (BSEC), the Bangladesh Institute of Capital Market (BICM), and the Public Service Commission (PSC). Additionally, she has conducted advanced research with a fellow researcher of Bangladesh Bank.

Professor Rahman holds an MBA with distinction from the University of Canberra, Australia, earned under the prestigious AUSAID Scholarship. Her academic prowess was evident early on, having secured first place in both her Bachelor of Commerce and Master of Commerce degrees from the University of Dhaka. Her scholastic excellence has been recognized with numerous accolades, including UGC and DU scholarships and a Lions Gold Medal.

An accomplished scholar, Professor Rahman has authored more than 22 peer-reviewed research articles, with her scholarly work delving into areas such as exchange rate volatility, economic development, branding, relationship marketing, and the sustainability of Bangladesh's RMG sector. She is a regular contributor to international academic conferences and forums.



**He is the home grown
Managing Director of DBH,
serving in the Company for
more than 27 years.**

Nasimul Baten
Managing Director & CEO

Mr. Nasimul Baten assumed the role of Managing Director and CEO of DBH Finance PLC. (DBH) on January 1, 2021. He is the home grown Managing Director of the company serving for more than 27 years in the company. He previously worked as Deputy Managing Director & Head of Business and also worked as Acting Managing Director of DBH from July 1, 2020 to December 31, 2020.

He has huge experience in housing finance and real estate industry. He worked extensively with IFC, World Bank, ADB, FMO and other reputed local and international organizations for promoting affordable housing practices for the sustainable growth of real estate sector in Bangladesh and for promoting global best practices in the housing finance sector.

He is leading the Executive Management team for DBH's next phase of growth as the company solidified its position as country's largest home loan provider and presently operating as one of the leading financial institutions. DBH achieved

AAA rating for 19 consecutive years with the lowest level of NPLs among all financial institutions, where he played significant leadership roles in various capacities like Head of Business, Head of Operations, Head of Home Loans, Head of Branches, etc.

An ex-student of Faujdarhat Cadet College, he completed his BBA and MBA from Institute of Business Administration (IBA) of University of Dhaka. He joined DBH in early 1998 and since then he managed almost all functional areas covering business, operations, treasury, sales, risk management, distribution and branch network during his long association with the company. He attended various local and overseas trainings in England, Ireland, Singapore, Thailand, India and Bangladesh. He is a member of Old Faujian Association (OFA), IBA Alumni Association (IBAAA) and Cadet College Club Limited (CCCL).

He is an avid sports lover and his other interest areas are current affairs and traveling.

Board Committees



AUDIT COMMITTEE

- **Prof. Imran Rahman**
Chairman
- **Mr. Syed Moinuddin Ahmed**
- **Mr. Khandkar Manwarul Islam**

- **Dr. A M R Chowdhury**
Chairman
- **Mr. Nazir Rahim Chowdhury**
- **Mr. Nasimul Baten**



EXECUTIVE COMMITTEE



RISK MANAGEMENT COMMITTEE

- **Mr. Syed Moinuddin Ahmed**
Chairman
- **Prof. Imran Rahman**
- **Mr. Nazir Rahim Chowdhury**

Management & Other Committees

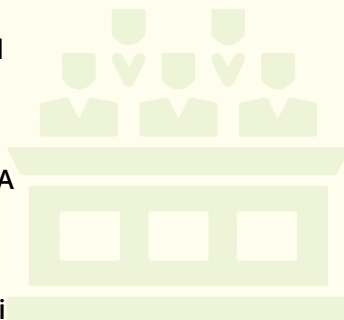


MANAGEMENT COMMITTEE

- Mr. Nasimul Baten
- Mr. A.K.M. Tanvir Kamal
- Mr. Tanvir Ahmad
- Mr. Saiyaf Ejaz
- Mr. Ashfakul Islam
- Mr. Md. Zakaria Eusuf
- Mr. Md. Golam Rosul
- Mr. Md. Abdul Ahad, FCA
- Mr. Md. Fakrul Amin
- Mr. Jashim Uddin, FCS
- Ms. Nahid Ahmed
- Mr. Sabed Bin Ahsan
- Md. Ariful Bari Rumi



- Mr. Nasimul Baten
- Mr. A.K.M. Tanvir Kamal
- Mr. Tanvir Ahmad
- Mr. Saiyaf Ejaz
- Mr. Md. Abdul Ahad, FCA
- Mr. Sabed Bin Ahsan
- Ms. Nahid Ahmed
- Mr. Md. Ariful Bari Rumi



ALCO



ETHICS COMMITTEE

- Mr. Tanvir Ahmad
- Mr. Saiyaf Ejaz
- Mr. Ashfakul Islam
- Mr. Md. Zakaria Eusuf
- Mr. Md. Abdul Ahad, FCA
- Mr. Jashim Uddin, FCS
- Mr. Shihabuddin Mahmud





CENTRAL COMPLIANCE UNIT (CCU)

- Mr. Saiyaf Ejaz
- Mr. Md. Abdul Ahad, FCA
- Mr. Sabed Bin Ahsan
- Mr. Khandakar Satil Sayeed
- Mr. Ariful Bari Rumi



- Mr. Nasimul Baten
- Mr. A.K.M. Tanvir Kamal
- Mr. Tanvir Ahmad
- Mr. Ashfakul Islam
- Mr. Saiyaf Ejaz
- Mr. Md. Zakaria Eusuf
- Mr. Md. Abdul Ahad, FCA
- Mr. Sabed Bin Ahsan
- Mr. Mohammad Fakrul Amin
- Mr. Md. Mamun-ur-Rashid
- Mr. Shihabuddin Mahmud



ICT STEERING COMMITTEE



ICT SECURITY COMMITTEE

- Mr. Ashfakul Islam
- Mr. Saiyaf Ejaz
- Mr. Sabed Bin Ahsan
- Mr. Md. Abdul Ahad, FCA
- Mr. Mir Md. Mukhlesur Rahman
- Mr. Md. Mamun-ur-Rashid
- Mr. Shihabuddin Mahmud
- Ms. Syeda Zehan Asgar



Management Committee



Nasimul Baten

Managing Director & Chief Executive Officer



A. K. M. Tanvir Kamal

Deputy Managing Director &
Chief Operating Officer



Tanvir Ahmad

Deputy Managing Director &
Chief Human Resources Officer and
Head of Islamic Financing Division



Ashfakul Islam

Senior Executive Vice
President &
Chief Technology Officer



Saiyaf Ejaz

Senior Executive Vice President &
Chief Risk Officer



Md. Zakaria Eusuf

Executive Vice President &
Head of Credit



Md. Golam Rosul

Executive Vice President &
Head of Loan Sales



Md. Abdul Ahad

Executive Vice President &
Chief Financial Officer



Md. Fakrul Amin

Executive Vice President &
Head of Legal



Jashim Uddin

Executive Vice President &
Company Secretary and Head
of Corporate Affairs



Sabed Bin Ahsan

Senior Vice President &
Head of Operations



Nahid Ahmed

Senior Vice President &
Head of Treasury



Md. Ariful Bari Rumi

Senior Vice President & Cluster
Head and Head of Customer
Experience

Report on Corporate Governance

Report of the Directors on Corporate Governance

Corporate governance continues to evolve in response to global challenges such as geopolitical tensions, economic uncertainty, inflationary pressures, market volatility, and climate concerns. These dynamics necessitate robust governance frameworks that foster resilience and drive sustainable long-term value. Boards with a forward-looking perspective are better positioned to navigate complex environments effectively.

In 2024, Bangladesh's financial sector encountered significant challenges, prompting regulatory bodies to strengthen corporate governance mechanisms. Bangladesh Bank issued multiple circulars and guidelines governing board formation, committee structuring, and appointments of Managing Directors and Directors in financial institutions. Concurrently, the Bangladesh Securities and Exchange Commission (BSEC) introduced new regulations aimed at enhancing governance in listed companies, reinforcing transparency and accountability.

Philosophy on Corporate Governance

Corporate governance is a combination of voluntary best practices and adherence to regulatory requirements aimed at fostering accountability, transparency, and sustainable growth. At DBH Finance PLC, we uphold governance practices that align with the highest ethical standards and strategic prudence. This commitment enhances our competitive edge, strengthens our reputation, and ensures long-term sustainability.

We firmly believe that a cohesive alignment of culture and strategy drives superior financial performance, employee engagement, ethical conduct, and stakeholder satisfaction. With the diverse expertise of our board members, we effectively address challenges such as regulatory changes, digital transformation, economic instability, and market dynamics.

Compliance forms the cornerstone of our governance framework. We diligently adhere to the Companies Act, 1994; the Code of Corporate

Governance-2018 and its amendments in 2023; the Listing Regulations-2015; and the Finance Companies Act-2023. Our multifaceted responsibilities extend beyond legal compliance to include accountability to shareholders, regulators, employees, investors, creditors, and customers. Ensuring transparency, we provide stakeholders with accurate and comprehensive information through various channels, including our website (www.dbhfinance.com), which is regularly updated in accordance with regulatory requirements.

Our unwavering dedication to governance has earned us numerous accolades. We are proud recipients of the 'ICSB Gold Award for Excellence in Corporate Governance' for four consecutive years, along with repeated honors such as the 'ICMAB Best Corporate Award' and the 'ICAB National Award.' These recognitions underscore our commitment to fostering a culture of accountability and excellence.

Responsibilities of the Board

The Board of Directors at DBH Finance PLC serves as custodians of the Company's mission to create sustainable value for all stakeholders. Their key responsibilities include:

- Guiding the strategic direction of the Company and evaluating its performance.
- Ensuring adherence to the highest ethical and governance standards.
- Overseeing risk management frameworks and internal financial controls.
- Approving and monitoring strategic investments and corporate actions.
- Planning for board and senior management succession.
- Ensuring compliance with regulatory, environmental, and corporate social responsibility mandates.

The board remains committed to maintaining transparency in stakeholder interactions, aligning

the Company's remuneration policies with its long-term goals, and regularly assessing the performance of senior executives.

Board and committee meetings are scheduled well in advance to ensure active participation. Directors are provided with necessary support to attend meetings in person. Additionally, all board members ensure that their external engagements do not compromise their fiduciary responsibilities to DBH Finance PLC.

Best Practices on Corporate Governance by Directors

At DBH Finance PLC, we have established and strictly adhere to our Code of Conduct, which is signed by all Board members as a commitment to uphold its principles in every aspect of our business. This Code outlines the expected ethical behavior, transparency, and accountability in our operations and decision-making processes.

In practice, the Board actively ensures that the Company's governance framework reflects our commitment to responsible and ethical business conduct. We regularly review and update our governance practices to keep pace with evolving regulatory requirements and industry best practices. During the year under review, our governance practices remained in full compliance with the principles set forth in our Code, ensuring that DBH continues to maintain strong internal controls and delivers sustainable value to our stakeholders. Our commitment to good governance remains central to our decision-making, fostering trust and confidence among our investors, customers, and employees.

Change in Board Composition

As of the date of this report, the composition of the Board of Directors at DBH Finance PLC has undergone several noteworthy changes in 2024:

In compliance with Section 16(2) of the Finance Companies Act-2023, directors serving for more than nine consecutive years retired from their positions during the 28th Annual General Meeting held on May 16, 2024. Accordingly, Mr. Nasir A. Choudhury, representing GDIC, and Ms. Mehreen Hassan, representing DLICL, concluded their terms as Directors. Mr. Choudhury served as the Chairman of the Board, while Ms. Hassan chaired the Executive Committee. The Company acknowledges their exceptional leadership and invaluable contributions over their long tenures.

At the same AGM, shareholders approved the appointment of Mr. Imran Rahman, Vice-Chancellor of the University of Liberal Arts Bangladesh (ULAB), as an Independent Director, effective from May 6, 2024.

Additionally, Major General Syeed Ahmed BP (Retd.), an Independent Director, completed his second term on December 27, 2024. The Board extends its heartfelt gratitude for his distinguished service and the significant expertise he brought to the Company during his tenure.

1. BOARD INDEPENDENCE & GOVERNANCE

At DBH Finance PLC, the Board of Directors is steadfast in upholding the highest standards of governance, ensuring the integrity of the Company's financial reporting systems, robust internal controls, risk management frameworks, and compliance with all applicable regulations. Guided by a commitment to the long-term interests of all stakeholders, the Board provides strategic oversight and direction to the management.

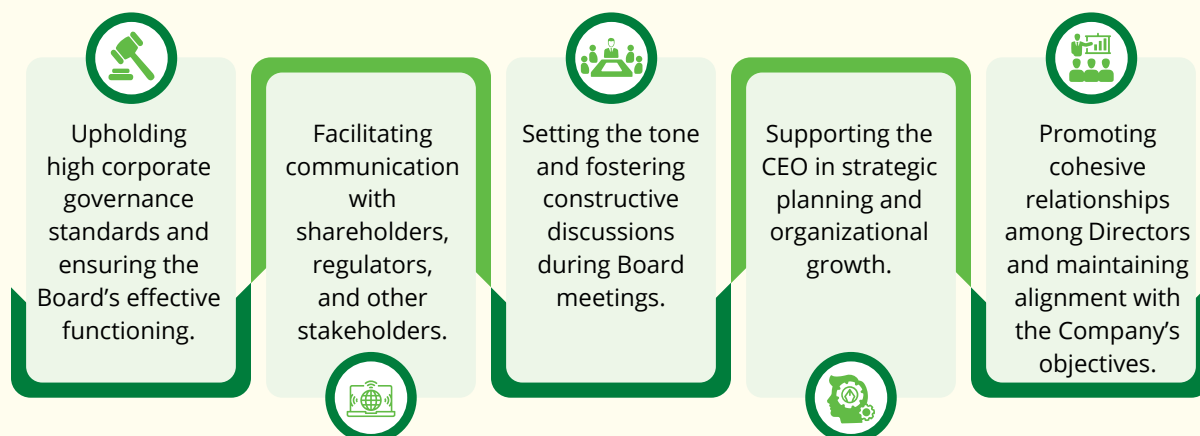
Commitment to Governance Excellence

The Board recognizes its fiduciary responsibilities to shareholders and stakeholders and is committed to fostering a governance framework that prioritizes accountability, transparency, and sustainable growth. By delegating operational authority to senior executives, the Board empowers management while ensuring oversight remains robust.

The composition of the Board reflects a diverse mix of skills, experience, and expertise, enabling it to effectively address challenges and opportunities in the evolving business landscape. Directors contribute local and international experience, strategic insights, and specialized knowledge, ensuring informed decision-making that benefits the Company and its stakeholders.

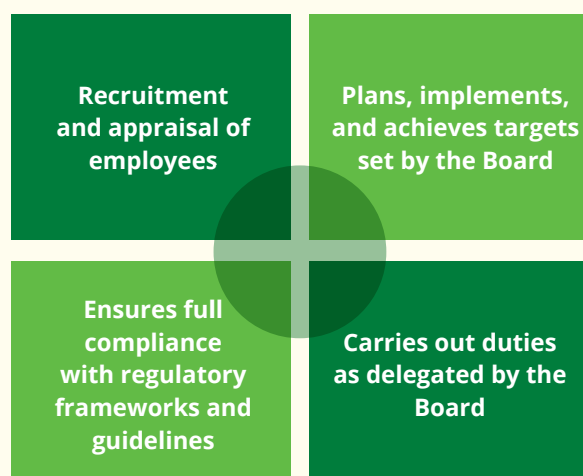
(a) Chairman

The Chairman of the Board is elected as a Non-Executive Director to maintain independence and provide impartial oversight. Dr. A.M.R. Chowdhury, elected on May 16, 2024, serves as the current Chairman. As a key liaison between the Board and management, the Chairman collaborates with the CEO and Company Secretary to set agendas for meetings, provide leadership to the Board, and ensure effective governance practices.

Responsibilities of the Chairman:**(b) Chairman & Managing Director/CEO of the company are different persons**

To ensure clear accountability and prevent concentration of decision-making authority, the roles of Chairman and Managing Director/CEO are held by separate individuals. While the Chairman is a Non-Executive Director, the Managing Director/CEO is an Executive Director responsible for day-to-day operations.

Role and responsibilities of the Managing Director & CEO: The Managing Director & CEO oversees the implementation of the Board's strategic vision and policy directives, driving the Company's operational and financial performance. As the primary executive, the Managing Director is responsible for formulating and executing operational plans that align with the Company's objectives. The CEO & MD is appointed by the Board with the approval of Bangladesh Bank. MD or CEO of the company does not hold the same position in another listed company. The key responsibilities include, as illustrated below:

**(c) Criteria for Appointment of Independent Directors**

In accordance with the amended Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), as well as provisions under the Finance Companies Act-2023 and Bangladesh Bank's DFIM Circular No. 2 (dated March 13, 2024), the Company ensures that at least two or one-fifth of the Board members, whichever is higher, are Independent Directors.

In compliance with these requirements, DBH Finance PLC maintained two Independent Directors throughout the year. Their independence and qualifications were confirmed at the time of appointment, and they have continued to uphold the highest standards of impartiality. As per Bangladesh Bank and BSEC directives, DBH Finance PLC duly obtained the necessary approvals from both regulatory bodies for the appointment of Independent Directors ensuring full compliance with governance best practices.

Role of Independent Directors

Independent Directors play a pivotal role in the Company's decision-making processes, contributing diverse perspectives and brings in a diverse array of experience in economics, finance, law, and management. Their impartiality and broad understanding of business and governance practices ensure that the Board operates with fairness and transparency. By providing constructive challenges and insights, Independent Directors significantly enhance the Company's ability to navigate complex challenges and capitalize on growth opportunities.

(d) DBH's Policy for Induction of Directors

In relation to the selection and appointment of a new Director, the existing Board of Directors has the following duties and responsibilities:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience, and perspectives necessary for the Board to execute its functions effectively.
- Identify any competencies not adequately represented and establish a process to ensure that candidates nominated by shareholders with those competencies are selected.
- Appoint or re-appoint Directors in the Annual General Meeting (AGM) with prior approval from the Bangladesh Bank as per DFIM Circular No. 1, dated February 29, 2024. For Independent Directors, prior approval from both the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) is mandatory. Casual vacancies, if any, are filled by the Board in compliance with the Finance Companies Act, 2023, relevant circulars from Bangladesh Bank, the Companies Act, 1994, and DBH's Articles of Association.
- Appoint or re-appoint the CEO & Managing Director, subject to approval by the Bangladesh Bank.
- Notify Bangladesh Bank, all scheduled banks and financial institutions (FIs), BSEC, and the Stock Exchanges of any changes in the Board's composition.

(e) Composition and Diversity of the Board

The composition of the Board of Directors of DBH Finance PLC adheres to the Finance Companies Act, 2023, and the conditions outlined in Nos. 1.1 and 1.2 of the BSEC's Corporate Governance Code, dated June 3, 2018, including its relevant amendments. The Board was an optimal combination of Non-Executive and Independent Directors, ensuring diversity and balance. As of the reporting period, the Board was comprised of six (6) Directors: four (4) Non-Executive Directors and two (2) Independent Directors.

Experts from a variety of disciplines make up our Board, providing the business with a well-rounded perspective that enhances strategic planning and

execution. The areas of expertise and length of service of our Board members are reflected in their professional backgrounds. All members of our Board are highly accomplished in their respective fields, bringing extensive knowledge backed by over 20 years of experience, reinforcing their ability to guide the Company effectively and assure stakeholders of their decision-making and governance capabilities.

(f) Board's Effectiveness Policy

The Board of Directors plays a fiduciary role, guiding the company's strategic direction and long-term goals. As representatives of the shareholders, the Board leverages its integrity and expertise to scrutinize corporate strategies, policies, plans, and major decisions while overseeing and monitoring the management in the interest of DBH's stakeholders.

The responsibilities of the Board include:

- **Strategic Oversight:** Reviewing and approving the overall business strategy and organizational structure, as proposed by management.
- **Alignment of Decisions:** Ensuring that decisions and investments align with long-term strategic goals.
- **Financial Integrity:** Overseeing the company's operations to preserve financial integrity and adherence to approved policies.
- **Audit and Controls:** The Audit Committee ensures the quality and integrity of accounting and financial reporting systems, disclosures, controls, procedures, and internal controls.
- **Risk Management:** Overseeing the establishment and operation of an independent risk management system via the Risk Management Committee, ensuring it is adequately resourced to monitor risks across categories with appropriate reporting lines, and evaluating the quality of risk management processes.
- **Asset Management:** Reviewing transactions involving the acquisition or disposal of material assets.
- **Human Resources:** Ensuring the availability of necessary human resources to achieve objectives and appointing or removing executives/officers as needed.

- **Management Performance:** Reviewing management performance and ensuring that policies and processes promote fair practices and high standards of business conduct.
- **Corporate Values:** Establishing corporate values and standards focused on integrity, honesty, and ethical conduct in all internal and external dealings, including managing potential conflicts of interest.
- **Transparent Reporting:** Providing a balanced and clear assessment of DBH's performance, position, and prospects, including interim and price-sensitive public reports, and fulfilling regulatory reporting obligations.
- **Stakeholder Obligations:** Ensuring that obligations to shareholders and other stakeholders are understood and fulfilled.
- **Record-Keeping:** Maintaining detailed records of all Board and Committee meetings, particularly key discussions and decisions taken.

(g) Risk Appetite of the Board

Risk appetite refers to the level of risk an organization is willing to tolerate in the pursuit of its objectives. At DBH, our risk appetite is defined through a combination of internal policies, guidelines, and frameworks to ensure alignment with our strategic goals, operating environment, and regulatory requirements.

One of the core responsibilities of the Board of Directors is to provide oversight, ensuring that DBH's risk appetite and activities remain consistent with the company's strategic intent, operational environment, effective internal controls, capital sufficiency, and regulatory standards. To assist the Board in this oversight, a dedicated Risk Management Committee is in place to conduct thorough assessments of emerging and principal risks.

Our risk management approach includes regular reviews of credit policies, including product limits, group limits, and regional concentration limits. These policies help define our risk appetite in terms of lending to specific regions, products, or groups. Additionally, we assess sector-specific risks based on global economic trends and local macroeconomic

conditions to ensure that our financing strategies remain within acceptable risk tolerance levels.

Furthermore, periodic reviews of macroeconomic indicators, commodity price trends, and sector-specific financing strategies are conducted to monitor and mitigate risks. This proactive approach allows DBH to remain aligned with its risk appetite while adapting to changing market conditions.

(h) Continuing Training & Development Program of Directors & Annual Appraisal of the Board's Performance

Each Director is expected to make meaningful contributions by leveraging their industry knowledge and understanding of DBH's business model.

The Chairman ensures that all Directors receive a comprehensive, formal, and tailored induction upon joining the Board. This induction is facilitated by senior management and includes:

1. A formal corporate induction that introduces Directors to the Board and provides a detailed overview of DBH's strategy, operational structures, and business activities.
2. Participation in various workshops organized by national and international organizations to enhance their knowledge and capabilities.

Board's Appraisal

Appraising the Board's performance provides clarity on the individual and collective roles and responsibilities of its members. A better understanding of what is expected enables the Board to operate more effectively. Board appraisals can also strengthen the working relationship between the Board and the management.

The appraisal process addresses two broad areas: the "what" and the "how."

1. **What to Appraise:** The Board's ability to define its responsibilities, establish annual objectives, and assess its performance in achieving those objectives. The appraisal also examines the resources and capabilities the Board requires and has at its disposal to fulfill its duties.
2. **How to Appraise:** The methods and processes the Board employs to evaluate its own performance.

Criteria for Evaluation:



1	Membership Accountability and Governance
2	Board-Management Relations
3	Board Operations
4	Legal Responsibilities
5	Planning
6	Financial Overview

By addressing these criteria, DBH aims to ensure its Board continues to operate with maximum effectiveness and alignment with the company's strategic goals.

(i) Directors' Report on Preparation and Presentation of Financial Statements and Corporate Governance

In compliance with the Companies Act, 1994, the Board of Directors is responsible for preparing the financial statements for each accounting year. Additionally, as per the Corporate Governance Code, 2018, the Board is tasked with publishing a comprehensive report on Corporate Governance in the Annual Report.

The Board of Directors acknowledges its accountability for:

1. Preparing financial statements, including quarterly financial statements, that present a true and fair view of the company's financial position and performance.
2. Maintaining adequate records to safeguard the company's assets and prevent or detect fraud and other irregularities.

3. Selecting appropriate accounting policies, applying them consistently, and making prudent judgments and estimates as necessary.

4. Ensuring compliance with all relevant regulatory and legal requirements.

The Board is equally committed to implementing and upholding the highest standards of corporate governance practices, ensuring transparency, accountability, and sustainable growth for the organization.

A detailed statement outlining the Directors' responsibilities for financial reporting and corporate governance is included on page 209 of this Annual Report.

(j) Annual Evaluation of Managing Director & CEO by the Board

The Board of Directors conducts an annual evaluation of the Managing Director & CEO's performance based on predefined goals aligned with the company's vision and mission. At the beginning of each financial year, the Board reviews, discusses, and finalizes the annual financial budget and other job objectives for the Managing Director & CEO.

During the appraisal process, the Board evaluates both financial and non-financial performance metrics, ensuring a comprehensive assessment of the Managing Director & CEO's contribution to achieving the company's strategic objectives.

(k) Board Nomination and Election Process

The Board, as a collective entity, is responsible for deciding on the nomination of any Board member and determining the composition of the Board and its committees.

The Board of Directors of the Company adheres to the provisions of the Finance Companies Act-2023, Bangladesh Bank's DFIM Circular No. 01 dated February 29, 2024, and the conditions outlined in

sections 1.1 and 1.2 of the Bangladesh Securities and Exchange Commission's Corporate Governance Code-2018.

The Board maintains an optimal combination of Non-Executive and Independent Directors. It is composed of six (6) Directors, including four (4) Non-Executive Nominee Directors and two (2) Independent Directors. Additionally, the Managing Director serves as an Executive and ex-officio Director of the Board.

In accordance with DBH's Articles of Association, one-third of the Directors are required to retire from the Board annually, specifically those who have served the longest since their last election. Retiring Directors are eligible for re-election for up to three (3) terms, i.e., a total of nine (9) years, subject to obtaining prior permission from Bangladesh Bank.

Composition of the Board of Directors

- 1. Nominated Non-Executive Directors:** Three institutional sponsors of the Company—BRAC, Delta Life Insurance Company Ltd., and Green Delta Insurance PLC—nominate their representatives in accordance with their quota as stipulated by Bangladesh Bank's DFIM Circular No. 01 dated February 29, 2024. The Board reviews and approves the nominations, subject to final approval from Bangladesh Bank. Upon receiving formal approval from Bangladesh Bank, the Board Members are formally appointed.
- 2. Non-Executive Independent Directors:** Recommendations for highly capable and seasoned professionals are received from various sources. The final approval for such appointments is made during the Board meeting. Currently, appointments are made from the panel of Independent Directors for Finance Companies prepared by Bangladesh Bank, along with nominations from the Finance Companies. These appointments are subject to prior approval from the Bangladesh Securities and Exchange Commission.

Board Composition

2. BOARD SYSTEMS AND PROCEDURES

(a) Board Meetings

The Board of Directors typically convenes at the Company's headquarters in Gulshan, Dhaka. During the reviewed period, the Board held nine meetings.

Meetings are generally scheduled well in advance, with written notices provided to each director. The Board convenes at least once per quarter to review the Company's quarterly performance and financial results. For special or urgent business matters, board approvals are obtained via resolutions circulated as permitted by law, with subsequent confirmation at the following meetings.

Prior to each meeting, directors are provided with comprehensive board papers, agendas, and explanatory notes, accessible in advance through digital platforms. The Chairman facilitates discussions, ensures consensus, and oversees accurate documentation of decisions. Senior management is frequently invited to offer additional insights relevant to board deliberations. Minutes and records are maintained as per the provisions outlined in Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh.

(b) Written Code of Conduct for the Chairperson, other Board Members, and CEO

In its 103rd meeting held on December 27, 2018, the Board adopted a Code of Conduct for the Chairperson, other Board Members, and CEO of the Company, in accordance with Condition No. 1(7) of the Corporate Governance Code – 2018. This code superseded the earlier version approved during the 70th Board Meeting on December 27, 2012, and was introduced to enhance governance standards.

Additionally, the Company adopted separate codes of conduct for management and executives during the 97th Board Meeting held on December 12, 2017, pursuant to the Code of Conduct for Banks & Finance Companies issued by Bangladesh Bank.

For the reviewed year, all directors and members of senior management have affirmed their adherence to the respective codes of conduct.

Ethics and Compliance

The Board is committed to upholding the highest levels of ethics and compliance. DBH reinforces its dedication to these principles through its comprehensive Code of Conduct, which addresses the following key areas:



The complete Codes of Conduct are available on the Company's website at the following links:

- Code of Conduct 2018: https://www.dbhfinance.com/downloads/Code_of_Conduct_2018.pdf
- Code of Conduct for Chairperson: https://www.dbhfinance.com/downloads/Code_of_Conduct_Chairperson.pdf

(c) Attendance in Board of Directors and Committee Meetings

During the financial year under reporting total nine (9) Board Meetings, four (4) Audit Committee Meetings, seven (7) Executive Committee Meetings & two (2) Risk Management Committee Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Attendance at 28 th AGM	Board		Executive Committee		Audit Committee		Risk Management Committee	
		Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended
Mr. Nasir A. Choudhury Ex-Chairman	✓	4	4	-	-	-	-	-	-
Dr. A M R Chowdhury Chairman	✓	9	7	7	7	-	-	-	-
Mr. Syed Moinuddin Ahmed Vice Chairman	✓	9	9	-	-	4	4	2	2
Ms. Mehreen Hassan, Bar- at- Law	✓	4	4	4	4	2	2	-	-
Mr. Khandkar Manwarul Islam	✓	9	5	-	-	4	3	-	-
Mr. Nazir Rahim Chowdhury	✓	9	8	7	7	-	-	2	2
Major General Syeed Ahmed, BP (Retd.)	✓	9	9	3	3	2	2	-	-
Mr. Imran Rahman	✓	6	6	-	-	2	2	2	2
Mr. Nasimul Baten, MD & CEO	✓	9	9	7	7	4	4	2	2

(d) Whistleblower Policy

DBH has implemented a comprehensive Whistleblower Policy that serves as a critical channel for the early identification of corporate fraud or potential risks. This policy ensures employees can report legitimate concerns regarding potential wrongdoing within the organization with the assurance of complete confidentiality. All complaints submitted under this policy are thoroughly investigated and resolved through a structured and formalized process.

(e) Independence of the Chairman of All Board Committees

The Chairmen of the Board Committees are appointed by the Board of Directors. The Board affirms that the Chairmen of all Committees act independently. However, in alignment with DFIM Circular No. 01 dated February 29, 2024, the Board unanimously selected Dr. A.M.R. Chowdhury as the Chairman of the Executive Committee. Dr. Chowdhury also serves as the Chairman of the Board, reflecting the collective trust and confidence of the Board in his leadership.

(f) Expertise and Responsibility of Board Members

The DBH Board comprises Directors with a diverse range of expertise, including finance, economics, management, business administration, marketing, and law. This multidisciplinary composition ensures that the Board formulates effective policies for the growth and development of the business while maintaining the ability to independently and objectively audit and oversee management.

Notably, three Board Members are business graduates, and two Directors hold Ph.D. qualifications. Their combined expertise and qualifications provide the Board with the specialized skills required to navigate corporate regulatory responsibilities and strategic decision-making. Details of the Directors' qualifications and profiles can be found on pages 152-158 of this Annual Report.

(g) Nomination and Remuneration Committee (NRC)

In accordance with Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, the responsibilities of the Nomination and Remuneration Committee (NRC), as required by the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code-2018, have been assigned to the Audit Committee. Consequently, the Audit Committee of DBH Finance PLC is tasked with overseeing and executing the duties and responsibilities of the NRC.

(h) Information Applied to the Board

DBH has adopted a comprehensive Governance Framework that aligns with the guidelines prescribed by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. This framework is designed to ensure adherence to the Code of Best Practices on Corporate Governance

for listed companies and financial institutions, as stipulated in applicable regulations and guidelines issued from time to time.

Related Acts, Regulations and Guidelines:

Sl.	Particulars
1	The Companies Act, 1994;
2	The Financial Institutions Act, 2023;
3	Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 2020;
4	Corporate Governance Code- 2018 and its amendments in 2023 issued by the Bangladesh Securities and Exchange Commission (BSEC);
5	Policies, Procedures, Directives of BB & BSEC;
6	Listing regulations 2015 of Stock Exchanges;
7	Code of Conduct for Banks/FIs issued by Bangladesh Bank.

Related Internal Principles and Guidelines:

Sl.	Particulars
1	Articles of Association;
2	Code of Conduct for the employees & the Board;
3	Board and Board Sub Committee Charters;
4	Different approved Manual like; (i) Policy Statement, (ii) HR Manual, (iii) ICT & ICC Manual (iv) Credit Risk Management Manual, etc.
5	Different relevant circulars issued by Bangladesh Bank and Bangladesh Securities & Exchange Commission

(i) Disclosure of Board Committees

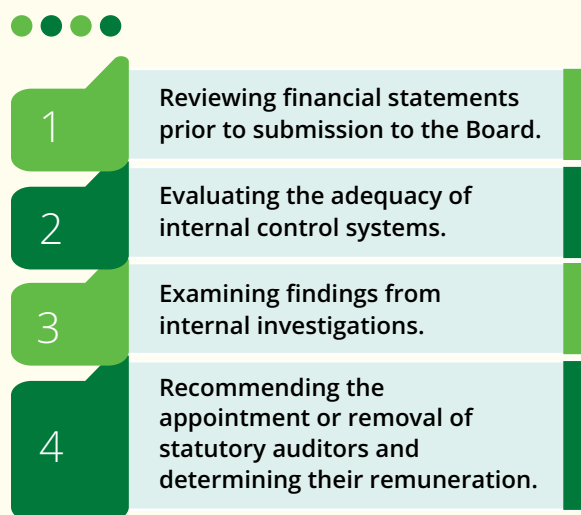
The Board of Directors has constituted three distinct committees, as permitted by the DFIM Circular No. 01 dated February 29, 2024. These committees are the Audit Committee, the Executive Committee, and the Risk Management Committee. These committees enable the Board to focus on specific areas requiring detailed attention and provide a structured approach to assist in fulfilling their duties and responsibilities.

The Board Committees meet regularly and comprise members with the requisite expertise to address and resolve issues efficiently. The minutes of the Committee meetings are shared with the Board of Directors and reviewed during subsequent Board meetings. The Company Secretary serves as the Secretary to all the Committees of the Board.

Detailed information on the composition, meetings, and responsibilities of each Committee is provided below:

Audit Committee

The primary role of the Audit Committee is to oversee the financial reporting process and ensure the disclosure of accurate financial information. Key responsibilities include:

- 
- 1 Reviewing financial statements prior to submission to the Board.
 - 2 Evaluating the adequacy of internal control systems.
 - 3 Examining findings from internal investigations.
 - 4 Recommending the appointment or removal of statutory auditors and determining their remuneration.

Additionally, the Committee fulfills the duties of the Nomination and Remuneration Committee (NRC) as mandated by DFIM Circular No. 18 dated May 21, 2024.

The Audit Committee was last reconstituted on May 16, 2024, in compliance with DFIM Circular No. 01 dated February 29, 2024, issued by Bangladesh Bank, and with condition 4(2) of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code-2018, including its 2023 amendments. All members of the Audit Committee possess the necessary qualifications and expertise in accounting and financial management.

A detailed report on the Audit Committee's activities is available on page 202 of this annual report.

Nomination & Remuneration Committee

In line with Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, the Audit Committee

of DBH Finance PLC has been entrusted with the responsibilities of the Nomination and Remuneration Committee (NRC). This structure ensures alignment with regulatory requirements while maintaining a streamlined governance framework.

The primary responsibilities of the NRC include:

- Recommending policies for the nomination and appointment of Directors and top-level executives
- Defining criteria for recruitment, evaluation, and promotion of employees
- Establishing a fair and transparent remuneration structure aligned with industry standards and company objectives.
- Evaluating the performance of Independent Directors, top-level executives, and other employees.

A detailed report on the Nomination & Remuneration Committee's activities is available on page 204 of this annual report.

Executive Committee

The Executive Committee is authorized to review proposals for loans and advances exceeding the authority delegated to the Managing Director & CEO, up to an upper limit of Tk. 3.00 crore. During the reporting period, the Committee held seven (7) meetings.

The Executive Committee was last reconstituted on January 21, 2025. Its current members are:

- Dr. A. M. R. Chowdhury (Chairman)
- Mr. Nazir Rahim Chowdhury
- Mr. Nasimul Baten (Managing Director & CEO)

Risk Management Committee

The Risk Management Committee oversees risks related to loans, transactions, internal controls and compliance, money laundering, information technology, interest rates, and liquidity. The Committee provides ongoing advice to mitigate these risks on behalf of the Board. During the reporting period, the Committee held two (2) meetings.

The Risk Management Committee was constituted on May 16, 2024, in accordance with DFIM

Circular No. 01 dated February 29, 2024, issued by Bangladesh Bank. Its current members are:

- Syed Moinuddin Ahmed (Chairman)
- Prof. Imran Rahman
- Mr. Nazir Rahim Chowdhury

(j) Role of Company Secretary & His Background

The Company Secretary holds a critical position in advising the Board, primarily through the Chairman, on all governance-related matters. The Company Secretary ensures effective information flow between the Board and its Committees, while also facilitating seamless communication between management and non-executive directors. As a vital link among regulators, stakeholders, and the company, the Company Secretary ensures strict compliance, transparency, and adherence to governance standards in all corporate dealings.

Mr. Jashim Uddin, FCS, serves as the Executive Vice President-Company Secretary and Head of Corporate Affairs at DBH. Since joining the company in December 2007, he has played a significant role in shaping corporate governance practices and fostering robust compliance frameworks. As a Professional Chartered Secretary, Mr. Jashim is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB).

With extensive expertise in Board affairs, Mr. Jashim has gained profound knowledge in organizing and managing Board meetings, General Meetings of shareholders, and various Committee meetings, ensuring that they are conducted in accordance with applicable laws and governance codes. Furthermore, he has acquired specialized expertise in handling Initial Public Offerings (IPOs) and Rights Issues, which has significantly contributed to the successful execution of complex financial transactions during his tenure. Prior to joining DBH, he held key roles at two publicly listed banks, further solidifying his experience in corporate and financial governance.

3. BOARD SYSTEMS AND AUDIT COMMITTEE

(a) Financial Expert in the Audit Committee

The Audit Committee of the Board was last reconstituted on May 16, 2024. All members of the Audit Committee possess the required qualifications

and expertise for appointment to the Committee. They have comprehensive knowledge of accounting and financial management, ensuring effective oversight of financial and governance matters.

(b) Reporting of Internal Auditor to the Audit Committee

The Company's internal control system is commensurate with its size and the nature of its business. This system minimizes operational risks through robust controls, systematic reviews, and ongoing audits. The internal auditors, under the Internal Control and Compliance (ICC) Department, conduct comprehensive audits across all functional areas and operations. Their findings are regularly submitted to the Audit Committee of the Board for review and action.

The Company has also internalized its legal and technical appraisal functions to ensure optimal control. A multi-level authorization structure ensures that significant exposure levels are reviewed and approved by experienced personnel and relevant committees. Training programs and operational guidelines ensure alignment between organizational goals and daily operations.

The Board of Directors holds ultimate responsibility for establishing and maintaining an effective internal control system. This system encompasses financial, operational, and strategic risks, and aims to mitigate these risks while fostering a controlled environment. Regular Board meetings are held with comprehensive agendas that address all major aspects of the business. The ICC Department ensures compliance with organizational policies across different departments.

DBH complies with all mandatory disclosure requirements in its financial statements under the regulatory framework, including adherence to International Financial Reporting Standards (IFRS) as adopted in Bangladesh. The Company ensures timely submission of all reports and statements required by regulators and stakeholders. Additionally, a detailed report on Internal Control is presented on page 200 of this report.

(c) Proportion of Independent Directors in the Audit Committee

The Audit Committee of DBH has been constituted in compliance with the Bangladesh Bank's guidelines on Internal Control and Compliance (ICC) framework,

as per DFIM Circular No. 13 dated October 26, 2011, and DFIM Circular No. 01 dated February 29, 2024. It also adheres to the Bangladesh Securities and Exchange Commission's Corporate Governance Code-2018 dated June 3, 2018.

The Audit Committee was last reconstituted on May 16, 2024, with the following members:

Name	Status in the Committee
Prof. Imran Rahman	Independent Director, Chairman
Mr. Syed Moinuddin Ahmed	Member
Mr. Khandkar Manwarul Islam	Member

Mr. Jashim Uddin, FCS, the Company Secretary, serves as the Secretary to the Audit Committee. The Head of Internal Audit concurrently reports to both the Managing Director & CEO and the Audit Committee, ensuring accountability and transparency.

(d) Report by the Audit Committee to the Board about Matters Related to Conflict of Interest

The Audit Committee reports directly to the Board of Directors and, under specific circumstances, can also report to the Bangladesh Securities and Exchange Commission (BSEC).

The Audit Committee is required to report to the Board of Directors immediately in the following cases:

- 1 Conflict of interest;
- 2 Suspected or presumed fraud, irregularities, or material defects in the internal control system;
- 3 Suspected infringement of laws, including securities-related laws, rules, and regulations; and
- 4 Any other matter requiring immediate disclosure to the Board.

No such issues were identified at DBH during the year that ended on December 31, 2024.

(e) Presence of the Chairman of the Audit Committee at the AGM

The Chairman of the Audit Committee, being an Independent Director, was present at the 28th Annual General Meeting of the Company held on May 16, 2024, to address shareholder queries and provide updates on the Committee's activities.

4. TRANSPARENCY & DISCLOSURE COMPLIANCE

(a) Particulars of Purchase/ Sale of Goods/ Materials/ or Services by the Company for/ to Directors and/ or their Relatives etc.

During the financial year ended December 31, 2024, there were no transactions involving the purchase or sale of goods, materials, or services between DBH and its Directors or their relatives.

(b) Disclosure in the Annual Report about Related Party Transaction

All related party transactions were conducted on an arm's length basis in the ordinary course of business. Details of these transactions are provided in Note 40 of the Financial Statements on page 263 of this Annual Report.

(c) Disclosure regarding Compliance with IFRS

In accordance with the Bangladesh Securities & Exchange Commission's (BSEC) Corporate Governance Code-2018, the Board of Directors confirms compliance with the financial reporting framework under International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh. Any deviations from these standards have been duly disclosed.

(d) Disclosure regarding Compliance of ICSB Secretarial Standards

DBH has adhered to the applicable Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh (ICSB).

(e) Adverse Remarks in the Auditors' Report

The Statutory Auditors' report for 2024 contained no adverse remarks or qualifications regarding DBH's financial statements and operations.

(f) Certification of Annual Financial Statements by the CEO & CFO

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have provided an annual certification to the Board of Directors in accordance with Condition No. 3(3)(C) of the BSEC Corporate Governance Code-2018.

(g) Presentation of Financial Statements on the Website

DBH's financial results and official news releases are published on the company's website, as well as on the websites of the Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

(h) Information Relating to Compliance Certificate

M/s. SARashid & Associates, Chartered Secretaries, have certified that DBH has complied with the Corporate Governance Code-2018 of BSEC and its relevant amendments. This certificate is included as an annexure to the Corporate Governance Report in this Annual Report.

(i) Disclosure Made to the Prospective Foreign/ Local Investors

DBH ensures compliance with regulatory requirements by making all necessary financial disclosures in accordance with IFRS, as adopted in Bangladesh. The company regularly submits required reports and statements to regulators and stakeholders. These disclosures, including price-sensitive information, are made available on DBH's website and the websites of the Dhaka and Chittagong Stock Exchanges for prospective foreign and local investors. Additionally, key company information, such as the list of Directors and Financial Statements, is displayed on notice boards at all DBH branches as required by Bangladesh Bank.

(j) Disclosure Pertaining to the Remuneration Package of Directors in the Annual Report

As per Bangladesh Bank guidelines, Directors of Financial Institutions (except Independent Directors) are not entitled to any remuneration other than fees for attending Board and committee meetings.

- Bangladesh Bank, through DFIM Circular No. 02 dated March 13, 2024, has permitted financial institutions to pay Independent Directors a maximum monthly remuneration of Tk. 50,000/- (after deducting income tax). DBH complies with this directive.
- Additionally, as per DFIM Circular No. 01 dated February 29, 2024, the maximum meeting attendance fee has been set at Tk. 10,000/- per meeting per Director. DBH adheres to this regulation.
- The attendance details and remuneration of Directors for Board and committee meetings are presented in Annexure II of the Directors' Report. The remuneration amounts are also disclosed in Note No. 28 of the audited financial statements.

5. TRANSPARENCY AND INTERNAL AUDIT FUNCTIONS**(a) Establishment of an Internal Audit Department**

DBH maintains an internal control system that aligns with its size and business operations. This system mitigates operational risks through effective controls, systematic reviews, and ongoing audits. The Internal Control and Compliance Department reports directly to the Board Audit Committee, ensuring compliance with organizational policies across departments.

The internal audit team conducts comprehensive audits across all functional areas and operations, with their findings being reviewed by the Audit Committee of the Board.

(b) Roles and Responsibilities of the Head of Internal Audit

The Head of Internal Audit (HIA) plays a crucial role in ensuring adequate assurance regarding the effectiveness of internal controls, risk management, and governance. To uphold proper governance, the HIA has direct, unrestricted access to the accountable officer, operates under a service-level

agreement, and works in collaboration with a strong Audit Committee. The key responsibilities of the HIA include:



- 1 Overseeing financial reporting, including disclosures
- 2 Ensuring robust internal controls
- 3 Conducting internal audits
- 4 Monitoring compliance with ethical and regulatory requirements, ensuring independence and objectivity
- 5 Coordinating with external auditors for statutory audits
- 6 Implementing and monitoring remedial actions

(c) Directors' Responsibility for Establishing Internal Controls

DBH is committed to maintaining a strong internal control system, which is periodically reviewed, evaluated, and updated. The Internal Audit Department conducts regular audits to ensure that company policies and procedures are consistently followed. A detailed Statement of Directors' Responsibility for Internal Controls is presented on page 209 of this report.

(d) Review of Internal Control System Adequacy

DBH upholds a comprehensive internal control system covering key areas such as operations, financial reporting, fraud prevention, and regulatory compliance. These controls adhere to principles of good governance and incorporate a framework of checks and balances. The company ensures an effective internal control framework across its operations to:

- Safeguard assets

- Enhance reliability in financial and operational reporting
- Ensure regulatory compliance
- Authorize transactions appropriately
- Adhere to internal policies and guidelines

The internal audit function follows a risk-based approach, conducting routine audits across all branches and offices. These assessments evaluate the adequacy and effectiveness of internal controls, policy adherence, and compliance with regulatory requirements. Audit findings are periodically presented to the Board Audit Committee.

The Audit Committee actively reviews the effectiveness of internal control mechanisms and recommends enhancements to align with evolving business requirements.

(e) Internal Audit Reports to the Audit Committee

The Internal Audit Department conducts extensive audits across all functional areas and operations. Their reports and findings are submitted to the Audit Committee of the Board for appropriate action and review.

6. SHAREHOLDERS INFORMATION & VALUE ENHANCEMENT

Patterns of shareholdings as on 31st December 2024 are given below:

Based on Shareholders types:

Group Name	No. of Share holders	No. of Shares	Percent (%)
Sponsors/ Directors	5	102,072,758	51.32
General Public	9,089	34,662,691	17.43
Financial Institutions & Other Companies	284	54,727,997	27.52
Foreign Investors	7	7,426,725	3.73
Total:	9,385	198,890,171	100.00

(a) Shareholding by Parent, Subsidiary, Associated Companies, and Related Parties

The shareholding details of each Sponsor of the Company are presented on page 13 of this Annual Report.

(b) Shares Held by Directors, Executives, and Their Relatives

Information regarding shares held by Directors, Executives, and their relatives is disclosed on page 13 of this Annual Report.

(c) Shareholding of Ten Percent (10%) or More Voting Interests

Details of shareholders holding 10% or more of the voting interests in the Company are provided on page 13 of this Annual Report.

(d) Redressal of Investor Complaints

The Corporate Affairs Department of DBH is responsible for addressing shareholder and investor complaints related to share transfers, transmissions, non-receipt of annual reports, dividends, and other share-related matters. The department also monitors the monthly status of shares in both physical and dematerialized forms.

(e) Company Growth and Net Worth Over the Last Five Years

DBH Finance PLC has experienced consistent growth in its net worth over the past five years. Key operating and financial data for the past five years are detailed under the “Operational and Financial Highlights” section on page 21 of this Annual Report.

(f) Cash and Stock Dividends for the Last Five Years

Since its establishment in 1997, DBH has been consistently paying dividends to shareholders since 2000. The historical record of dividend payments and details of unclaimed dividends are presented on pages 26 and 182 of this Annual Report.

(g) Earnings Per Share (EPS) for the Last Five Years

For the year 2024, Earnings Per Share (EPS) stood at Tk. 5.07 compared to Tk. 4.95 in the previous year.

The EPS for the last five years is presented under “Operational and Financial Highlights” on page 21 of this Annual Report.

(h) Periodic Reminders for Unclaimed Dividends

DBH actively engages with shareholders regarding unpaid or unclaimed dividends throughout the year via the Share Department. Communication is conducted using available addresses to ensure proper dividend disbursement.

(i) Shareholders’ Satisfaction and Market Value Added (MVA) Statement

The Market Value Added (MVA) Statement provides insights into the Company’s performance as assessed by capital market investors. This statement, which illustrates the difference between the market value of the Company and investor-contributed capital, is included on page 28 of this Annual Report.

(j) Communication with Shareholders

As key stakeholders, shareholders receive regular updates from DBH through multiple communication channels, including stock exchanges, face-to-face meetings, the Company website, and print media.

7. STAKEHOLDER VALUE ENHANCEMENT

Identifying stakeholders is crucial to understanding the expectations of DBH Finance PLC and effectively delivering value to meet those expectations. While shareholders, customers, developers, depositors, suppliers, employees, and the government form the core group of stakeholders, DBH also recognizes regulators, the local community, and environmentally conscious organizations as integral parts of its stakeholder ecosystem.

A comprehensive Stakeholder Analysis is presented on page 79 of this report.

(a) Policy to Encourage Employee Participation in Management

At DBH, employees are regarded as the company’s most valuable asset and play a critical role in driving its continued success. As key stakeholders, employees aspire to grow alongside the company and develop their careers while contributing to DBH’s progress.

DBH fosters a culture of participation, where officers, executives, and management personnel actively engage in decision-making. The company upholds the principles of individual opportunity, responsibility, and merit-based rewards to ensure a dynamic and motivated workforce.

(b) Timely Payments to Vendors

DBH is committed to maintaining strong business relationships with service providers and material suppliers. The company ensures timely payments to vendors in accordance with its procurement policy, reinforcing trust and reliability within its supply chain.

(c) Timely Payment of Taxes to the Government

As a responsible corporate entity, DBH diligently fulfills its tax obligations, including Income Tax, VAT, and Excise Duty, in a timely manner. The company's contributions to the national exchequer are detailed on page 148 of this report.

(d) Disputes or Defaults Related to Government Taxes

Any disputes or defaults concerning government tax payments are disclosed under Contingent Liabilities on page 258 of this report.

(e) Supply Chain Management Policy

DBH follows a comprehensive internal procurement policy, ensuring transparency, fairness, and strong supplier relationships. The policy is regularly reviewed and upgraded to maintain efficient supply chain management and uphold ethical business practices.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

(a) CSR Policy

DBH Finance PLC's Corporate Social Responsibility (CSR) policy has been approved by the Board of Directors in alignment with Bangladesh Bank's Guidelines on CSR. The policy is designed to engage the institution in a broad range of direct and indirect CSR activities, including:

- Humanitarian relief and disaster response
- Enhancing opportunities for disadvantaged communities in healthcare, education, and environmental sustainability
- Climate change adaptation and greening initiatives

A detailed report on Corporate Social Responsibility is available on page 144 of this annual report.

(b) Forestation and Tree Plantation Initiatives

As an environmentally responsible institution, DBH has launched a Go Green campaign to promote sustainability.

- DBH ensures that borrowers obtain environmental clearance certificates from the relevant authorities before granting or renewing credit facilities.
- Environmental and social risks are assessed for each project before loan approval, demonstrating DBH's commitment to sustainability and social accountability.

(c) Policy Against Child Labor in Partnered Developments

DBH strictly prohibits the employment of child labor in any project it finances.

- Loan approvals for developers and clients are subject to verification that they do not engage in or support child labor practices.

(d) Employee & Family Participation in Community Welfare

DBH actively encourages employee participation in community welfare initiatives.

- DBH employees have volunteered in relief distribution among the last years devastated flood victims in Feni, Bangladesh.

(e) CSR Program Initiatives

As a socially responsible financial institution, DBH allocates a portion of its profits toward CSR activities. The company prioritizes initiatives that align with its core values and operational principles, in accordance with Bangladesh Bank's CSR guidelines. These include:

- Promoting education across the country
- Providing preventive and curative healthcare support
- Supporting climate-vulnerable regions through environmental and climate change programs

9. CORPORATE OBJECTIVES, GOVERNANCE INITIATIVES, AND RECOGNITIONS**(a) Awards for Corporate Governance**

DBH Finance PLC has consistently been recognized for its excellence in corporate governance. The company has won:

- Four consecutive Gold Awards in the 6th, 7th, 8th, and 9th ICSB National Awards in the NBFI category, reflecting its commitment to corporate governance best practices.
- Bronze Award in the ICSB National Award for the published Annual Reports of 2022 and 2023
- Silver Award in the ICMAB Best Corporate Award 2023.
- ICAB National Award for Best Presented Annual Reports in 2022.

(b) Vision and Mission Statement

The Vision and Mission Statement of DBH Finance PLC is presented on page 11 of this Annual Report.

(c) Overall Strategic Objectives

The strategic objectives of the company are detailed on page 12 of this Annual Report.

(d) Core Values and Ethical Principles

The core values and ethical principles, including the company's Code of Conduct, are outlined on page 10 of this Annual Report.

(e) Code of Conduct

DBH's Code of Conduct for non-executive directors, independent directors, and senior management is fully aligned with the requirements of:

- Bangladesh Bank (BB)
- Bangladesh Securities and Exchange Commission (BSEC)

The Code of Conduct is available on the company's website, and all directors and senior management members have affirmed their adherence to its provisions.

(f) Directors' Profiles and External Representations

The brief resumes of the Directors are included on pages 152 to 158 of this Annual Report. Additionally, their representation on the boards of other companies and organizations is detailed in Note 42.1 of the Financial Statements.

10. TIMELINESS IN ISSUING FINANCIAL STATEMENTS AND HOLDING AGMs

DBH holds a General Meeting of members once a year and the meeting is held within 6 (six) months of completion of the respective financial year, as per the guidelines of BSEC as well as the permitted time limit of the Companies Act- 1994. The Company ensures effective interaction with the members at the Annual General Meeting. The Directors pay special attention to answering the various queries raised by the members at the Annual General Meeting.

As required under “Bangladesh Secretarial Standard-2” issued by ICSB, particulars of the last three Annual General Meetings are disclosed hereunder:

28th Annual General Meeting:

Date & Time: May 16, 2024, at 11:00 AM

Participants: 58 Shareholders which represent 138,265,313 shares or 69.52% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

- (i) Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2023, and the Auditors’ Report thereon;
- (ii) Dividend @ 15% (cash);
- (iii) Appointment/re-appointment of Directors;
- (iv) Appointment of M/S Hoda Vasi Chowdhury, Chartered Accountants as statutory auditors, and appointment of M/S. SARashid & Associates, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC’s Corporate Governance Code - 2018.

28 th AGM E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	Tuesday, April 09, 2024	Wednesday, May 15, 2024 (11:00 a.m.)	Thursday, May 16, 2024 (11:36 a.m.)	All the agenda are approved by around 100% votes.

27th Annual General Meeting:

Date & Time: May 18, 2023, at 11:30 AM

Participants: 107 Shareholders which represent 134,806,543 shares or 69.13% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

- (i) Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2022, and the Auditors’ Report thereon;
- (ii) Dividend @ 17% (@ 15% cash & 2% stock);
- (iii) Appointment/re-appointment of Directors;
- (iv) Appointment of M/S Hoda Vasi Chowdhury, Chartered Accountants as statutory auditors, and appointment of M/S. SARashid & Associates, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC’s Corporate Governance Code - 2018.

27 th AGM E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	Tuesday, April 18, 2023	Wednesday, May 17, 2023 (11:30 a.m.)	Thursday, May 18, 2023 (12:00 p.m.)	All the agenda are approved by around 99.99% votes.

Extra-ordinary General Meeting-2022:

In addition to the 26th AGM, the shareholders met in another meeting (Extra-ordinary General Meeting-2022) held virtually by using the digital platform on Wednesday, October 26, 2022, at 12 pm and approved the proposed amendments in the Memorandum and Articles of Association of the Company by inserting a new Object Clause (object clause no. 53) in the Memorandum of Association and a new Article (Article No. 104) in the Articles of Association of the company, to carry on the business and monetary services supported by Islamic Shari’ah besides the conventional financing business.

EGM - 2022 E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	Wednesday, August 31, 2022	Tuesday, October 25, 2022 (12:00 p.m.)	Wednesday, October 26, 2022 (12:14 p.m.)	All the agenda are approved by around 99.99% votes.

26th Annual General Meeting:

Date & Time: April 17, 2022, at 11:30 AM

Participants: 73 Shareholders which represent 89,173,027 shares or 56.74% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

- (v) Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2021, and the Auditors' Report thereon;
- (vi) Dividend @ 25% (@ 15% cash & 10% stock);
- (vii) Appointment/re-appointment of Directors;
- (viii) Appointment of M/S ACNABIN, Chartered Accountants as statutory auditors, and re-appointment of M/s. ARTISAN, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC's Corporate Governance Code - 2018.

26 th AGM E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	Tuesday, March 22, 2022	Saturday, April 16, 2022 (11:00 a.m.)	Sunday, April 17, 2022 (12:00 p.m.)	All the agenda are approved by around 99.99% votes.

11. DELEGATION OF AUTHORITY

DBH Finance PLC has a well-defined delegation of authority framework for sanctioning loans, operational expenses, and capital expenditures. This framework establishes clear task authority relationships, ensuring accountability and efficiency in decision-making. The Board has empowered designated personnel to implement its policies and guidelines, supported by robust review and monitoring processes.

12. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

DBH Finance PLC has complied with all mandatory requirements of the Corporate Governance Code-2023, issued by the Bangladesh Securities and Exchange Commission (BSEC).

M/s. SARashid & Associates, Chartered Secretaries, have certified that the Company adheres to the stipulated conditions of corporate governance, with any exceptions noted in the remarks column annexed on page 184 of this report.

13. RISK MANAGEMENT

DBH Finance PLC is committed to delivering high value to its stakeholders by maintaining an optimal risk-return balance. The company has established a comprehensive and proactive risk management framework to address key risk areas, including:



A detailed discussion on Risk Management is provided in Note 2.45 of the Financial Statements on page 237 of this report.

14. GOING CONCERN

The Board is confident that DBH Finance PLC has adequate financial resources to sustain operations for the foreseeable future. Accordingly, the financial statements have been prepared under the going concern assumption.

A separate statement on Going Concern is presented on page 207 of this report.

Additionally, after reviewing the BSEC Corporate Governance Code-2018 and its subsequent amendments, the Board has issued and signed a Declaration of Compliance, which has been annexed to this report.

15. DIVIDEND DISTRIBUTION POLICY

In compliance with BSEC Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, DBH Finance PLC has adopted a Dividend Distribution Policy, approved by the Board of Directors.

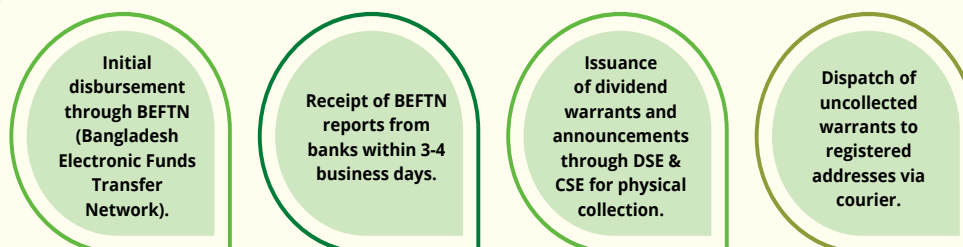
DBH ensures strict adherence to all Bangladesh Bank and BSEC directives and circulars regarding dividend distribution and management.

The policy outlines the criteria for dividend recommendations by the Board for each financial year. The full Dividend Distribution Policy is available on the company's website and can be accessed at:

https://dbhfinance.com/downloads/Dividend-Distribution-Policy_v2.pdf

16. SUMMARY OF UNPAID OR UNCLAIMED DIVIDENDS

DBH strives to complete dividend distribution efficiently within the prescribed timelines. The process includes:



Despite these efforts, some warrants remain undistributed due to incorrect address details provided by shareholders in their BO setup.

Transfer of Unclaimed Dividends to CMSF

As per BSEC Directive No. SEC/SRMIC/165-2020/part-1/166, unclaimed dividends older than three years must be transferred to the Capital Market Stabilization Fund (CMSF). DBH has been regularly transferring such funds for the past three years, with the latest transfer completed on June 5, 2023

Unpaid/Unclaimed Cash Dividend Summary (As of December 2024)

Aging Period	Amount (BDT)
Up to 1 year	1,026,759.26
Over 1 year but within 3 years	2,211,853.67
Over 3 years but within 4 years	346,911.67
Interest received from Bank	1,983,382.47
Total	5,568,907.07

Unpaid/Unclaimed Stock Dividend Summary (As of December 2024)

Since its Initial Public Offering (IPO) in 2008, DBH has distributed all stock dividends via CDBL (Central Depository Bangladesh Limited). However, stock dividends remain undistributed for six shareholders.

Aging Period	No. of Shares
Up to 1 year	0
Over 1 year but within 3 years	830
Total	830

DBH Finance PLC remains committed to the highest corporate governance standards. Through transparent leadership, regulatory compliance, and strategic oversight, we continue to enhance stakeholder value and ensure long-term financial stability.

Dr. A M R Chowdhury

Chairman
DBH Finance PLC

DBH Finance PLC.
Declaration by CEO and CFO
Annexure-A
 [As per condition No. 1(5) (xxvi)]

Date: May 05, 2025

The Board of Directors
 DBH Finance PLC.
 Landmark Building (9th Floor)
 12-14 Gulshan North C/A, Gulshan-2
 Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31st December, 2024.

Dear Sir(s),

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. SEC/ CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of DBH Finance PLC. for the year ended on 31st December, 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December, 2024 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Nasimul Baten
 Managing Director & CEO



Md. Abdul Ahad, FCA
 Chief Financial Officer

Certificate of Compliance with Corporate Governance Code

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

SARashid & Associates (Chartered Secretaries)

Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
Phone : +88 02 22 33 83 847, +88 01 755 944 966
E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

S. Abdur Rashid FCS

MBS, MBA (Finance), PGDHRM, LLB, FIPM
Chartered Secretary in Practice
Private Practice Certificate No.: 003

Report to the Shareholders of DBH Finance PLC. on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by DBH Finance PLC. for the year ended on 31 December 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column of the Statement on Status of Compliance of the Code;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act 1994, the securities laws and other relevant laws;
and
- The Governance of the Company is satisfactory.



Place : Dhaka
Dated : 21 May 2025

For
SARashid & Associates


S. Abdur Rashid FCS
Chartered Secretary in Practice

Status of Compliance with Corporate Governance Code

Annexure-C

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRC/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1(1)	Size of the Board of Directors: The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)	✓		
1(2)	Independent Directors:			
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	✓		
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director--			
1(2)(b)(i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and			
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		Vacancy: December 27, 2024 New Appointment: April 30, 2025 Delayed due to Change in policy by Bangladesh Bank.
1(3)	Qualification of Independent Director:			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non- executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1(5)	The Directors' Report to Shareholders:			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name- wise details where stated below) held by :-	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;`	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on :-			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		Page-110
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Page-69
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		Page-69
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.			Shall always be carefully followed

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		Code of Conduct (COC) has been laid down by the Board
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The COC, as laid down by the Board, has been posted on the website
2.	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):			
3(1)	Appointment:			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		CEO & CS remains throughout the meeting of the Board. CFO & HIAC attends at the time of consideration of related agenda items.
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief :			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	BOARD OF DIRECTORS' COMMITTEE:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee	✓		As per Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, the Audit Committee of the Company performs the duties of NRC
5.	AUDIT COMMITTEE:			
5(1)	Responsibility to the Board of Directors:			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)	Constitution of the Audit Committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			N/A
5(6)	Reporting of the Audit Committee:			
5(6)(a)	Reporting to the Board of Directors:			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6) (a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	NOMINATION AND REMUNERATION COMMITTEE (NRC):			
6(1)	Responsibility to the Board of Directors:			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		Pursuant to Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, Audit Committee performs the role of NRC
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	Constitution of the NRC:			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.	EXTERNAL OR STATUTORY AUDITORS:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.	MAINTAINING A WEBSITE BY THE COMPANY:			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Annexure-D

Statement of compliance with the good governance guidelines issued by the Bangladesh Bank.

Bangladesh Bank vide, DFIM Circular No. 7, dated 25 September 2007, issued a policy on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines.

A status report on compliance with those guidelines is stated below:

SL. No.	Particulars	Status of Compliance
1.	Responsibilities and authorities of the Board of Directors:	
	The Board of Directors should focus mainly on the policy matters and evaluation of the performance of the institution, such as:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	(b) Formation of sub-committee:	
	Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee, Audit Committee and Risk Management Committee, no other committee or sub-committee can be formed, even in temporary basis.	Complied
	(c) Financial management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied

SL. No.	Particulars	Status of Compliance
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extent shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(d) Management of loan/lease/investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/ lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied
	(e) Risk management:	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(f) Internal control and compliance management:	
	An Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditors, external auditors and Bangladesh Bank Inspection team as well.	Complied
	(g) Human resource management:	
	Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied
	Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied

SL. No.	Particulars	Status of Compliance
	(h) Appointment of CEO:	
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(i) Benefits offer to the Chairman:	
	For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board.	Complied
	Responsibilities of the Chairman of the Board of Directors:	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
	(b) The minutes of the Board meetings shall be signed by the Chairman;	Complied
	(c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
	Responsibilities of Managing Director:	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied
	(c) All recruitment/promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees	Complied
	(e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vested to the Managing Director.	Complied
	(f) Managing Director shall sign all the letters/ statements relating to compliance of policies and guidelines. However, Departmental/ Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by MD.	Complied

Report on Internal Control

Internal Control & Compliance

Financing is a diversified and multifarious monetary activity which involves different types of risks. An effective internal control and compliance system has become essential in order to underpin effective risk management practices and to ensure smooth performance of the finance/bank industry.

DBH has the adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal control systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances.

The aim of internal control is to provide reasonable assurance, by means of system of processes and procedures implemented by DBH, that the following objectives may be achieved:

- Determine the reliability and integrity of information; (i.e. evaluating the internal control systems and the integrity of financial and operating information produced by those systems);
- Determine whether compliance exists with policies, procedures, laws, and regulations;
- Determine if assets are safeguarded and verify the existence of those assets;
- Review operations or programs for consistency with established management goals and objectives;
- Assist executives of the company in the effective and successful performance with analyses, appraisals, recommendations, and other pertinent information concerning the activities being reviewed.

DBH ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions

as per the authorisation and compliance with the internal policies of the Company.

Internal control procedure

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

The key operations and the internal control procedures are described below:

Financial and accounting information:

With view to ensure safe, secure, stable & effective transaction processing, Finance & Accounts Department of DBH is working with utmost efficiency & professionalism.

Financial and accounting information is prepared centrally on the basis of financial statements generated from the software application that is used by different departments and is in compliance with the IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) as adopted by the ICAB (Institute of Chartered Accountant of Bangladesh) from time to time.

Reports are produced monthly and prepared in the following month to which they relate whereas full accounting consolidations are produced quarterly and prepared within the following month to which they relate. The preparation of the annual financial statements is the responsibility of the Management under the supervision of the Audit Committee and Company's Auditor. The quarterly & half-yearly Financial Statements are prepared by the Management under the supervision of Audit Committee.

External financial information

Financial communication to external parties consists of financial statements prepared by the Management, submitted to the Board and reviewed and audited by the Auditors.

Cash position and financing

Responsibility for fund management is delegated to the treasury wing of the finance department by means of well-defined procedures and delegation.

The finance & accounts department is responsible for borrowings and investment which is required to comply with specific procedures such as, position of the banks involved, risk-free investment and monitoring of financial transactions.

Borrowings and investments are monitored on the monthly basis by means of report produced by the treasury and finance & accounts department and submitted to Senior Management.

Procedures and inspections

With the objectives of producing high quality financial and accounting information, DBH has introduced procedures and instructions tailored to every section. These procedures are grouped by topic and deal mainly with accounting, treasury, regulatory and reporting issues.

The internal control & compliance department is independent from management. It audits the activities and systems of different departments in accordance with an audit plan, particularly in order to assess and improve the accuracy and reliability of the accounting and financial information.

The internal control & compliance department coordinates relations with external auditors.

Customer relation

With the aims of specifying and formalizing certain practices regarding contractual relations with its clients, DBH has developed a procedure for managing client risk. This includes limit in respect of credit, delegation of authority, security, insurance and documentation.

The legal department analyses the legal provisions applicable to financing agreements executed between DBH and the clients. We have standard documents defining the conditions with which the agreements should comply in order to reduce the level of risk. These standard documents are regularly reviewed by the concerned departments.

Human resources

Human resources department develop and oversight the implementation of code of conduct of the organization. Create awareness and good governance across the company, identify the scopes where efficiency of employee can be developed and arrange appropriate training in this regards, amend existing policies and procedures as per requirements, Evaluate and reward the respective employees for integrity and good work. It carries out the performance evaluation program in each year. This department provides industry information to the management regarding the emolument and benefits. Human Resources department is responsible for ensuring compliance with the service rules and regulations. The internal control & compliance department oversight the aforementioned activities are executed in proficient manner.

Information technology

The Information Technology Department is responsible for integrating and ensuring the consistency of the hardware and software availability and IT peripherals are efficiently used & managed. In DBH, most data processing is carried out by means of integrated software packages. Network firewall in the form of both hardware and software are implemented within the system and additional IDS (Intrusion Detection System) also deployed to encounter unwanted intruders within the system. All the in-house developed application modules and database are stored in a safe custody on daily, weekly and monthly basis at within and outside business premises. The internal control & compliance department periodically review the IT resources are utilized in an efficient manner and overall economic benefit is utilized.

Audit Committee Report

The Audit Committee of DBH undertakes oversight responsibilities on behalf of the Board of Directors by reviewing the financial reporting process, the system of internal controls, the audit process, the management of financial risks, the process of monitoring compliance with the laws and regulations in force, and its code of business conduct. The Committee also strives to maintain strong oversight and monitoring in the following area:

- Oversee the disclosure of financial information to ensure that the financial statements are correct and credible;
- Recommend to the Board the appointment and re-appointment of the statutory auditor and the fixation of audit fees;
- Review the quarterly, half-yearly, and annual financial statements with the management before submission to the Board for approval;
- Review the reports of the Internal Control and Compliance Department.

Composition of the Committee

DBH's Audit Committee has been formed in accordance with the relevant guidelines of Bangladesh Bank (DFIM Circular No. 1 dated February 29, 2024), and Bangladesh Securities and Exchange Commission (Corporate Governance Code 2018), including all relevant updates.

The Board of Directors has been very meticulous in the formation of the Audit Committee, which

consists of three members. All the members are experienced and have sound knowledge in finance and accounts and also possess the required qualifications in keeping with the spirit and objectives as laid down in the regulatory directives:

The current Audit Committee was reconstituted on May 16, 2024 with the following members.

Name	Status in the Committee	Status in the Board
Prof. Imran Rahman	Chairman	Independent Director
Mr. Syed Moinuddin Ahmed	Member	Director
Mr. Khandkar Manwarul Islam	Member	Director

Mr. Jashim Uddin, Company Secretary, is the Secretary of the Audit Committee. The Head of Internal Audit reports to the Audit Committee while also keeping the Managing Director and CEO informed.

Activities of the Audit Committee during the year

The Committee normally meets quarterly but can meet on more occasions if required. During the period under review, the Committee held four meetings. In these meetings, the Committee (a) reviewed the financial reporting process, the system of internal control, and the management of financial and operational risks through the audit process, (b) evaluated all the quarterly accounts prior to their placement in the respective board

meetings, and (c) recommended the appointment of the Statutory Auditors for the year 2024.

The Audit Committee also reviewed the annual accounts for the period of January 1, 2024, to December 31, 2024, and recommended to the Board of Directors that the accounts present a true and fair view of the activities and financial status of the company and that the company's assets are safeguarded properly, in compliance with the company's, in compliance with internal control and compliance procedures.

Role as the Nomination and Remuneration Committee (NRC)

The Audit Committee is also authorized to perform the duties of DBH's Nomination and Remuneration Committee (NRC). In this capacity, the Committee is responsible for:

- Formulating the criteria for determining qualifications, positive attributes, and independence of directors;
- Recommending policies on remuneration packages for directors and senior management;
- Ensuring the appropriate mix of skills and expertise in the Board and senior management positions;

- Evaluating the performance of Board members and key managerial personnel.

During the year, the Committee reviewed and assessed Ms. Farah Kabir, Country Head of ActionAid Bangladesh, and Ms. Marina Tabassum, Professor at Delft University of Technology, for the position of Independent Director. Following a detailed evaluation, the Committee selected Ms. Kabir.

Reporting to the Board and the Shareholders

Following each meeting, the Committee reports to the Board and provides copies of the meeting minutes. It also provides a report annually to the Board and shareholders.

Acknowledgement

The Audit Committee expresses its sincere thanks to the members of the Board, management, and the statutory auditors for their support in carrying out its duties and responsibilities effectively.



Prof. Imran Rahman
Chairman
Audit Committee

Report of Audit Committee as Nomination and Remuneration Committee (NRC)

In compliance with the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code 2018, every listed company is required to establish a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. However, being a finance company regulated by Bangladesh Bank, DBH Finance PLC is not required to form a separate NRC. Instead, the Audit Committee has been entrusted with performing the duties and responsibilities of the NRC in accordance with Bangladesh Bank's DFIM Circular Letter No. 18, dated May 21, 2024.

Purpose and authority of the committee

The NRC assists the Board in establishing policies for a structured and continuous process of determining the remuneration and honorarium for Independent Directors and top-level executives. Additionally, the NRC provides strategic guidance to management in assessing the company's workforce requirements at various levels and in defining criteria for employee selection, transfer, replacement, and promotion.

This report has been prepared in accordance with the Corporate Governance (CG) guidelines of the Bangladesh Securities and Exchange Commission and outlines the nomination and remuneration policies, evaluation criteria, and activities of the NRC.

Terms of reference

The NRC operates under a charter formulated primarily in alignment with BSEC's CG guidelines while incorporating global best practices. The Committee carries out its responsibilities as delegated by the Board of Directors.

Roles and responsibilities

The NRC functions with clearly defined terms of reference, ensuring that the company's nomination and remuneration policies adhere to market standards while meeting its present and future needs. The broad criteria for directors, top-level executives, and other employees are as follows:

A) Nomination Criteria

- Compliance with company policies, applicable regulations, and country-specific guidelines.
- Adoption of a transparent and merit-based selection process.
- Adherence to international standards and local best practices.
- Recognition of core competencies for various management and employee levels.
- Consideration of diversity in age, maturity, qualification, expertise, and gender.

B) Recruitment and Selection Guidelines

The NRC Charter provides an overarching framework for identifying workforce requirements at different levels, as assessed by management. Recruitment and selection of directors, top-level executives, and other employees follow these guidelines:

- **Non-Executive Directors:** The NRC recommends candidates based on nominations from institutional shareholders. The Board appoints Non-Executive Directors upon NRC recommendation, in compliance with Bangladesh Bank's DFIM Circular No. 01 dated February 29, 2024, DFIM Circular Letter No. 09 dated April 16, 2025 and subject to a No Objection Certificate (NoC) from Bangladesh Bank.
- **Independent Directors:** Independent Directors must be individuals of integrity with expertise in financial law, regulatory compliance, and corporate governance. They should possess sector-specific competence and meet the qualifications prescribed by Bangladesh Bank and BSEC. The Board appoints Independent Directors based on NRC recommendations, following Bangladesh Bank's DFIM Circular No. 02 dated March 14, 2024, and subject to NoC from both Bangladesh Bank and BSEC. Shareholder approval is required at the Annual General Meeting.

- **Managing Director:** The NRC recommends candidates for the position of Managing Director in compliance with Bangladesh Bank's DFIM Circular No. 03 dated March 25, 2024. The Board appoints the Managing Director based on NRC recommendations, subject to NoC from Bangladesh Bank.
- **Top-Level Executives:** The NRC identifies and recommends candidates for top-level executive positions after thorough evaluation by the Managing Director and Human Resources Department (HRD). The selection process considers qualifications, experience, skills, and leadership attributes aligned with the company's internal policies.
- **Explanation:** 'Top-level executives' include officials two positions below the Managing Director, as well as the Head of IT, Chief Financial Officer (CFO), Company Secretary, and Head of Internal Control and Compliance.
- **Other Employees:** The NRC sets guidelines to determine the company's workforce needs at various levels and delegates authority to the HRD for employee selection, transfer, replacement, and promotion, following internal procedures.

C) Remuneration Criteria

- The remuneration structure is designed to attract, retain, and motivate directors, top-level executives, and employees, ensuring alignment with industry benchmarks and company objectives.
- Compensation packages, including fixed and incentive-based pay, reflect short- and long-term performance goals.
- Bonuses, benefits, and other forms of compensation for the Managing Director, top-level executives, and employees are determined by the NRC in accordance with company policies, subject to Board ratification as needed.
- The NRC recommends monthly honorarium and meeting attendance fees for Independent

Directors, as per Bangladesh Bank's DFIM Circular No. 02 dated March 14, 2024, including reimbursement of incidental expenses, if applicable.

- NRC members do not receive any remuneration for advisory or consultancy roles beyond their designated Director's fees or honorarium.

D) Evaluation Criteria

a) Independent Directors and Non-Executive Directors

The performance of Independent Directors and Non-Executive Directors is evaluated annually by the Board of Directors based on the following criteria:

- Attendance at board and committee meetings.
- Active participation in discussions and decision-making processes during meetings.
- Contributions towards enhancing corporate governance practices within the company.

b) Managing Director

The Board establishes key performance measurement criteria for the Managing Director at the beginning of each calendar year, aligned with the role profile and responsibilities outlined in the annual budget. The Managing Director prepares quarterly performance reports, which are subsequently reviewed and assessed by the Board against the established benchmarks.

c) Top-Level Executives and Other Employees

Performance measurement criteria for top-level executives and other employees are determined by their respective line authorities at the beginning of each calendar year. These criteria are designed to align individual roles and responsibilities with business and organizational objectives. Employees prepare year-end performance reports, which are then evaluated by their respective line authorities based on the defined performance indicators.

Composition of the Committee

The Audit Committee, assigned with the role of NRC, was last reconstituted on May 16, 2024. The Board of Directors formed the Committee with three members, all of whom are highly qualified and meet the requisite qualifications as per regulatory directives. The current members of the Committee are:

Name	Role in the Committee	Board Position
Prof. Imran Rahman	Chairman	Independent Director
Mr. Syed Moinuddin Ahmed	Member	Director
Mr. Khandkar Manwarul Islam	Member	Director

Mr. Jashim Uddin FCS, Company Secretary, also serves as the Secretary to the NRC.

Activities of the Committee during the Year

While the Audit Committee generally convenes on a quarterly basis, it held exclusive meetings under its role as the Nomination and Remuneration Committee. In these meetings, the Committee selected and recommended the appointment of Ms. Farah Kabir as an Independent Director, in accordance with the BSEC notification dated April 4, 2024.

Reporting to the Board and Shareholders

The Committee reports to the Board after each meeting and provides:

- Copies of meeting minutes to the Board.
- An annual report to the shareholders.

Conclusion

The Audit Committee, in its role as the NRC, ensures that the company adheres to best practices in corporate governance by maintaining an effective framework for nomination and remuneration. Through its well-defined policies and rigorous evaluation processes, the NRC upholds transparency, accountability, and strategic workforce planning to drive the long-term success of DBH Finance PLC.

The Committee remains committed to upholding the highest standards of corporate governance and ensuring that the nomination and remuneration policies align with the evolving needs of the company and its stakeholders.



Prof. Imran Rahman

Chairman

Nomination and Remuneration Committee

Report on Going Concern

DBH Finance PLC. (formerly known as Delta Brac Housing Finance Corporation Ltd.) is a non-banking financial institution continuing its business since 1997, on a going concern basis. Financial Statements of a Company are required to be prepared based on the going concern concept as per International Accounting Standard (IAS)-1. Under this concept, it is assumed that the Company will continue its business indefinitely and will not cease trading or liquidating, therefore the Company must be able to generate enough resources to stay operational.

The Board of Directors of DBH Finance PLC. has made an annual assessment about whether there exist any material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern. The Director's assessment of whether the company is a going concern entity involves making appropriate inquiries including a review of the budget and future outcome of inherent uncertainties in existence. The Directors are convinced by the following indications, which give reasonable assurance as to the company's continuance as a going concern for the foreseeable future.

Financial Indications Less reliance on short-term borrowing: At the end of December 2024, total short-term borrowings of the company were Taka 3,469 million, representing only 6% of total liabilities which indicates the Company has the least reliance on short-term borrowings.

Continuous financial support from depositors: The Company has a very good track record and reputation in settlement of its obligation with its lenders/depositors. So, we enjoy easy and fair access to funding sources to meet our increasing need for growth. By the end of December 31, 2024, our deposit portfolio stood at Taka 45,775 million which covers our entire loan portfolio and it reflects the confidence of depositors/lenders on DBH.

Stable business growth: DBH always focuses on business expansion by offering its products to potential customers. During the year 2024, the company showed stable growth both in disbursement and portfolio as well.

Positive key financial ratios: The comprehensive financial summary laid out on page no. 30 of this Annual Report clearly depicts the Company's financial ratios in an affirmative light. These positive financial ratios provide testimony to the Company's robust financial foundation and promising prospects.

Consistent payment of dividends: The Company has been paying dividends consistently to its shareholders before listing which reflects Company's long-term viability in operational existence over many years. Historical dividend payment record has been given on page no. 26 of this Annual Report.

Credibility in payment of obligations: The Company has strong sincerity in terms of payment of its obligations to the lenders. The Company is very particular in fulfilling the terms of the loan agreement.

Fixed deposit with realistic renewal or repayment: At the close of 12 months period ended on December 31, 2024, the total fixed deposits of the Company were Taka 45,775 million. Based on experience, we can say that there is every possibility that a major part of the deposit would be renewed further.

Operating Performance: The overall financial sectors suffered during the year 2024. DBH has registered better performance than 2023. Profit after tax during 2024 is Taka 1,008 million as against Taka 984 million in 2023. All those indicators support Company's continuance in foreseeable periods.

Operating Indications Product diversification and introduction of the Islamic Financing Wing:

The Company is always focusing to expand its products/services line by introducing new products and services.

The company started Islamic Financing operations from May 2023. At the end of the year 2024, Islamic Investment Portfolio stands at BDT 2,673 Mn and deposit portfolio stands at 2,671 Mn.

Corporate environment and employee satisfaction:

There exists a very good corporate environment in the Company. DBH is an excellent workplace with a friendly environment. The employee communication within the company is conducted with utmost proficiency, ensuring that information is disseminated both horizontally and vertically with ease and clarity.

The company endeavors to be honest and practices fair treatment to all employees which ensures a good corporate environment. The Company pays a very competitive compensation package and there exists a good number of employee benefits like transport benefits, maternity benefits, performance bonuses, gratuity, provident funds, etc., which are

considered to be instrumental for employee satisfaction.

Other Indications

Credit rating:

DBH has been assigned the highest long-term rating of 'AAA' and short-term rating of 'ST-1' for 19 (Nineteen) consecutive years which indicates the consistent upholding of good capital base, quality of assets, good franchise value, and management excellence supported by a sound corporate structure.

Maintenance of sufficient capital:

As on December 31, 2024, the Company's total paidup capital stands at Taka 1,989.90 million, while the minimum paid-up capital as required by Bangladesh Bank is Taka 1,000.00 million. DBH's capital adequacy ratio is 30.46% against the minimum requirement of 10% as set by the regulator under Basel-II

Strong equity base:

As on December 31, 2024, the total equity of the Company stands at Taka 9,398 million representing an increase of 8.29% over December 2023 that reflects the company's long-term viability.

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

Based on the above indications, the Directors feel it is appropriate to adopt the going concern assumption and there is no material uncertainty in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

Directors' Responsibility Statement

Responsibility to Financial Statements

The Board of Directors of DBH Finance PLC. would like to inform that the audited accounts containing the Financial Statements for the year ended 31st December 2024 are in conformity with the requirements of the Companies Act- 1994, Financial Institutions Act-1993, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB, Securities & Exchange Rules-1987 and the Listing Regulations of Dhaka and Chittagong Stock Exchanges and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These Financial Statements are audited by the Statutory Auditors, M/s. Hoda Vasi Chowdhury, Chartered Accountants, Dhaka.

In accordance with the provisions of section 185 of the Companies Act- 1994 and based on the information provided by the management, your directors state that:



- (i) In the preparation of accounts, the applicable accounting standards have been followed;



- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2024 and the profit of the Company for the year ended on that date;



- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act- 1994 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities; and



- (iv) They have prepared the annual accounts on going concern basis.

Responsibility to Internal Control System

The Company has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Opinion of the External Auditors

M/s. Hoda Vasi Chowdhury & Co, Chartered Accountants, the statutory auditor of the Company has carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders meeting and board meetings, relevant policies and expressed their opinion.

Statement on Protection of Minority Shareholders' Interest

Securities regulator of the country, Bangladesh Securities and Exchange Commission (BSEC) has issued the Corporate Governance Code- 2018 for the listed companies on comply basis, to establish accountability, transparency as well as to protect minority shareholders interest and to create a position for the investors where from, they can make informed investment decision.

The most important protection afforded to minority shareholders comes in the form of a statutory remedy in section 233 of the Companies Act, 1994 of Bangladesh. In order to be eligible to file a petition under the section, the minority shareholder(s) must hold a minimum of ten percent of the issued shares in the case of a company having a share capital. The grounds on which such a petition may be filed by a minority shareholder(s) must be that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner prejudicial to one or more of its shareholders or that the company is acting or is likely to act in a manner which discriminated or is likely to discriminate the interest of any shareholder vis-a-vis the minority shareholders.

The concept of prejudice is extremely wide thereby allowing the court ample scope to exercise its judicial discretion in determining whether a particular conduct falls within the scope of this section. It protects not just the rights of minority shareholders but also their legitimate expectations. A typical case arises where the minority shareholder has invested in the company on the basis of an informal understanding (not reflected in the Articles of the company) that all shareholders will participate in the management of the company through their board positions.

In order to truly unlock the potential of this statutory

remedy, certain reforms are imperative. To name one, the minimum shareholding requirement of 10% should be done away with to ensure that access to the statutory remedy is not outright denied to minority shareholders and public shareholders of listed companies holding less than the required minimum.

Despite the availability of this statutory remedy to minority shareholders of companies in Bangladesh, a growing trend of minority shareholders is to try to protect themselves by non-litigious means like shareholders agreements, specially drafted articles of association (containing, among others, class rights and weighted voting rights) or a combination of these approaches in closely held companies in which they have invested. Moreover, in the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

By practicing good corporate culture, DBH has been upholding the interest of its shareholders since its inception. Being a listed company we comply all the rules and regulations of the country and thus protect the interest of minority shareholders as well as all the shareholders. It may be mentioned here that, we have only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. The shareholders participate in the annual general meeting to appoint-reappoint their representatives as Directors as well as the External Auditors of the Company. Besides, we provide the information flow towards the minority shareholders and keep them updated through various means. Thus, the interests of all the shareholders including the minority shareholders are protected.

Report of the Shari'ah Supervisory Committee

For the year ended on 31st December 2024

Bismillahir Rahmanir Rahim. All praise be to Allah, the Lord of all the worlds and blessings and peace be upon the Prophet Muhammad (SAW) and upon all his descendants and companions.

To the Board of Directors and the Shareholders of the DBH Finance PLC

Assalamu Alaikum Wa-Rahmatullahi Wa-Barakatuh.

In compliance with the terms of reference (ToR) of the Bye Laws of Shari'ah Supervisory Committee, we submit the following Report on the Islamic Financing Wing of the DBH Finance PLC for the year 2024.

During the year 2024, the Shari'ah Supervisory Committee of the DBH Finance PLC attended three (03) SSC meetings and had several other operational and training sessions and gave opinion on various Shari'ah related issues placed before us by the Management through Islamic Financing Division. DBH Finance PLC is responsible for ensuring that they conduct its Islamic Financing day-to-day business in accordance with the Shari'ah rules and principles. It is our responsibility to form an independent opinion based on our review of the Islamic Financing operations and to report to you.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by DBH Finance PLC in its Islamic Financing operations for the year 2024 commencing from 7th May 2023 and found compliant with Shari'ah.

We have conducted our review based on Shari'ah audit and inspection reports of the Muraqib (Shari'ah Auditor) regarding the compliance of Islamic Financing operations in accordance with Shari'ah rules and principles and also with the specific fatwas, rulings and guidelines. In addition to our fatwas, the Muraqib also followed the Internal Control and Compliance guidelines on Islamic Banking issued by the Bangladesh Bank. Shari'ah non-compliance risk rating of concerned Windows was '**Low Risk**' category during the year under report. The Shari'ah Supervisory Committee reviewed the Shari'ah Audit Reports and provided guidelines it deemed necessary for proper Shari'ah compliance.

We also conducted our review, which included on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Islamic Financing Division of the DBH Finance PLC. We planned and performed the review to obtain the information and explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that DBH Islamic Financing Division (IFD) have not violated Shari'ah rules and principles.

In our opinions:

- a) The contracts, transactions and dealings entered into by the DBH Islamic Financing Wing during the year 2024 that we have reviewed are in compliance with the Shari'ah rules and principles;



- b) Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved by us in accordance with the Shari'ah rules and principles;
- c) Earnings which are prohibited by Shari'ah rules and principles have not been included in the income;
- d) Transactions with the conventional part of the DBH have been made complying with Shari'ah principles.
- e) DBH IFW has not paid Zakah on behalf of the depositors. It is the responsibility of the depositors to pay their individual Zakah by their own.

During the year under report, the Shari'ah Supervisory Committee has advised the DBH Islamic Financing Wing on the following Issues:

- a) To continue to strengthen the initiatives aiming at creating awareness among the employees and the customers about Shari'ah compliance.
- b) To continue for arranging regular training & workshop on Islamic Financing for the officials of DBH to increase professional skills for better Shari'ah compliance as well as increase brand visibility of DBH Islamic Finance at all targeted platforms.
- c) To take effective steps for implementation of the recommendations given by the Shari'ah Supervisory Committee.

and

- d) To assign dedicated human resources at all IFWs dealing in Islamic Finance across the country gradually to ensure accurate professional and Shari'ah- compliant services.

The Shari'ah Supervisory Committee expresses appreciation to the Board of Directors of DBH and the Management for their commitment of Shari'ah compliance and wholehearted cooperation to the SSC during the year 2024.

May Allah Subhanahu Wata'la give us strength to achieve His satisfaction through implementation of Shari'ah principles in all transactions of DBH Islamic Financing Wing as well as in every sphere of our lives! Ameen.



Dr. Muhammad Saifullah

Chairman

Shari'ah Supervisory Committee

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DBH FINANCE PLC. (the “Company”), which comprise the balance sheet as of 31 December 2024, the profit and loss account, statement of changes in equity and cash flow statement for the year that ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements represents fairly, in all material respects, the financial position of the Company as of 31 December 2024, 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.

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 Auditors' 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 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.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans and advances portfolios associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deal with voluminous databases, assumptions and estimates.</p> <p>As of 31 December 2024, the Company reported total gross loans and advances of BDT 44,509,374,472 (31 December 2023: BDT 43,669,788,473) and provision for loans and investments of BDT 1,165,931,185 (31 December 2023: BDT 1,053,040,538).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ■ Credit appraisal, loan disbursement procedures, monitoring and provisioning process; ■ 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 general and specific provisions in line with related Bangladesh Bank guidelines; ■ Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;

<p>We have focused on the following significant judgments and estimates which could give rise to 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 DFIM Circular no 04 dated 26 July 2021; ■ For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; ■ Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral and recovery rates. 	<ul style="list-style-type: none"> ■ Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and ■ Finally compare the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank. ■ We have selected samples to check compliance with the above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and globally, there is an inherent risk that the judgment applied by Management in assessing the recoverability of interest income may be different from the actual situation in the future.
See note no 7 and 12 to the financial statements	
Measurement of deferred tax assets/ liabilities	
<p>At year-end of 2024, the Company reported total deferred tax asset of BDT 6,463,403 (2023: BDT 2,551,770), total deferred tax liability of BDT 46,038,454 (2023: BDT 53,412,399) and deferred tax income of BDT (7,373,945) (2023: deferred tax expense BDT 51,770,277).</p> <p>Significant judgment is required in relation to deferred tax assets/ liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and DTLs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Company has sufficient taxable profit to recover the deferred tax assets/ liabilities in the foreseeable future.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's/ DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including the deduction of DTA/ DTL on specific provisions from regulatory capital.</p>
See notes no 9.4 &12.5 to the financial statements	
Valuation of Defined Benefits and Pension Obligation	
<p>The Company operates a number of defined benefit schemes which in total are significant in the context of the overall balance sheet. At the year-end, the Company reported a net defined benefit asset (gratuity) of BDT 15,745,183.</p> <p>The valuations of the retirement benefit liabilities are calculated with reference to a number of actuarial assumptions and inputs including discounting rate, rate of inflation and mortality rates. The net defined benefit asset is sensitive to changes in the assumptions.</p>	<p>We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to the Companies' actuaries, which is used to calculate the pension assets and pension schemes' surplus or deficit.</p> <p>We also tested the control associated with the actuarial assumptions setting process and the measurement of the fair value of the schemes' assets. We concluded that the key controls were designed, implemented and operated efficiently.</p> <p>We tested the employee data used in calculating obligation.</p> <p>We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.</p>
See note no 9.3 to the financial statements.	

Valuation of Treasury Bill and Treasury Bond	
<p>The classification and measurement of T-Bill and T-Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques that may take into consideration direct or indirect unobservable market data and complex pricing models that require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Company to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instruments' valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6 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>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights and reviewed requests for changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.</p>
Legal and regulatory matters	
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's 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 litigation and regulatory matters.</p> <p>We inquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company's provisions and contingent liabilities disclosure.</p>

Reporting on 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 Annual Report is expected to be made available to us after the date of this auditor's 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.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as the 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 these 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 the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- 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.

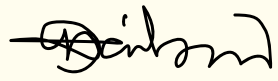
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institute Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) 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 account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

- (vii) 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;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on a sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions and found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) 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;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,500 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the 'First Schedule' of the Financial Institute Act, 2023 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 05 May 2025
DVC: 2505061512AS786511


Shaikh Hasibur Rahman, FCA
Partner
ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

DBH Finance PLC.
Balance Sheet
As at 31 December 2024

Particulars	Notes	Amount in Taka	
		31 December 2024	31 December 2023
PROPERTY AND ASSETS			
Cash		682,364,503	622,584,417
In hand	3.1	185,362	108,944
Balance with Bangladesh Bank and its agent Bank	3.2	682,179,141	622,475,473
Balance with other banks and financial institutions		9,380,539,393	17,446,972,663
In Bangladesh	4.1	9,380,539,393	17,446,972,663
Outside Bangladesh		-	-
Money at call and short notice	5	1,900,000,000	100,000,000
Investments	6	10,185,964,534	5,165,060,579
Government		9,125,625,604	4,185,513,679
Others		1,060,338,930	979,546,900
Loans and advances		44,509,374,472	43,669,788,473
Loans and advances	7	44,509,374,472	43,669,788,473
Fixed assets including land, building, furniture and equipments	8	264,832,694	276,448,592
Other assets	9	264,769,172	256,426,969
Total Assets		67,187,844,768	67,537,281,693
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	10	8,605,493,839	9,358,458,290
Deposits and other accounts		45,775,344,891	46,655,952,696
Fixed deposits	11.1	45,775,344,891	46,655,952,696
Other deposits		-	-
Other liabilities	12	3,408,746,433	2,844,425,652
Total Liabilities		57,789,585,163	58,858,836,638
Shareholders' equity			
Paid-up capital	13.2	1,988,901,710	1,988,901,710
Share premium	14	55,000,000	55,000,000
Statutory reserve	15	1,933,901,710	1,933,901,710
Other reserves	16	4,484,631,160	4,025,040,000
Retained earnings	33	935,825,025	675,601,635
Total equity		9,398,259,605	8,678,445,055
Total liabilities and Shareholders' equity		67,187,844,768	67,537,281,693
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 214 to 219.
2. The annexed notes 1 to 42 and annexure A - C, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 05 May 2025 and were signed on its behalf by:



Chairman


Director


Director


Managing Director & CEO

Dhaka, 05 May 2025
DVC: 2505061512AS786511


Shaikh Hasibur Rahman, FCA
Partner, ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

DBH Finance PLC.
Profit and Loss Account
For the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		2024	2023
Interest Income	18	7,339,329,315	5,924,247,334
Interest paid on deposits and borrowings etc.	19	(5,796,307,568)	(4,130,316,645)
Net Interest Income		1,543,021,747	1,793,930,689
Income from investment	20	809,106,058	189,859,760
Commission, exchange and brokerage	21	176,738,423	163,854,738
Other operating income	22	24,011,535	20,861,720
Total operating income		2,552,877,763	2,168,506,907
Salary and allowances	23	484,514,100	399,823,287
Rent, taxes, insurance, electricity etc.	24	21,253,621	25,605,567
Legal & professional expenses	25	21,837,523	21,575,570
Postage, stamp, telecommunication etc.	26	11,448,061	8,484,920
Stationery, printing, advertisements etc.	27	14,958,112	18,824,910
Managing Director's salary and fees	27.1	13,300,000	13,000,000
Directors' fees and expenses	28	1,252,335	1,033,097
Auditor's fees	29	920,000	575,000
Depreciation, repairs & maintenance	30	82,959,073	74,625,883
Other expenses	31	76,586,758	74,779,956
Total operating expenses		729,029,583	638,328,190
Profit before provisions		1,823,848,180	1,530,178,717
Provisions:			
Loans and advances	12.1.A	29,305,372	(36,502,660)
Diminution in value of investments	12.1.3	83,585,275	5,816,359
Other Assets		-	(330,000)
Total provisions		112,890,647	(31,016,301)
Profit before tax		1,710,957,533	1,561,195,018
Provision for tax:	32		
Current tax		713,684,462	526,383,013
Deferred tax expense/(income)		(11,285,576)	50,357,683
		702,398,886	576,740,695
Profit after tax		1,008,558,647	984,454,323
Appropriations			
Statutory reserve		-	38,998,070
General and other reserves		450,000,000	450,000,000
		450,000,000	488,998,070
Retained surplus		558,558,647	495,456,253
Earnings Per Share	34	5.07	4.95
		2023	2022
Earnings Per Share		4.95	5.11

Notes:

1. Independent Auditor's Report-Page 214 to 219.
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3. These financial statements were approved by the Board of Directors on 05 May 2025 and were signed on its behalf by:

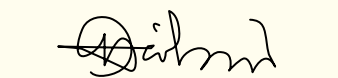

Chairman


Director


Director


Managing Director & CEO

Dhaka, 05 May 2025
DVC: 2505061512AS786511


Shaikh Hasibur Rahman, FCA
Partner, ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

DBH Finance PLC.
Cash Flow Statement
For the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		2024	2023
Cash flows from operating activities			
Interest receipts		7,302,944,056	5,831,247,463
Interest payments		(5,345,794,219)	(3,844,759,242)
Dividend receipts		26,957,306	23,995,013
Fees and commission receipts in cash		176,738,423	163,854,738
Cash payments to employees, suppliers and various operating expense		(655,381,020)	(585,574,802)
Income tax paid		(640,215,791)	(472,422,277)
Receipts from other operating activities		836,726,887	187,206,957
Cash generated from operating activities before changes in operating assets and liabilities		1,701,975,642	1,303,547,850
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(835,919,672)	864,541,833
Investment in trading securities		(111,793,538)	(118,552,622)
Other assets		37,239,110	(29,705,328)
Loans and deposits from banks and other customers		(880,607,805)	6,595,362,106
Interest suspense		3,595,601	(29,370)
Other liabilities		10,214,593	(26,440,359)
Cash generated/ (utilized) in operating assets and liabilities		(1,777,271,711)	7,285,176,258
Net cash flows from/(used in) operating activities	37	(75,296,069)	8,588,724,109
Cash flows from investing activities			
Net proceeds(Payments) for sale/purchase of Treasury Bond		(4,940,111,924)	(2,526,946,678)
Other investments		-	3,000,000
Purchase of property, plant & equipment		(71,410,794)	(40,898,681)
Proceeds from sell of property, plant & equipment		1,077,482	173,349
Net cash flows from/(used in) investing activities		(5,010,445,236)	(2,564,672,010)
Cash flows from financing activities			
Net receipt from bank and financial institute		(3,400,145,867)	(1,026,173,773)
Net receipt by DBH Affordable Housing Bond & ZCB		2,626,461,393	(750,000,000)
Cash dividend paid		(298,335,257)	(292,485,546)
Net cash flows from/(used in) financing activities		(1,072,019,731)	(2,068,659,319)
Net increase/(decrease) in cash and cash equivalents		(6,157,761,035)	3,955,392,780
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents (net off overdraft) at the beginning of the period		17,956,850,835	14,001,458,055
Cash and cash equivalents (net off overdraft) at the end of the period	37A	11,799,089,800	17,956,850,835

Notes:

1. Independent Auditor's Report-Page 214 to 219.
2. The annexed notes 1 to 42 and annexure A - C, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 05 May 2025 and were signed on its behalf by:


Chairman


Director


Director


Managing Director & CEO

DBH Finance PLC.
Statement of Changes in Equity
For the year ended 31 December 2024

Particulars	Amount in Taka					
	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2024	1,988,901,710	55,000,000	1,933,901,710	4,025,040,000	675,601,635	8,678,445,055
Net profit (after tax) for the period	-	-	-	-	1,008,558,647	1,008,558,647
Remeasurements gain/(loss) due to actuarial valuation	-	-	-	9,591,160	-	9,591,160
Transferred to reserve funds	-	-	-	450,000,000	(450,000,000)	-
Stock dividend issued	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	(298,335,257)	(298,335,257)
Balance at 31 December 2024	1,988,901,710	55,000,000	1,933,901,710	4,484,631,160	935,825,025	9,398,259,605

Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Amount in Taka					
	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2023	1,949,903,640	55,000,000	1,894,903,641	3,575,040,000	511,628,998	7,986,476,278
Net profit (after tax) for the period	-	-	-	-	984,454,323	984,454,323
Transferred to reserve funds	-	-	38,998,070	450,000,000	(488,998,070)	-
Stock dividend issued	38,998,070	-	-	-	(38,998,070)	-
Cash dividend paid	-	-	-	-	(292,485,546)	(292,485,546)
Balance at 31 December 2023	1,988,901,710	55,000,000	1,933,901,711	4,025,040,000	675,601,635	8,678,445,055


Chairman


Director


Director


Managing Director & CEO

DBH Finance PLC.
Liquidity Statement
As at 31 December 2024

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)	682,364,503	-	-	-	-	682,364,503
Balance with other banks and financial institutions	4,990,261,808	3,727,087,294	663,190,291	-	-	9,380,539,393
Money at call on short notice	1,900,000,000	-	-	-	-	1,900,000,000
Investments	1,971,717,554	1,666,403,262	2,311,173,084	2,599,914,795	1,636,755,839	10,185,964,534
Loans and advances	735,183,924	1,447,442,588	5,686,213,352	20,734,929,320	15,905,605,288	44,509,374,472
Fixed assets including land, building, furniture, equipments & ROU asset	8,471,995	7,379,221	23,463,942	82,772,287	142,745,249	264,832,694
Other assets	100,938,555	117,072,790	42,043,666	4,714,161	-	264,769,172
Total Assets	10,388,938,338	6,965,385,155	8,726,084,335	23,422,330,563	17,685,106,376	67,187,844,768
Liabilities						
Borrowing from other banks and financial institutions	2,049,247,955	1,338,662,370	1,370,291,662	3,830,664,507	16,627,344	8,605,493,839
Deposits and other accounts	2,293,586,200	3,942,869,825	9,859,175,740	18,183,492,496	11,496,220,630	45,775,344,891
Other liabilities	459,764,562	545,054,223	1,136,213,117	507,911,141	759,803,390	3,408,746,433
Total liabilities	4,802,598,717	5,826,586,418	12,365,680,519	22,522,068,144	12,272,651,364	57,789,585,163
Net liquidity gap	5,586,339,621	1,138,798,738	(3,639,596,184)	900,262,419	5,412,455,012	9,398,259,605

DBH Finance PLC.**Notes to the Financial Statements****As at and for the year ended 31 December 2024****1.0 Company and its activities****1.01 Domicile, legal form, country of incorporation and registered office**

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.

1.02 Principal activities and nature of operations

- 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.

2.0 Basis of preparation and significant accounting policies**2.01 Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Finance Company Act, 2023, Securities and Exchange Rules, 2020 & the (Listing) Regulation, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations in Bangladesh and practices generally followed by Housing Finance Institutions.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No. 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of the Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for financial institutions, have been kept blank in the financial statements. The financial statements are prepared on the historical cost basis and therefore, did not take into consideration the effect of inflation.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note - 2.48.

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in note-2.3 & 3 by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed in Note -2.48 along with financial impact where applicable.

2.03 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- (i) Balance Sheet as at 31 December 2024;
- (ii) Profit and Loss Account for the year ended 31 December 2024;
- (iii) Cash Flows for the year ended 31 December 2024;
- (iv) Changes in Equity for the year ended 31 December 2024;
- (v) Liquidity Statement for the year ended 31 December 2024;
- (vi) Notes to the Financial Statements for the year ended 31 December 2024.

2.04 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.05 Date of authorization

The Board of directors has authorized this financial statements for public issue on 05 May 2025.

2.06 Reporting period

The financial statements of the company covers one year period ranging from 1 January 2024 to 31 December 2024.

2.07 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.08 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason, the management continue to adopt going concern basis in preparing the financial statements, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.09 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions are made on historical experience and other factors that are considered reasonable under the required circumstances.

The most critical estimates and judgments are applied to the following:

- (i) Provision of impairment loans and advances, and investments
- (ii) Gratuity
- (iii) Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of financial institution; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of financial institution. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.10 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by International Accounting Standard (IAS) 1, 'Presentation of 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.

2.11 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.

2.12 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
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	Applied
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

2.13 Offsetting

Assets and Liabilities and income and expenses are not set-off unless permitted by the International Accounting Standards (IASs).

2.14 Branch accounting

The Company has Sixteen offices (head office & fifteen branches), with no overseas branch as on December 31, 2024. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

2.15 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

2.16 Accounting policy for Leases (IFRS 16)**As a lessee**

DBH recognizes a right of use asset and a lease liability from the beginning of 2020. The right of use asset is initially measured at cost, which comprises the initial amount of the 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 (from the beginning of 2020) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements 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 (from the beginning of 2020), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, DBH's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in DBH's estimate of the amount expected to be payable under a residual value guarantee, or if DBH changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

DBH presents right of use assets in Annexure A and lease liabilities in note: 12.4 separately.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balance with Bangladesh Bank and its agent bank and balance with other banks and financial institutions. 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.

2.18 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-1 and Peninsula AMCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2024 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.

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.

2.19 Provision for loans and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on Bangladesh Bank guidelines.

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.

DBH's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions of Bangladesh Bank. The Classification rates are given below:

Particulars	Rate
General provision on:	
Unclassified loans and advances	1.00%
Financing to the Subsidiaries and/or Sister Concerns, Brokerage House, Merchant Banks and Stock Dealers (CL-6C)	2.00%
Special mention account (SMA)	5.00%
Specific provision on:	
Substandard loans and advances (SS)	20.00%
Doubtful loans and advances (DF)	50.00%
Bad/loss loans and advances (BL)	100.00%

2.20 Fixed assets including land, building, furniture and equipment

i) Recognition and measurement

Own assets

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Property, plant and equipment are stated at cost less accumulated depreciation in compliance with the International Accounting Standard (IAS) 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes, if any.

ii) Subsequent expenditure on fixed assets

Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses.

iii) Disposal

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

iv) Depreciation

Depreciation of an asset begins when the asset is available for use. Depreciation is provided for the period in use of the assets. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis over the periods appropriate to the estimated useful lives of the different types of 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.

v) 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.

2.20 Intangible assets and amortization of intangible assets**Components**

The main item included in intangible asset is software.

Basis of recognition

An intangible asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the Balance Sheet at cost less accumulated amortization.

Subsequent costs

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization

Intangible asset is valued at amortized cost and written down within 5 years.

2.22 Impairment of assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in line with International Accounting Standard 36: Impairment of Assets. If any such indication exists, the recoverable amount of assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable impairment losses are recognized in the profit and loss account.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other standard. After the recognition of an impairment loss, the depreciation/amortization charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

2.23 Receivables

Accounts receivables

Accounts receivables include mainly dividend receivable, interest receivable, and sundry receivable. No such receivables are accounted for if the loans are classified as bad and loss. Receivables carry interest for the periods for which the delay in payments of the amounts due from the clients continues. Such interest is not recognized as income until it is received in cash.

2.24 Bank loans, deposits etc.

Interest bearing bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on an accrued basis to profit and loss account under the head of financial expense at the implicit rate of interest. The accrued expenses are not added to carrying amounts of the loans.

2.25 Financial instruments:

Financial instrument includes non-derivative financial instruments such as cash and equivalents, money at call and on short notice, investments in shares, loans, advances, borrowing from other banks and financial institutions, deposits etc.

2.26 Employees benefit plans

DBH offers a number of benefit plans which include contributory provident fund, gratuity plan, death and disability plan, and hospitalization benefit including annual health check-up and maternity benefits. The recognition and disclosure for employee benefits are made in accordance with International Accounting Standard 19: Employee Benefits.

2.27 Statutory reserve

As per clause no. 06 of Financial Institutions Regulations, 1994, financial institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of share premium account (if any) and statutory reserves is less than the required paid up capital of that financial institution. As per DFIM Circular No. 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset.

2.28 Litigation

The Company is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The Company, however, provides adequate provisions as per guidelines of International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets.

Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

- a) identify the contract (s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized on an accrual basis of accounting and where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

Interest income

Interest income on loans and advances / profit on investment 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.

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments are transferred to profit suspense account instead of income account.

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

Dividend income is recognized on accrual basis when the right to receive income is established. Dividend income from ordinary shares is recognized when the shareholders' legal rights to receive payments have been established i.e. during the period in which dividend is declared in the Annual General Meeting. Dividend declared but not received is recognized as deemed dividend. Dividend from preference shares is recognized on cash basis.

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.

Gain on sale of securities

Capital gain on disposal of securities listed in the stock exchanges is recorded on realized basis. i.e. only when the securities are sold in the market. Unrealized capital gains are not accounted for in the profit and loss account.

2.30 Provision for doubtful losses

The provision for doubtful losses is maintained at a level that management considers adequate to absorb identified credit related losses in the portfolio as well as losses that have been incurred but are not yet identifiable. The provision is increased by the provision for doubtful losses, which is charged to profit and loss account, and decreased by the amount of write-offs, net of reverses.

The provision is determined based on management's identification and evaluation of problem accounts, estimated probable losses that exist on the remaining portfolio and on other factors including the composition and quality of the portfolio and changes in economic condition.

The provision is estimated based on two principles: (1) International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines. Methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. FID circular 08 dated August 03, 2002 and subsequent updated by Bangladesh Bank in this regard is the basis for calculating the provision for doubtful losses.

2.31 Income tax

Income tax expense represents the sum of current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using, the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements. The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.32 Dividend to company's shareholders

Final dividend is recognized when it is approved by the shareholders.

The proposed cash dividend is not recognized as a liability in the balance sheet in accordance with the International Accounting Standard (IAS) 10: 'Events After the Reporting Period'. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

International Accounting Standard (IAS) 1: 'Presentation of Financial Statements', also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

2.33 Earnings per share

The Company calculates Earnings Per Share (EPS) in accordance with International Accounting Standard (IAS) 33: 'Earnings Per Share', which has been shown on the face of Profit and Loss account, and the computation of EPS is stated in the notes to the financial statements.

Basic earnings per share

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. At 31 December 2024, there was no scope for dilution and hence no diluted EPS is required to be calculated.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

2.34 Cash flow statements:

Cash flow statement of the company is prepared and presented as per the requirement of International Accounting Standard (IAS) 7: 'Statement of cash flows', and DFIM Circular No. 11 dated 23 December 2009.

2.35 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:

- (i) Balances 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.
- (ii) Investments are on the basis of their expected liquidation & residual maturity term.
- (iii) Loans and advances are on the basis of their repayment schedule and past trend of early settlement.
- (iv) Fixed assets are on the basis of their useful lives.
- (v) Other assets are on the basis of their realization / amortization.
- (vi) Borrowings from other banks, and financial institutions and agents as per their maturity/repayment terms.
- (vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by depositors.
- (viii) Other long term liabilities are on the basis of their maturity terms.
- (ix) Other liabilities are on the basis of their settlement terms.

2.36 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.37 Employee benefits

2.37.1 Defined contribution plan

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.

2.37.2 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 2024 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

2.37.3 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.

2.38 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.

2.39 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.

2.40 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.

2.41 Interest suspense account

Accrued interest on term finance, real estate finance, car loans and personal loans classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense account as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on cash basis.

2.42 Related party transactions

Related parties are identified and disclosed as per International Accounting Standard (IAS) 24: 'Related Party Disclosure'. Related party disclosures have been given in note 40.

2.43 Interim financial reporting

In accordance with International Accounting Standard (IAS) 34: 'Interim Financial Reporting', publicly traded entities encourages to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

DBH apply the same accounting policies in its interim financial statements as are applied in its annual financial statements.

2.44 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' were introduced on January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" came fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, DBH has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord. Latest status of Capital Adequacy Ratio (CAR) has been shown in note - 13.5.

2.45 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 organization, 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.

2.46 Islamic Finance Division

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 Division (IFD) 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.

The company obtained permission from Bangladesh Bank (the country's central bank) to operate the Islamic wing vide Bangladesh Bank's letter no. DFIM(L) 1053/46/2023-1298, dated April 10, 2023. The company commenced operation of this wing from May 07, 2023. The Islamic Wing is governed under the rules and regulation of Bangladesh Bank. A glimpse of financial performance of Islamic Finance Division has been presented at Annexure - B.

2.47 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting date that are non adjusting events are disclosed in the notes when material. There is no material adjusting and non-adjusting events after the Balance Sheet date.

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

SL No.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	<p>An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.</p> <p>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:</p> <p>a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</p>	<p>As per 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, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.</p> <p>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.</p>	<p>In financial statements, an amount of Taka 9.78 million has been decreased against general provision for loans and advances for the year ended 31.12.2023.</p> <p>Accumulated provisions for loans and advances as at 31.12.2024 stand at Taka 934.32 million.</p>

SL No.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	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 for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of investment in Quoted shares of DBH Finance PLC is less than its cost price. As on December 31, 2024 there was BDT 231.61 million unrealized loss on investment in quoted shares.
3	Recognition of interest income for SMA and classified lease, 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.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, 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.	DBH Finance PLC. maintained interest suspense accordingly.
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent 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 equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	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.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for loans and advances.

SL No.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	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.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	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.	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 this templates there is no current and non-current segmentation of assets and liabilities.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	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.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.

SL No.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
10	Impairment of Margin Loan (Loans and receivables)	IFRS 9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.
11	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) statement of financial position at the beginning of preceding period for retrospective restatement.	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 flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	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.	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 annexure-A as separate line item.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	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.	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 do not 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.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	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.	Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

3 Cash

3.1 Cash in hand

Local Currency
Foreign Currency

31-Dec-2024 Taka	31-Dec-2023 Taka
185,362	108,944
-	-
185,362	108,944

3.2 Balance with Bangladesh Bank and its agent bank

Bangladesh Bank:
Local Currency
Foreign Currency

Balance with Sonali Bank being an agent of Bangladesh Bank

681,824,955	622,171,247
272,267	243,957
682,097,222	622,415,204
81,919	60,269
682,179,141	622,475,473

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 Finance Company Act 2023 and DFIM circular no. 03 dated June 21, 2020.

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

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

3.3.1 Cash Reserve Requirement (CRR)

Required reserve
Actual average reserve maintained
Surplus/(deficit)

663,190,289	586,197,714
885,390,270	607,922,981
222,199,981	21,725,267

3.3.2 Statutory Liquidity Reserve (SLR)

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

2,365,496,284	2,116,260,206
16,653,380,249	16,114,183,112
14,287,883,965	13,997,922,906

4 Balance with other banks and financial institutions

In Bangladesh (Note 4.1)
Outside Bangladesh

9,380,539,393	17,446,972,663
-	-
9,380,539,393	17,446,972,663

4.1 In Bangladesh

Current deposits
Short-term deposits
Fixed deposits

93,235,857	272,403,818
5,541,641,401	3,350,726,892
3,745,662,135	13,823,841,953
9,380,539,393	17,446,972,663

4.2 Maturity grouping of balance with other banks and financial institutions

	31-Dec-2024 Taka	31-Dec-2023 Taka
Payable on demand	1,743,235,857	3,523,130,711
Up to 1 month	3,247,025,951	4,859,600,000
Over 1 month but not more than 3 months	3,727,087,294	8,864,241,952
Over 3 months but not more than 6 months	663,190,291	200,000,000
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	9,380,539,393	17,446,972,663

4.3 Current deposits

Citi Bank NA	34,552,794	272,193,306
Commercial Bank of Ceylon PLC	2,046,785	148,033
NRB Bank PLC	5,891,637	-
Rupali Bank PLC	61,329	62,479
Standard Chartered Bank	50,683,312	-
	93,235,857	272,403,818

4.4 Short-term deposits

Al-Arafah Islami Bank PLC	1,956,499,398	1,186,636,904
Bank Alfalah	1,152	1,769,872
Bank Asia PLC	84,140	757,462
BRAC Bank PLC	1,512,867	3,033,643
Citi Bank NA	1,810,020	19,162,632
City Bank PLC	850,640	4,839,123
Commercial Bank of Ceylon PLC	137,909	-
Dhaka Bank PLC	762,011,191	279,297,171
Dutch-Bangla Bank PLC	-	136,035
Export Import Bank of Bangladesh PLC	2,074,899,379	1,065,300,283
IFIC Bank PLC	110,091	70,411,685
NRB Bank PLC	554,232,853	656,407,506
ONE Bank PLC	-	22,620
Prime Bank PLC	7,712,089	9,008,073
Pubali Bank PLC	72,700,029	3,435,957
Standard Bank PLC	104,323,586	2,430,019
Standard Chartered Bank	4,301,953	2,504,555
Trust Bank PLC	454,105	45,573,353
	5,541,641,401	3,350,726,892

4.5 Fixed deposits

Al-Arafah Islami Bank PLC	-	810,093,388
Bengal Commercial Bank PLC	250,000,000	-
BRAC Bank PLC	-	2,000,000,000
Citizens Bank PLC	-	300,000,000
City Bank PLC	-	500,000,000
Dhaka Bank PLC	-	5,000,000,000
EXIM Bank PLC	500,000,000	1,200,000,000
IFIC Bank PLC	1,150,000,000	1,979,575,258
Southeast Bank PLC	-	1,000,000,000
Standard Bank PLC	1,845,662,135	724,573,307
United Commercial Bank PLC	-	309,600,000
	3,745,662,135	13,823,841,953

5 Money at call and short notice

	31-Dec-2024 Taka	31-Dec-2023 Taka
Alliance Finance PLC	-	100,000,000
United Commercial Bank PLC	1,500,000,000	-
United Finance PLC	400,000,000	-
	1,900,000,000	100,000,000

6 Investments

Government securities:	9,125,625,604	4,185,513,679
Other investments:		
Non marketable securities (Note-6.1)	64,499,500	64,499,500
Marketable securities (Note-6.2)	995,839,430	915,047,400
	1,060,338,930	979,546,900
	10,185,964,534	5,165,060,579

6.1 Investment in non-marketable securities

	No. of shares		
Bangladesh Rating Agencies Ltd.	24,995	2,499,500	2,499,500
Peninsula SBC Unit Fund-1	4,000,000	40,000,000	40,000,000
Peninsula AMCL BDBL Unit Fund-1	250,000	2,500,000	2,500,000
Energyprima Ltd. (Pre-IPO shares)	100,000	9,500,000	9,500,000
Vanguard AML Growth Fund	761,614	10,000,000	10,000,000
		64,499,500	64,499,500

6.2 Investment in marketable securities

Sectors	Market price 31 Dec 2024 Taka	Cost price	Cost price
Bank	114,612,216	118,045,592	73,950,861
Cement	10,026,668	12,606,155	23,117,702
Engineering	14,192,340	31,286,656	43,236,172
Financial Institutions	20,052,556	30,915,947	39,620,166
Food & Allied	92,055,495	116,798,079	70,032,191
Fuel & Power	15,244,000	31,823,734	40,688,020
Insurance	11,659,360	21,663,409	24,215,458
IT Sector	9,434,194	20,222,773	27,233,256
Miscellaneous	14,297,000	19,215,212	9,035,383
Mutual Funds	147,552,000	269,742,081	269,742,081
Pharmaceuticals & Chemicals	149,057,065	196,880,056	217,798,996
Services & Real Estate	11,620,000	15,656,495	11,126,596
Telecommunication	94,034,701	95,276,318	59,472,128
Textile	7,274,348	12,509,471	5,778,390
Travel & Leisure	2,210,000	3,197,452	-
	713,321,943	995,839,430	915,047,400

All investment in marketable securities are valued on an aggregate portfolio basis except Mutual Funds. Mutual Funds have been valued at 85% of latest published NAV available as on December 31, 2024. As on December 31, 2024 there was Tk. 206,335,787 provision on investment in marketable listed securities and Tk. 25,270,690 for non-marketable securities (Bangladesh Rating Agencies Ltd., Primaenergy Ltd., Vanguard AML Growth Fund, Peninsula AMCL Unit Fund and SBC Peninsula Unit Fund). Market value has been determined on the basis of the value of securities at last trading date of December 2024 (last trading date was December 30, 2024).

6.3 Maturity grouping of investments:

	31-Dec-2024 Taka	31-Dec-2023 Taka
On demand*	975,839,430	895,047,400
Up to 1 month	995,878,124	2,430,097,692
Over 1 month but not more than 3 months	1,666,403,262	100,000,000
Over 3 months but not more than 6 months	476,682,692	-
Over 6 months but not more than 1 year	1,834,490,392	-
Over 1 year but not more than 5 years	2,599,914,795	100,000,000
Over 5 years	1,636,755,839	1,639,915,487
	10,185,964,534	5,165,060,579

*Excluding BDT 20,000,000 investment in DBH 1st Mutual Fund.

7 Loans and advances**Inside Bangladesh**

Housing Loan	39,711,792,882	39,853,156,509
Term Loan	4,404,450,513	3,536,610,430
Loan against Deposits	219,488,486	123,973,796
Staff loan	173,642,591	156,047,738
	44,509,374,472	43,669,788,473

Outside Bangladesh

	-	-
	44,509,374,472	43,669,788,473

7.1 Maturity grouping of loans and advances

Repayable on demand	333,173,350	248,333,530
Not more than 3 months	1,849,453,162	2,005,300,254
Over 3 months but not more than 1 year	5,686,213,352	5,887,247,594
Over 1 year but not more than 5 years	20,734,929,320	21,038,511,749
Over 5 years	15,905,605,288	14,490,395,346
	44,509,374,472	43,669,788,473

7.2 Loans and advances (Inside Bangladesh)

Opening balance	43,669,788,473	44,535,972,899
Disbursement during the year	12,494,304,969	10,688,848,536
	56,164,093,442	55,224,821,435
Realization during the year	11,654,718,970	11,555,032,962
Closing balance	44,509,374,472	43,669,788,473

7.3 a) Loans and advances to institutions in which directors have interest

b) Loans and advances to chief executive	-	-
c) Loans and advances to senior executives	33,623,770	30,782,656

d) Loans and advances to customer group:

i) Housing loan - customer	39,711,792,882	39,853,156,509
ii) Staff loan-housing & others	140,018,821	125,265,082
iii) Loan to depositors	219,488,486	123,973,796
iv) Term Loan	4,404,450,513	3,536,610,430
	44,509,374,472	43,669,788,473

e) Details of loan and advances industry-wise

i) Housing Finance/ Real Estate	39,900,838,608	39,982,801,731
ii) Consumer Finance	4,608,535,864	3,686,986,742
	44,509,374,472	43,669,788,473

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

Urban

Dhaka
Chattogram
Sylhet
Cumilla
Gazipur
Narayanganj
Khulna
Rajshahi
Rangpur
Mymensingh
Barishal

31-Dec-2024 Taka	31-Dec-2023 Taka
36,877,397,851	37,136,006,087
2,186,764,549	2,110,648,363
230,764,261	227,784,580
741,420,198	651,095,173
2,511,391,595	2,237,222,887
661,594,546	588,892,257
496,273,935	323,991,517
307,851,546	196,494,867
344,275,645	197,652,742
100,139,383	-
51,500,963	-
44,509,374,472	43,669,788,473
-	-
44,509,374,472	43,669,788,473

Outside Bangladesh:

7.5 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.

7.6 Particulars of Loans and advances

i) Loans and advances considered good in respect of which the financial institution is fully secured.	44,338,367,916	43,493,341,294
ii) Loans and advances considered good against which the financial institution holds no security other than the debtors personal security.	9,691,240	9,497,882
iii) Loan and advances considered good and secured by the personal security of one or more parties in addition to personal guarantee of debtors.	161,315,316	166,949,297
iv) Loan and advances adversely classified: for which no provision is created.	-	-
	44,509,374,472	43,669,788,473
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.	173,642,591	156,047,738
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.	174,705,546	156,047,738
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)	21,998,946	(26,722,768)
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	353,435,369	295,978,590
c) Amount of interest creditable to interest suspense account	80,747,362	77,151,761
xi) Cumulative amount of written off loans and advances		
Opening Balance	8,820,658	8,820,658
Amount written off during the year	-	-
Amount recovered against loans and advances previously written off	-	-
Balance of written off loans and advances yet to be recovered	8,820,658	8,820,658
The amount of written off loans, advances for which law suits have been filed.	9,425,086	9,425,086

7.7 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-Dec-2024 Taka	31-Dec-2023 Taka
44,004,189,360	43,177,265,045
73,442,331	116,087,642
44,077,631,691	43,293,352,687
8,934,035	10,425,240
2,552,583	8,155,803
420,256,163	357,854,743
431,742,781	376,435,786
44,509,374,472	43,669,788,473

7.8 Calculation of provision for loans and advances as per Loan Classification Report as on December 31, 2024.

Nature	Base for provision	Rate (%)	Provision required
Standard	43,526,661,154	1	435,266,612
Standard (Loans to Assets Management Company)	84,397,129	2	1,687,943
Special mentioned account	65,668,077	5	3,283,404
Sub-standard	1,571,751	20	314,350
Doubtful	382,887	50	191,444
Bad/loss	83,655,199	100	83,655,199
Staff loan - standard	173,642,591	1	1,736,426
Loan against deposit - standard	219,488,486	1	2,194,885
			528,330,262

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

Balance as of 01 January

Addition during the year

Disposal/Adjustments

Balance as of 31 December

Depreciation

Balance as of 01 January

Addition during the year

Disposal/Adjustments

Balance as of 31 December

Written down value

Details are shown in annexure A.

566,753,568	568,448,325
52,421,319	77,080,956
619,174,887	645,529,281
(3,073,579)	(78,775,713)
616,101,308	566,753,568
290,304,976	313,965,945
64,035,054	57,099,636
354,340,030	371,065,581
(3,071,416)	(80,760,605)
351,268,614	290,304,976
264,832,694	276,448,592

9 Other assets

Accounts receivable (Note-9.1)

Advances, deposits and prepayments (Note-9.2)

Stamps and pay orders in hand

Net defined benefit (GF) (Note-9.3)

Protested bills receivables

Deferred tax assets (Note - 9.4)

217,619,691	233,107,863
19,565,008	5,609,068
4,047,670	4,090,004
15,745,183	9,740,047
1,328,217	1,328,217
6,463,403	2,551,770
264,769,172	256,426,969

	31-Dec-2024 Taka	31-Dec-2023 Taka
9.1 Account receivables		
Dividend receivable	3,655,833	4,296,245
Interest receivable	168,295,545	134,501,340
Sundry receivable	45,668,313	94,310,278
	217,619,691	233,107,863

Sundry receivable includes receivable from Green Delta Securities Limited, BRAC EPL Stock Brokerage Limited, DLIC Securities Ltd, LankaBangla Securities Ltd., City Bank Capital Resources Ltd., IDLC Securities Limited, Shanta Securities Limited, and Forfeited DBH Staff Provident Fund, etc.

9.2 Advances, deposits and prepayments		
Advance to employees	314,555	171,615
Advance to suppliers	13,130,970	-
Security deposits	4,714,161	4,511,161
Prepaid expenses	1,405,322	926,292
	19,565,008	5,609,068
9.3 Net defined benefit (GF)*		
Net defined benefit assets & liabilities		
Defined benefit obligation (9.3a)	(221,305,666)	(200,669,845)
Fair value of plan assets (9.3b)	237,050,849	210,409,892
Surplus	15,745,183	9,740,047

*An actuarial investigation of the DBH Employees' Gratuity Fund (the 'Fund') as of 31 December 2024 was audited by Z. Halim & Associates. The investigation reveals a past service liability of BDT. 221.31 million. The value of total assets in the Fund as on the investigation date is BDT 237.05 million. Comparing liability with the value of the fund reveals a surplus of around BDT 15.75 million.

9.3a Change in benefit obligation		
Defined benefit obligation as on opening date	(200,669,845)	(200,733,679)
Current service cost	(20,635,821)	-
Interest expense	(16,053,588)	(14,051,357)
Actual net benefits payments	9,774,434	33,418,846
Experience (gain)/loss	6,279,154	(19,303,655)
Defined benefit obligation as on closing date	(221,305,666)	(200,669,845)
9.3b Change in fair value of plan assets		
Fair value of plan asset as on opening date	210,409,892	222,560,721
Interest income	16,832,791	15,579,250
Actual employer contribution	16,270,594	5,460,897
Actual net benefits payments	(9,774,434)	(33,418,846)
Actuarial gains/(losses) on plan assets	3,312,006	227,870
Fair value of plan asset as on closing date	237,050,849	210,409,892

Fair Value of plan assets at year end split by major asset

Investment in Government Treasury Bill	-	48,790,800
Investment in Shares & Securities	14,952,517	16,274,423
Investment in fixed deposit	207,633,526	136,880,422
Receivable from Green Delta Securities Ltd.	18,623	3,010
Dividend Receivable	116,803	87,390
Accrued interest	4,704,107	2,841,148
Cash at Bank	3,848,775	4,440,393
Others (Advance Tax)	5,776,498	1,092,306
Total fair value of plan asset	237,050,849	210,409,892

Principal actuarial assumptions	Rate	
Discount rate	8%	7%
Expected rate of return on plan assets	8%	7%
Rate of increases in pensionable salaries	7%	6%
Life table used	Indian Assured Lives Mortality (2006-2008) Ult	

9.4 Calculation of deferred tax assets

	31-Dec-2024 Taka	31-Dec-2023 Taka
Carrying amount of Fixed Assets (Excluding land)	187,771,021	188,086,276
Tax base value of Fixed Assets	196,739,694	194,890,996
Deductible temporary difference	8,968,673	6,804,720
Applicable tax rate	37.50%	37.50%
Deferred tax asset on fixed asset (Excluding land) (A)	3,363,252	2,551,770
Carrying amount on loss on sale of securities	31,001,508	-
Tax base value on loss on sale of securities	-	-
Deductible temporary difference	31,001,508	-
Applicable tax rate	10.00%	10.00%
Deferred tax asset on loss on sale of securities (B)	3,100,151	-
Total deferred tax asset (A+B)	6,463,403	2,551,770
Deferred tax asset at the beginning of the year	2,551,770	1,139,175
Deferred tax (Expense)/income	3,911,633	1,412,595

10 Borrowing from other banks, financial institutions and agents

Inside Bangladesh (Note 10.1)	8,605,493,839	9,358,458,290
Outside Bangladesh	-	-
	8,605,493,839	9,358,458,290

10.1 Inside Bangladesh**a Secured Short-term loan:**

Standard Chartered Bank	1,300,000,000	1,590,000,000
Citi Bank, NA	-	1,180,000,000
	1,300,000,000	2,770,000,000

b Unsecured Short-term loan:

Alliance Finance PLC	-	100,000,000
BRAC Bank PLC	-	2,000,000,000
City Bank PLC	-	500,000,000
Standard Bank PLC	150,000,000	-
Meridian Finance & Investment Limited	25,000,000	-
	175,000,000	2,600,000,000

c Unsecured long-term loan:

Bangladesh Bank (Housing refinance)	808,671,418	1,013,817,287
	808,671,418	1,013,817,287

d Bank overdraft:

Commercial Bank of Ceylon PLC	-	6,860,384
Woori Bank	163,798,945	164,235,957
Pubali Bank PLC	15,151	27,780,088
Standard Chartered Bank	-	4,450,308
IFIC Bank PLC	-	9,379,508
	163,814,096	212,706,245

e Call loans:

Community Bank Bangladesh PLC	50,000,000	-
Jamuna Bank PLC	700,000,000	-
NRB Bank PLC	700,000,000	700,000,000
Dhaka Bank PLC	-	400,000,000
Shimanto Bank PLC	380,000,000	30,000,000
	1,830,000,000	1,130,000,000

f Bond:

	31-Dec-2024 Taka	31-Dec-2023 Taka
DBH Affordable Housing Bond	3,358,232,106	-
Zero Coupon Bond		
Concord Real Estate Ltd.	84,769,056	159,134,503
UCB Asset Management Ltd	27,026,761	52,532,667
AK Khan Company Limited	171,041,805	312,197,570
Chittagong Stock Exchange Ltd	81,576,232	132,167,412
Sena Kalyan Insurance Company Ltd.	2,915,631	4,723,976
Bangla Telecom Limited	17,514,846	28,379,479
Mr. Shahriar Kamal	2,384,011	4,163,156
Ms. Yasmin Khan Kabir	8,676,064	14,051,832
UCB Investment Ltd.	162,894,326	262,438,786
American Life Insurance Company Ltd.	410,977,487	662,145,377
	969,776,219	1,631,934,758
	4,328,008,325	1,631,934,758
Total inside Bangladesh(a+b+c+d+e+f)	8,605,493,839	9,358,458,290

DBH Finance PLC has issued the “DBH Affordable Housing Bond,” a non-convertible redeemable fixed coupon senior bond, with each lot valued at BDT 1 million, exclusively for international investors, to raise up to BDT 3,500 million. The purpose of this bond is to provide affordable housing finance to middle-income families in Bangladesh.

The International Finance Corporation (IFC) has fully subscribed to the bond, and after discounting, DBH Finance PLC received net proceeds of BDT 3,285 million. The bond will be repaid in eight equal half-yearly installments of BDT 437.5 million each, commencing from the second year of issuance. Additionally, during the first year, interest payments will be made in two separate installments for utilizing the funds.

In accordance with IFRS 9 - Financial Instruments, the bond has been initially recognized at its fair value of BDT 3,285,000,000, less transaction costs of BDT 28,982,314, resulting in an initial carrying amount of BDT 3,256,017,686. The bond is subsequently measured at amortized cost, incorporating the effective interest rate of 8.83%.

The aforesaid secured short term term loans (10.1 a) and DBH affordable Housing Bond (10.1 f) 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 Pubali Bank Ltd are secured by pari-passu security charges and overdraft from Woori bank is secured by FDR.

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

Secured	4,822,046,202	2,982,706,245
Unsecured	3,783,447,637	6,375,752,045
	8,605,493,839	9,358,458,290

10.3 Maturity grouping of borrowings from other banks, financial institutions and agents

Payable on demand	1,830,000,000	1,130,000,000
Up to 1 month	219,247,956	4,236,263,521
Over 1 month but within 3 months	1,338,662,370	44,217,660
Over 3 months but within 1 year	1,370,291,662	2,242,271,257
Over 1 year but within 5 years	3,830,664,507	1,664,754,260
Over 5 years	16,627,344	40,951,592
	8,605,493,839	9,358,458,290

11 Deposits and other accounts

Fixed deposits (Note: 11.1)
Other deposits

31-Dec-2024 Taka	31-Dec-2023 Taka
45,775,344,891	46,655,952,696
-	-
45,775,344,891	46,655,952,696

11.1 Fixed deposits

Opening balance
Addition during the year

Repayment made during the year
Closing balance

46,655,952,696	40,060,590,590
102,924,094,193	103,150,888,574
149,580,046,889	143,211,479,164
103,804,701,998	96,555,526,468
45,775,344,891	46,655,952,696

11.2 Group-wise break-up of deposits and others accounts

Government
Bank
Other institutions
Individuals

396,305,484	373,601,782
412,675,556	6,200,000,000
19,189,676,051	18,065,647,345
25,776,687,800	22,016,703,569
45,775,344,891	46,655,952,696

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

-	-
2,293,586,200	1,834,387,618
7,990,348,387	13,180,829,226
5,811,697,178	5,323,072,380
18,183,492,496	16,065,109,496
8,950,725,036	7,982,089,990
2,545,495,594	2,270,463,986
45,775,344,891	46,655,952,696

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

1,165,931,185	1,053,040,538
374,351,190	300,882,518
80,747,362	77,151,761
1,734,781,117	1,354,283,976
46,038,454	53,412,399
1,328,217	1,328,217
5,568,908	4,326,243
3,408,746,433	2,844,425,652

As per the BSEC directive No. BSEC/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

1,053,040,538	1,083,726,839
-	-
-	-
112,890,647	(30,686,301)
-	-
-	-
1,165,931,185	1,053,040,538

	31-Dec-2024 Taka	31-Dec-2023 Taka
12.1.1 General provision		
Opening balance	437,925,038	447,704,930
Charged during the year	6,244,231	(9,779,892)
Closing balance	444,169,269	437,925,038
12.1.2 Specific provision		
Opening balance	467,094,298	493,817,066
Provision written off	-	-
Provision recovered during the year	-	-
Provision charged/ (released) for the year	23,061,141	(26,722,768)
Provision no longer required written back	-	-
Recoveries of amounts previously written off	-	-
Closing balance	490,155,439	467,094,298
12.1.3 Provision for diminutions in the value of investments		
Opening balance	148,021,202	142,204,843
Provision charged/(released) during the year	83,585,275	5,816,359
Closing balance	231,606,477	148,021,202
12.1.A Provision on loans and advances		
General Provision charged/(released) during the year	6,244,231	(9,779,892)
Specific Provision charged/(released) during the year	23,061,141	(26,722,768)
	29,305,372	(36,502,660)
12.2 Provision for income tax		
Provision		
Opening balance	7,055,100,973	6,528,717,960
Less: Adjustment during the year for completed tax assessment	-	-
Less: Excess/(Short) provision adjustment	-	-
	7,055,100,973	6,528,717,960
Add: Provision made during the year	713,684,462	526,383,013
Closing balance	7,768,785,435	7,055,100,973
Advance tax		
Opening balance	6,754,218,455	6,281,796,178
Add: Payment made during the year		
Under Section 155 of Income Tax Act 2023	180,000,000	182,309,356
Deduction at source	460,215,790	290,112,921
Others	-	-
	7,394,434,245	6,754,218,455
Less: Adjustment during the year for completed tax assessment	-	-
Closing balance	7,394,434,245	6,754,218,455
Net balance	374,351,190	300,882,518
12.3 Interest suspense		
Opening balance	77,151,761	77,181,131
Interest suspended during the year	3,595,601	(29,370)
Written off suspended interest during the year	-	-
Closing balance	80,747,362	77,151,761

12.4 Other payables

	31-Dec-2024 Taka	31-Dec-2023 Taka
Interest payable on deposits & loans	1,361,759,993	980,858,819
Lease liability	47,128,999	66,118,475
Sundry creditors	125,545,837	116,025,945
Unclaimed instruments	16,521,707	12,123,092
Payable to clients	101,731,374	99,780,205
Loan under litigation	20,477,822	9,949,541
Privileged creditors	54,222,298	63,223,837
Profit Equalisation fund	1,497,948	573,213
HPSM compensation realized charity A/c	170,668	-
Liability for expenses	5,724,471	5,630,849
	1,734,781,117	1,354,283,976

12.5 Calculation of deferred tax liability

Right-of-use Asset - Carrying amount	51,404,236	69,704,925
Right-of-use Asset - Tax base	-	-
Lease liability- ROU -carrying amount	47,128,999	66,118,475
Lease liability-ROU-Tax base	-	-
Taxable temporary difference (A)	4,275,236	3,586,450
Interest Receivables on FDR & SND accounts - Carrying amount	116,544,199	136,555,284
Interest Receivables on FDR & SND accounts - Tax base	-	-
Taxable temporary difference (B)	116,544,199	136,555,284
Net taxable temporary difference (A+B)	120,819,436	140,141,734
Applicable tax rate	37.50%	37.50%
Deferred tax liability (i)	45,307,287	52,553,149
Dividend receivables - Carrying amount	3,655,833	4,296,245
Dividend receivables - Tax base	-	-
Taxable temporary difference	3,655,833	4,296,245
Applicable tax rate	20.00%	20.00%
Deferred tax liability (ii)	731,167	859,249
Total deferred tax liability (i + ii)	46,038,454	53,412,399
Deferred tax liability at the beginning of the year	53,412,399	1,642,121
Deferred tax Expense/(income)	(7,373,945)	51,770,277

13 Share capital**13.1 Authorized capital**

399,950,000 Ordinary shares of Tk. 10 each	3,999,500,000	3,999,500,000
5,000 Preference shares of Tk. 100 each	500,000	500,000
	4,000,000,000	4,000,000,000

13.2 Issued, subscribed, called and paid-up capital**Ordinary shares**

Opening	1,988,901,710	1,949,903,640
3,899,807 Ordinary shares of Taka 10 each issued as bonus share	-	38,998,070
	1,988,901,710	1,988,901,710

13.3 Capital of the Company is held by the following shareholders

Ordinary shares

Local shareholders:

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

Foreign shareholders:

General shareholders

31 December 2024	
No of shares	Taka
36,572,729	365,727,290
35,059,185	350,591,850
30,440,772	304,407,720
89,390,760	893,907,600
191,463,446	1,914,634,460
7,426,725	74,267,250
7,426,725	74,267,250
198,890,171	1,988,901,710

13.4 Break-up of Paid-up capital:

Date of Issue	Number of Shares	31 December 2024	
		Face Value	Amount
11 May 1996 to 28 June 1998	2000000	100	200,000,000
12-Dec-06	200000	100	20,000,000
09-Apr-08	500000	100	50,000,000
02-Dec-08	810000	100	81,000,000
23-Nov-09	526500	100	52,650,000
08-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
05-May-22	17726396	10	177,263,960
28-May-23	3899807	10	38,998,070
Total paid-up capital	198890171	10	1,988,901,710

13.5 Capital adequacy ratio - As per BASEL-II

1. Tier-1 (Core Capital)

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

31-Dec-2024 Taka	31-Dec-2023 Taka
1,988,901,710	1,988,901,710
1,933,901,710	1,933,901,710
55,000,000	55,000,000
3,784,631,160	3,775,040,000
935,825,025	675,601,635
-	-
-	-
700,000,000	250,000,000
-	-
9,398,259,605	8,678,445,055

	31-Dec-2024 Taka	31-Dec-2023 Taka
Deductions from Tier-1 (Core Capital)		
1.11 Book value of Goodwill and value of any contingent assets which are shown as assets	-	-
1.12 Shortfall in provisions required against classified assets	-	-
1.13 Shortfall in provisions required against investment in shares	-	-
1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.15 Any investment exceeding the approved limit.	-	-
1.16 Investments in subsidiaries which are not consolidated	-	-
1.17 Increase in equity capital resulting from a securitization exposure	-	-
1.18 Other (if any)	-	-
1.19 Sub Total (1.11-1.18)	-	-
1.20 Total Eligible Tier-1 Capital (1.10-1.19)	9,398,259,605	8,678,445,056
2 .Tier-2 (Supplementary Capital)		
2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	338,889,264	329,260,383
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)	338,889,264	329,260,383
2.8 Applicable Deductions (if any)	-	-
2.9 Total Eligible Tier-2 Capital (2.7-2.8)	338,889,264	329,260,383
Total capital	9,737,148,869	9,007,705,439
Total risk weighted assets	31,965,792,340	31,225,409,194
Required capital based on risk weighted assets(10%)	3,196,579,234	3,122,540,919
Surplus	6,540,569,635	5,885,164,520
Capital Adequacy Ratio:		
On core capital	29.40%	27.79%
On actual capital (against standard of minimum 10%)	30.46%	28.85%
Supplementary Capital to risk weighted assets	1.06%	1.05%
14 Share premium account		
Ordinary shares	55,000,000	55,000,000
	55,000,000	55,000,000
15 Statutory reserve		
Opening balance	1,933,901,710	1,894,903,640
Add: addition during the year	-	38,998,070
Closing balance	1,933,901,710	1,933,901,710
16 Other reserves		
Contingency Reserve (Note 16.1)	1,275,000,000	1,275,000,000
General Reserve (Note 16.2)	2,500,000,000	2,500,000,000
Dividend equalization reserve (Note 16.3)	700,000,000	250,000,000
Remeasurements gain/(loss) due to actuarial valuation	9,591,160	-
Capital redemption reserve	40,000	40,000
	4,484,631,160	4,025,040,000

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

	31-Dec-24 Taka	31-Dec-23 Taka
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	2,500,000,000	2,050,000,000
Add: addition during the year	-	450,000,000
Closing balance	2,500,000,000	2,500,000,000

16.3 Dividend equalization reserve

Opening balance	250,000,000	250,000,000
Add: addition during the year	450,000,000	-
Closing balance	700,000,000	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.

18 Interest income

	2024 Taka	2023 Taka
Interest on loans	5,377,974,669	4,346,356,352
Interest on placement with other banks & BB FX deposits	1,822,287,077	1,481,150,913
Interest on short term investment	139,067,569	96,740,069
	7,339,329,315	5,924,247,334

19 Interest paid on deposits and borrowings etc.

Interest on term loans	45,867,527	56,291,706
Interest on deposits	4,675,063,290	3,172,300,340
Interest on short-term borrowing	469,913,565	663,305,025
Interest on overdraft	12,632,761	10,691,699
Interest on Bond	328,876,498	133,656,242
Interest on DBH affordable housing bond	241,959,420	455,000
Profit on Term Deposit (Treasury)	17,742,409	88,833,798
Interest expense-lease	4,252,098	4,782,835
	5,796,307,568	4,130,316,645

	2024 Taka	2023 Taka
20 Income from investments		
Gain/(loss) on sale of marketable securities	(31,001,508)	5,610,689
Dividend income	26,316,894	17,796,376
Interest on Treasury Bond	813,790,672	166,452,695
	809,106,058	189,859,760
21 Commission, exchange and brokerage		
Loan fees	115,326,612	101,409,270
Other charges and fees	61,411,811	62,445,468
	176,738,423	163,854,738
22 Other operating income		
Property service income	16,353,251	17,216,429
Trustee Fee Income	5,184,479	3,037,796
Gain on sale of fixed assets	1,075,320	107,458
Other receipts	1,398,485	500,037
	24,011,535	20,861,720
23 Salary and allowances	484,514,100	399,823,287
Salary and allowances include annual contribution of Tk. 14,930,936 to DBH Staff Provident Fund and Tk. 16,270,594 to DBH Employees Gratuity Fund which are recognised by NBR.		
24 Rent, taxes, insurance, electricity etc.		
Rent, rates & taxes	8,189,523	13,255,840
Insurance	4,723,098	4,666,548
Electricity	7,711,873	7,112,769
Water	629,127	570,410
	21,253,621	25,605,567
24.1 Disclosure related to Rent, rates and taxes		
Actual expenses	52,268,028	50,968,979
Less: Re-classification of rent expenses as per IFRS-16	44,078,505	37,713,139
	8,189,523	13,255,840
25 Legal and professional expenses		
Law charges	19,076,973	16,556,619
Other professional charges	2,760,550	5,018,951
	21,837,523	21,575,570
26 Postage, stamp, telecommunication etc.		
Postage & courier service	902,049	949,091
Stamp expenses	3,306,716	3,172,179
Telephone & internet	7,239,296	4,363,650
	11,448,061	8,484,920
27 Stationery, printing, advertisements etc.		
Printing	3,349,908	2,274,940
Stationery	2,673,238	3,052,986
Publicity and advertisement	8,934,966	13,496,984
	14,958,112	18,824,910

	2024 Taka	2023 Taka
27.1 Managing Director's salary and fees	13,300,000	13,000,000
28 Directors' fees and expenses		
Fees for attending meeting	847,185	808,000
Incidental meeting expenses	405,150	225,097
	1,252,335	1,033,097
29 Statutory annual audit fees (including VAT)	920,000	575,000
	920,000	575,000
30 Depreciation/Amortization, repairs & maintenance		
Depreciation/Amortization:		
Freehold assets	21,916,445	21,891,889
Right-of-use Asset	41,030,424	34,195,303
Intangible assets	1,088,185	1,012,444
	64,035,054	57,099,636
Repairs & maintenance:		
Vehicle	2,737,516	1,899,022
Office equipment & premises	13,663,126	10,999,900
Computer hardware & software	2,523,377	4,627,325
	18,924,019	17,526,247
	82,959,073	74,625,883
31 Other expenses		
Staff training & recruitment expense	1,555,246	1,093,603
Office security	5,407,944	5,419,300
Transportation, traveling & conveyance	35,342,019	33,946,828
Canteen expense	2,712,418	2,546,297
Business promotion & entertainment	2,124,302	3,626,176
Car fuel	2,229,600	1,960,005
Books and papers	82,705	68,470
Bank charges	6,131,294	5,904,784
Recovery expenses	2,452,087	2,764,114
Donation, subscription and Fees	6,487,757	6,744,909
Public relation & AGM expense	126,000	230,140
Expenses for Islamic Wing	-	248,315
Outsource agency charges	8,422,039	7,768,288
Brokerage	2,630,758	1,894,679
Staff welfare expense	882,589	564,048
	76,586,758	74,779,956
32 Provision for tax		
Current tax		
Provision for income tax	713,684,462	526,383,013
Less: Excess/(Short) provision adjustment	-	-
	713,684,462	526,383,013
Deferred tax		
Expense/(Income) on deductible temporary differences (Note-9.4)	(3,911,632)	(1,412,595)
Expense/(Income) on taxable temporary differences (Note-12.5)	(7,373,944)	51,770,277
	(11,285,576)	50,357,683

Reconciliation of effective tax rate	2024		2023	
	Taka	%	Taka	%
Tax using the company's tax rate	641,609,076	37.50%	585,448,132	37.50%
Tax effect of :				
Provision for non-deductible expenses	32,841,659	1.92%	26,712,741	1.71%
Adjustment/provision released during the year	42,333,993	2.47%	(11,631,113)	-0.75%
Other components of tax as per ITA 2023	(5,193,788)	-0.30%	(75,988,657)	-4.87%
Difference between accounting and tax depreciation	2,093,523	0.12%	1,841,910	0.12%
Effective tax rate	713,684,462	41.71%	526,383,013	33.72%

33 Retained earnings

	2024 Taka	2023 Taka
Opening balance	675,601,635	511,628,998
Prior year adjustment	-	-
Add: Profit after tax for the year transferred from Profit & Loss Account	1,008,558,647	984,454,323
Add: Remeasurements gain/(loss) due to actuarial valuation	-	-
Accumulated profit available for distribution	1,684,160,282	1,496,083,321
Less: Appropriations		
Transferred to statutory reserve	-	38,998,070
Transferred to general reserve	-	450,000,000
Transferred to contingency reserve	-	-
Transferred to dividend equalization reserve	450,000,000	-
Issue of bonus shares for previous year	-	38,998,070
Cash dividend paid for last year	298,335,257	292,485,546
	748,335,257	820,481,686
Closing balance	935,825,025	675,601,635

34 Earnings per share

Profit after Tax	1,008,558,647	984,454,323
Profit available for ordinary shareholders	1,008,558,647	984,454,323
Number of shares outstanding for calculating basic EPS	198,890,171	198,890,171
Basic earnings per share	5.07	4.95

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	9,398,259,605	8,678,445,055
Number of Share	198,890,171	198,890,171
Net asset value (NAV) per share (As at 31 December)	47.25	43.63

36 Net operating cash flows per share (NOCFPS)

Net cash from operating activities	(75,296,069)	8,588,724,109
Number of Share	198,890,171	198,890,171
Net operating cash flows per share (NOCFPS)	(0.38)	43.18

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

Particulars	Remarks	Amount in Taka	
		2024	2023
Profit after tax		1,008,558,646	984,454,322
Provision for income tax	Non cash item	702,398,884	576,740,696
Depreciation	Non cash item	64,035,054	57,099,636
Provision for Loans and advances	Non cash item	29,305,372	(36,502,660)
Provision for Diminution in value of investment	Non cash item	83,585,275	5,816,359
Interest Suspense	Non cash item	3,595,601	(29,370)
Gain/loss on sale of fixed assets	Non-operating item	(1,075,320)	(107,458)
ZCB interest accrued	Non cash item	69,612,174	133,656,241
Accrual for dividend, LAD and interest receivable	Changes in accrual	(35,744,846)	(86,801,234)
Accrual for expenses	Changes in accrual	390,514,687	147,224,913
Purchase & sale of trading securities	(Inc)/Dec of assets	(80,792,030)	(124,163,311)
Loans and advances	(Inc)/Dec of assets	(835,919,672)	864,541,833
Other Assets	(Inc)/Dec of assets	37,239,110	(29,705,328)
Loan and deposit from Banks and Customer	Inc/(Dec) of liabilities	(880,607,805)	6,595,362,106
Other liabilities	Inc/(Dec) of liabilities	10,214,593	(26,440,359)
Income tax paid		(640,215,791)	(472,422,277)
Net cash flows from operating activities		(75,296,069)	8,588,724,109

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

In hand	185,362	108,944
Balance with Bangladesh Bank and its agent Bank	682,179,141	622,475,473
Balance with other banks and financial institutions	9,380,539,393	17,446,972,663
Money at call on short notice	1,900,000,000	100,000,000
Bank Overdraft	(163,814,096)	(212,706,245)
	11,799,089,800	17,956,850,835

38 Dividend on ordinary shares (Post Balance sheet Event)

Proposed dividend:

The Board of Directors in its 157th meeting held on 05 May 2025 has recommended cash dividend @ 15% (i.e. Taka 1.50 per ordinary share) and stock dividend @2% (i.e. 1 bonus share for every 50 ordinary shares held) for the year ended 31 December 2024 for placement before the shareholders for approval at 29th AGM of the company.

39 Foreign currency inward/outward remittance

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

40 Related party transactions

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

Name of the related parties	Relationship	Particulars	Expenses incurred during the year (Taka)
Delta Life Insurance Company Limited (DLIC)	Shareholder	Insurance premium	1,889,909
Green Delta Insurance Company Limited (GDICL)	Shareholder	Insurance premium	3,529,751

Name of the related parties	Relationship	Share Buy (Taka)	Share Sale (Taka)	Balance (Taka)
Green Delta Securities Ltd.	Subsidiary of GDICL	264,286,336	164,324,349	2,616,662
DLIC Securities Ltd.	Subsidiary of DLICL	1,401,056	1,433,935	49,324

Name of the related parties	Relationship	Deposits Received (Taka)	Interest & Principal Paid during the period (Taka)	Balance (Taka)
Delta Life Insurance Company Limited (DLICL)	Shareholder	180,000,000	6,677,049	180,000,000
Green Delta Insurance Company Limited (GDICL)	Shareholder	-	2,107,380	2,544,000
BRAC	Shareholder	1,036,600,000	21,968,741	1,367,114,357

In the year 2024 (Jan'24 – Dec'24) Taka 53,298,875/- was paid as salary and allowances to the top 5 employees of the company. The amount includes short-term employee benefits of Taka 51,491,795/- and post-employment benefits of Taka 1,807,080/-

- 41 During the year under audit, there were 305 (2023: 286) employees employed for the full period and 68 (2023: 53) 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 2024:

Name	Position at DBH	Involvement in other organization	
		Name of the Organization in which they have interest	Position
Dr. A M R Chowdhury	Chairman	BRAC University	Member Board of Trustees
Mr. Syed Moinuddin Ahmed	Vice Chairman	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. Khandkar Manwarul Islam	Director	Styllent Knit Limited	Managing Director & CEO
		Ha-Meem Group Sweater Division	CEO
Mr. Nazir Rahim Chowdhury	Director	M.I.M. Fashion Wear Ltd.	Vice Chairman
Prof. Imran Rahman	Independent Director	University of Liberal Arts Bangladesh (ULAB)	Vice-Chancellor

Dr. A. M. R. Chowdhury is the Representative Director of BRAC. Mr. Syed Moinuddin Ahmed is the Representative Directors of Green Delta Insurance Company Ltd. 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 2024:

Name	Status with the Company	Status with the Committee	Educational Qualification
Prof. Imran Rahman	Independent Director	Chairman	Doctoral Research (ABD)
Mr. Syed Moinuddin Ahmed	Director	Member	MBA
Mr. Khandkar Manwarul Islam	Director	Member	MBA

During the period from January to December 2024, the audit committee of the Board conducted 4 (four) meetings.

Sl. No.	Meeting No	Meeting Date
1	67	11-Mar-24
2	68	05-May-24
3	69	28-Jul-24
4	70	17-Oct-24

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 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 2024, it had 19 nos corporate clients and their portfolio was Taka 39.18 crore (0.88% of the total portfolio) only. The company disbursed Taka 23.53 crore to five 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.

42.4 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.


Chairman


Director


Director


Managing Director & CEO

DBH FINANCE PLC.

Schedule of Fixed Assets and Intangible Assets

For the year 2024

Annexure-A

Amount in Taka

Particulars	Cost				Depreciation/Amortization				Written down value as at 31 December 2024
	Balance as on 1 January 2024	Additions during the year	Disposals during the year	Balance as at 31 December 2024	Balance as on 1 January 2024	Charged for the year	Adjustment on disposals	Balance as at 31 December 2024	
Furniture & fixtures	79,993,471	6,854,267	70,200	86,777,538	65,416,262	5,435,037	70,197	70,781,102	15,996,436
Office Equipment	35,117,741	2,048,613	132,790	37,033,564	30,581,512	2,112,982	130,630	32,563,864	4,469,700
Computer and computer equipments	57,103,712	3,476,557	-	60,580,269	51,517,830	3,215,193	-	54,733,023	5,847,246
Vehicles	56,418,505	16,506,222	1	72,924,726	46,797,328	5,224,684	1	52,022,011	20,902,715
Building	198,480,625	-	-	198,480,625	42,901,540	5,928,549	-	48,830,089	149,650,536
Land	13,658,300	-	-	13,658,300	-	-	-	-	13,658,300
Right of use asset	113,735,934	22,729,735	2,870,588	133,595,081	44,031,007	41,030,424	2,870,588	82,190,843	51,404,238
	554,508,288	51,615,394	3,073,579	603,050,103	281,245,479	62,946,869	3,071,416	341,120,932	261,929,171
Intangible asset:									
Software	12,245,280	805,925	-	13,051,205	9,059,497	1,088,185	-	10,147,682	2,903,523
Total 2024	566,753,568	52,421,319	3,073,579	616,101,308	290,304,976	64,035,054	3,071,416	351,268,614	264,832,694

DBH Finance PLC.
Islamic Financing Division (IFD)
Balance Sheet
As at December 31, 2024

Annexure-B

Particulars	Amount in Taka	
	As on December 31, 2024	As on December 31, 2023
Property & Assets		
Balance with BB and agent Bank	33,000,000	14,000,000
Balance with other Bank and FI	272,657,771	173,595,409
Investments in HPSM	2,672,670,804	962,703,546
Other assets	1,753,390	7,429,405
	2,980,081,965	1,157,728,360
Liabilities and Capital		
Liabilities		
Placement from other banks and FI	175,000,000	-
Mudaraba Term Deposits and Other accounts	2,670,527,419	1,120,697,643
- Bank & FI	412,675,556	200,000,000
- Other Deposits	2,257,851,863	920,697,643
Other liabilities	100,132,832	28,110,393
Total liabilities	2,945,660,251	1,148,808,036
Shareholders' Equity		
Share capital	-	-
Share premium	-	-
Statutory reserve	-	-
Other reserve	-	-
Retained earnings	34,421,714	8,920,324
Total liabilities and shareholders equity	2,980,081,965	1,157,728,360

DBH Finance PLC.
Islamic Financing Division (IFD)
Profit and Loss Account
For the period ended December 31, 2024

Particulars	Amount in Taka	
	2024	2023
Operating income		
Investment Income	280,153,036	133,656,347
Profit paid on Mudaraba deposits	228,395,417	109,146,972
Net Investment Income	51,757,619	24,509,376
Fees and misc. reimbursement investment in HPSM	19,548,736	9,562,229
Other Operating income	687,023	472,669
Total operating income	71,993,378	34,544,274
Operating expenses		
Salary and allowances	2,553,100	1,002,625
Rent, taxes, insurance, electricity etc.	-	-
Legal & professional expenses	-	200,964
Postage, stamp,telecommunication etc.	-	2,365
Stationery, printing advertisement etc.	797,482	2,896,890
Managing directors salary and fees	-	-
SSC members' fees and expenses	125,504	35,200
Auditors fees	-	-
Depreciation repair & maintenance exp.	33,220	262,500
Other expenses	322,383	464,204
Total operating expenses	3,831,689	4,864,748
Operating profit before provision	68,161,690	29,679,526
Provision for		
Provision for investments	17,099,673	9,627,035
Provision for other assets	-	-
Diminution in value of investment	-	-
Total provision	17,099,673	9,627,035
Pre-tax profit	51,062,017	20,052,491
Provision for tax		
Current	25,963,854	10,071,418
Deferred	(403,228)	1,060,749
	25,560,626	11,132,167
Profit after tax	25,501,391	8,920,324
Appropriation		
Statutory reserve	-	-
General reserve	-	-
Dividend on preference shares	-	-
Contingency reserve	-	-
Interim Dividend or ordinary dividend	-	-
Transfer to Dividend Equilisation Fund	-	-
Total appropriations	-	-
Retained surplus	25,501,391	8,920,324

DBH Finance PLC.

Highlights

(As Per Bangladesh Bank Guidelines)

Annexure-C

In Million

SL No.	Key indicators	2024	2023
1	Paid-up capital	1,988.90	1,988.90
2	Total capital	9,398.26	8,678.45
3	Capital surplus	6,540.57	5,885.16
4	Total assets	67,187.84	67,537.28
5	Total deposits	45,775.34	46,655.95
6	Total loans, advances and leases	44,509.37	43,669.79
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	0.97	0.94
9	Percentage of classified loans against total loans, advances and leases	0.97%	0.86%
10	Profit after tax and provision	1,008.56	984.45
11	Amount of classified loans during current period	431.74	376.44
12	Provisions kept against classified loans	490.16	467.09
13	Provision surplus against classified loan	58.41	90.66
14	Cost of fund	10.89%	7.42%
15	Interest earnings assets	65,975.88	66,381.82
16	Non-interest earnings assets	1,211.97	1,155.46
17	Return on investment (ROI)	1.52%	1.55%
18	Return on assets (ROA)	1.50%	1.52%
19	Income from investment	809.11	189.86
20	Earnings Per Share (EPS)	5.07	4.95
21	Net income per share	5.07	4.95
22	Market price per share	38.90	56.70
23	Price earnings (PE) ratio	7.67	11.45



8

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Corporate Directory

HEAD OFFICE

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Corporate Website: www.dbhfinance.com

Corporate e-mail: dbh@dbhfinance.com

DBH Customer Center: 16562 or 09612222888

BRANCHES

Dhanmondi Branch

Pantha Plaza (1st Floor), 63/A Lake Circus, Kalabagan
(West Panthapath), Dhaka-1205, PABX: 09610 334440,
09610 334455, +880 (2) 222240904, 48110390, 58155745

Uttara Branch

Union Nahar Square (4th Floor), Plot- 19, Sonargaon Janapath
Road, Sector-13, Uttara, Dhaka-1230
PABX: 09610 334480, 09610 334455, +880 (2) 48956657

Gazipur Branch

Reaz Tower (2nd Floor), Tangail Road,
Joydebpur Chowrasta, Gazipur City Corporation,
Gazipur -1702, PABX : 09610 334520, 09610 334455

Agrabad Branch

Makkah Madinah Trade Centre (MMTC)
6th Floor (South side), 78 Agrabad Commercial Area, Chattogram
PABX : 09610 334650, 09610 334455

Sylhet Branch

Azadi 111 (1st Floor), Mirbextula, Sylhet, Bangladesh
PABX: 09610 334630, 09610 334455

Khulna Branch

Raj Square (5th Floor), Plot: A-1, KDA Majid Sarani, Sonadanga,
Khulna, PABX: 09610 334720, 09610 334455

Rangpur Branch

Khan Bahadur Abdur Rouf Plaza, 3rd Floor, House No. 01,
Road No. 01, Station Road, Rangpur
PABX: 09610 334580, 09610 334455

Mymensingh Branch

Parvez Tower (2nd Floor)
99/A, Sharda Ghosh Road, Sadar Mymensingh.
PABX: 09610 334670, 09610 334455

Motijheel Branch

D R Tower (7th Floor), 65/2/2, Purana Paltan,
Box Culvert Road, Dhaka-1000, PABX: 09610 334400,
09610 334455, +880 (2) 47111774, 47111778, 9565053

Savar Branch

MK Tower (4th floor), B-16/1 Jaleshwar
Shimultola, Savar, Dhaka
PABX: 09610 334500, 09610334455

Narayanganj Branch

Madina Tower (1st Floor), 42/2 Nawab Salimullah Road,
North Chashara, Narayanganj
PABX: 09610 334540, 09610 334455

Nasirabad Branch

Sanmar Tower-1 (5th Floor), 1850/3319, CDA Avenue,
East Nasirabad, Chattogram
PABX: 09610 334600, 09610 334455, +880 (31) 2551224-6

Cumilla Branch

Trical Tower (1st Floor) 634/581, Laksham Road,
Cumilla-3500, PABX: 09610 334700, 09610 334455

Rajshahi Branch

Dulal Tower (3rd Floor), 220 Shaheb Bazar, Moni Chottor,
Boalia, Rajshahi , PABX: 09610 334740, 09610 334455

Barishal Branch

Faiz Shotaiyu Bhabon, (2nd Floor), Holding-409, Ward-16,
Sahid Nazrul Islam Sarak (Police Line Road),
Barishal Sadar, Barishal, PABX: 09610 334690, 09610 334455

Mirpur Customer Service Center

HAL GBDL Kazi Morning Glory (3rd Floor)
House-15, Road-3 (Main Road), Block-A, Section-11,
Mirpur, Dhaka, PABX: 09610 334560, 09610 334455

Bankers

Citibank, N.A.
Commercial Bank of Ceylon PLC
Dhaka Bank PLC.
IFIC Bank PLC
NRB Bank PLC.
Al Arafah Islami Bank PLC.
Trust Bank PLC.

Prime Bank PLC.
Pubali Bank PLC.
Standard Chartered Bank
Standard Bank PLC.
Woori Bank Limited
City Bank PLC.
Export Import Bank of Bangladesh PLC.

Auditors

Hoda Vasi Chowdhury & Co.

Chartered Accountants

BTMC Bhaban, (6th & 7th Floor), 7-9 Kawran Bazar Road, Dhaka-1215, Bangladesh.

Event Gallery



DBH received
14th ICMAB
Corporate
Award



DBH
Inaugurates its
new branch in
Mymensingh



DBH Sales
Summit 2025



DBH honored
with 11th ICSB
Corporate
Governance
Excellence
Award

DBH
Inaugurates its
New Branch in
Barishal



Agreement
signing between
DBH and IFC
to boost Green
Housing in
Bangladesh

Farewell
to Director
Mehreen
Hassan,
Barrister-at-
Law





Farewell to
Independent
Director Major
General Syeed
Ahmed, Bp (Rtd.)

Project Services
Agreement
for Affordable
Housing Finance
Between DBH
and IFC



Farewell to
Independent
Director
Ms. Rasheda
K. Choudhury

DBH
Participates in
Green Delta
Cricket Fest



Glossary

A

Accounting Standards

Accounting standards are guidelines and principles set by regulatory bodies or standard-setting organizations to ensure consistency, transparency, and comparability in financial reporting. They dictate how financial transactions and events should be recorded, presented, and disclosed in financial statements to provide relevant and reliable information to users. We follow International Financial Reporting Standards promulgated by IFRS Foundation and adopted by Financial Reporting Council of Bangladesh.

AGM

AGM stands for Annual General Meeting. It is a mandatory yearly gathering of a company's shareholders, as stipulated by corporate law and regulations. During the AGM, shareholders convene to discuss and vote on important matters concerning the company's operations and governance.

Amortization

Amortization is the gradual reduction of the value of an intangible asset or the repayment of a loan through scheduled periodic payments.

B

Basel II

Basel II is an international regulatory framework that establishes risk management and capital adequacy standards for banks.

BSEC

BSEC stands for Bangladesh Securities and Exchange Commission, which regulates and oversees the securities market in Bangladesh.

C

Capital Surplus

Capital surplus refers to the excess of funds received from the issuance of stock over its par value.

CAR

The CAR ratio, or Capital Adequacy Ratio, is a measure of a bank's capital relative to its risk-weighted assets, indicating its ability to absorb losses and meet regulatory requirements.

CSR

CSR, or Corporate Social Responsibility, is a business practice where companies integrate social and environmental concerns into their operations and interactions with stakeholders. It involves initiatives that benefit society beyond profit-making, encompassing ethical behavior, philanthropy, and sustainable practices.

Credit Rating

Credit rating is an assessment of the creditworthiness of an individual, company, or government entity, typically expressed as a letter grade. It helps lenders determine the risk associated with extending credit and influences interest rates and terms for borrowing.

Credit risk

It refers to the potential loss a lender faces if a borrower fails to repay a loan or meet their financial obligations. It's the risk of default on a debt obligation, leading to financial loss for the lender.

Corporate Governance

Corporate governance involves the system of rules, practices, and processes by which a company is directed and controlled. It ensures accountability, transparency, and fairness in decision-making to safeguard the interests of shareholders and stakeholders.

D

DAP

A Detailed Area Plan (DAP) is a comprehensive urban planning document that outlines specific development guidelines and regulations for a designated area. It provides detailed instructions for land use, zoning, infrastructure, and architectural standards to guide development in a cohesive and sustainable manner.

Deposit

A deposit is a sum of money placed into a bank account or financial institution for safekeeping or to earn interest. It can also refer to an initial payment made to secure a purchase or rental agreement.

Deferred Tax

Deferred tax refers to income taxes that are recognized on the financial statements but are not paid or received until a future period due to differences in accounting methods and tax regulations. It represents temporary timing differences between taxable income and

accounting income, impacting a company's financial reporting and tax liabilities.

Depreciation

Depreciation is the gradual decrease in the value of an asset over time due to wear and tear, obsolescence, or usage. It's a non-cash expense that reflects the reduction in the asset's value on the company's balance sheet.

Dividend

A dividend is a distribution of a portion of a company's earnings to its shareholders, typically in cash. It's a reward for investing in the company and reflects its profitability and financial health.

Discount Rate

The discount rate is the interest rate used to determine the present value of future cash flows in financial calculations. It's commonly applied in discounted cash flow analysis to assess the worth of an investment or project.

E

EPS

EPS stands for Earnings Per Share, a financial metric calculated by dividing a company's net income by its total number of outstanding shares. It indicates the portion of a company's profit allocated to each outstanding share of its common stock, serving as a key measure of profitability and shareholder value.

Equity Risk

It is the risk of loss due to adverse change in the market price of equities held by the company.

EVA

Economic Value Added (EVA) is a financial metric that measures a company's true economic profit by deducting the cost of capital from its net operating profit. It helps assess how well a company generates value for its shareholders after considering the capital invested.

F

Financial Risk

Financial risk refers to the possibility of loss arising from a company's financial activities, including investments, borrowing, and currency fluctuations. It encompasses the uncertainty of achieving expected returns or meeting financial obligations due to market volatility or adverse economic conditions.

Fair Value

Fair value is the estimated price at which an asset or

liability should exchange in an orderly transaction between knowledgeable, willing parties. It represents the market value based on current conditions and is crucial in financial reporting and investment valuation.

FDR

Fixed deposit rate refers to the interest rate offered by banks or financial institutions for funds deposited for a fixed period, typically higher than regular savings accounts. It provides a guaranteed return on investment, attracting individuals seeking stable returns with low risk.

Financial Instrument

Financial instruments are contracts that represent a monetary value, such as stocks, bonds, derivatives, or cash equivalents, enabling entities to trade, hedge, or invest in various assets. They serve as tools for raising capital, managing risk, and facilitating investment activities in financial markets.

G

GDP

Gross Domestic Product (GDP) is a measure of the total value of all goods and services produced within a country's borders within a specific time period. It's a key indicator of a country's economic performance and overall size of its economy.

GNI

GNI stands for Gross National Income, which measures the total income earned by a country's residents, including income earned domestically and abroad, minus income earned by foreign residents domestically. It's a key indicator of a country's economic performance and standard of living.

GNP

GNP stands for Gross National Product, representing the total value of all goods and services produced by a country's residents, both domestically and abroad, within a specific time frame. It's a measure of a nation's economic output and is often used to gauge economic performance and compare with other countries.

Going Concern

Going concern refers to the assumption that a business will continue operating indefinitely, without the intention or necessity of liquidation. It's crucial for financial reporting and assessment of a company's financial health and viability.

I

Interest Rate Risk

Interest rate risk refers to the potential for changes

in interest rates to negatively impact the value of investments, particularly fixed-income securities like bonds. It arises due to fluctuations in interest rates affecting the prices of existing bonds and the returns on future investments.

IPO

An IPO, or Initial Public Offering, is the first sale of stock by a private company to the public, enabling it to raise capital from external investors. It marks the transition of a company from private to public ownership, allowing shares to be traded on a stock exchange.

Intangible Asset

Intangible assets are non-physical assets that lack a physical substance but hold value for a company, such as patents, trademarks, copyrights, and goodwill. They contribute to a company's long-term value and competitive advantage but are not easily quantified or exchanged.

Investment Portfolio

An investment portfolio is a collection of financial assets owned by an individual or entity, such as stocks, bonds, real estate, and commodities, assembled to achieve specific financial objectives. It's diversified to manage risk and optimize returns based on the investor's risk tolerance and financial goals.

IT

IT, or Information Technology, encompasses the use of computers, networks, software, and other technological tools to store, retrieve, transmit, and manipulate data for various purposes. It plays a crucial role in modern businesses, communication, entertainment, and virtually all aspects of daily life.

L

LC

LC commonly stands for "Letter of Credit," a financial document issued by a bank guaranteeing payment to a seller upon presentation of specified documents, reducing risk in international trade transactions. It ensures that the seller receives payment as long as the terms and conditions of the letter are met.

Liquidity Risk

Liquidity risk is the possibility that an asset cannot be traded quickly enough in the market without a significant loss in value. It arises when there's a shortage of buyers or sellers for an asset, leading to difficulty in buying or selling at desired prices.

Loan Portfolio

A loan portfolio is a collection of loans held by a financial institution such as a bank or credit union,

representing its assets. It encompasses various types of loans, including mortgages, personal loans, and business loans, which generate interest income for the institution.

M

Market Risk

Market risk, also known as systematic risk, is the potential for losses due to changes in market factors such as interest rates, exchange rates, and stock prices. It affects the overall performance of investment portfolios and is inherent in all types of financial instruments.

MVA

Market Value Added (MVA) is a financial measure that compares a company's market value to the capital contributed by investors, net of capital costs. It assesses whether a company's investments generate returns that exceed the expectations of investors.

N

NPL

NPL stands for "Non-Performing Loan," indicating a loan in which the borrower has failed to make interest or principal payments for an extended period. It represents a risk for lenders and can impact their financial health and ability to lend.

NAV

NAV stands for Net Asset Value, representing the per-share value of a mutual fund or exchange-traded fund (ETF) calculated by subtracting liabilities from the total value of assets. It provides investors with an indication of the fund's underlying value and is typically calculated at the end of each trading day.

Net Interest Income

Net interest income is the difference between interest earned on assets like loans and investments and the interest paid on liabilities such as deposits and borrowings. It's a key measure of a financial institution's profitability derived from its core lending and deposit-taking activities.

O

Operational Risk

Operational risk is the residual risk a company faces after implementing risk management strategies to mitigate operational threats. It represents the remaining exposure to potential losses from operational failures or disruptions.

P**Provision**

Provision refers to the allocation of funds set aside by a company to cover anticipated future expenses or losses, often based on estimates or regulations. It acts as a financial cushion, ensuring readiness for potential liabilities or contingencies.

P/E Ratio

The price-to-earnings (P/E) ratio is a financial metric used to evaluate a company's stock price relative to its earnings per share (EPS). It indicates how much investors are willing to pay for each dollar of earnings and is commonly used to assess the valuation of a stock.

R**ROA**

ROA, or Return on Assets, is a financial ratio that measures a company's profitability by evaluating its ability to generate earnings from its assets. It indicates how efficiently a company utilizes its assets to generate profits.

ROE

ROE stands for Return on Equity, a financial ratio that measures a company's profitability relative to its shareholders' equity. It indicates how effectively a company generates profits from the equity invested by its shareholders.

RWA

RWA stands for "Risk-Weighted Assets," representing the value of a bank's assets weighted by their risk levels to determine capital requirements. It helps regulators ensure banks maintain sufficient capital to cover potential losses based on the riskiness of their assets.

S**Salvage Value**

Salvage value is the estimated residual worth of an asset at the end of its useful life, representing its value when it's no longer in productive use. It's important in depreciation calculations and determining the overall cost-effectiveness of an asset over its lifespan.

Statutory Reserve

Statutory reserve refers to the portion of a company's profits that it is legally required to set aside as a reserve, often to meet regulatory requirements or to strengthen financial stability. It serves as a safeguard against potential future losses and ensures compliance with legal obligations.

T**Term Deposit**

A term deposit is a type of investment where funds are deposited with a financial institution for a fixed period at a specified interest rate. It offers a guaranteed return upon maturity and is generally considered a low-risk investment option.

Tier-1 Capital

Tier 1 capital represents the core capital of a bank, including common equity and disclosed reserves, serving as a cushion against financial losses. It's crucial for maintaining financial stability and meeting regulatory requirements.

Tier-2 Capital

Tier 2 capital represents supplementary capital for banks, including items like subordinated debt and certain hybrid instruments. It provides additional loss-absorbing capacity beyond Tier 1 capital to enhance financial stability and regulatory compliance.

V**VAS**

Value Added Statement is a financial statement that quantifies and presents the value added by an organization during a specific period, typically by analyzing the wealth created for stakeholders. It showcases how a company generates value beyond its input costs, reflecting its economic contribution to society.

Y**Yield**

Yield refers to the income generated by an investment, typically expressed as a percentage of its value. It indicates the return an investor receives on their investment, considering dividends, interest, or rental income.

Z**ZCB**

ZCB stands for "Zero Coupon Bond," a type of bond that pays no periodic interest payments but is sold at a discount to its face value, with the full-face value repaid at maturity. They are known for their simplicity and potential for capital appreciation as they reach maturity.

Notice of the 29th Annual General Meeting (Virtual)

Notice is hereby given that the **29th Annual General Meeting (AGM)** of DBH Finance PLC. will be held on **Thursday, June 19, 2025, at 11:30 a.m.** (Dhaka Time). The AGM will be held virtually by using a digital platform (Pursuant to BSEC order no. SEC/SRMIC/94-231/91, dated March 31, 2021 and BSEC/ICAD/SRIC/2024/318/87, dated March 27, 2024) through the following link: <https://dbh29.agm.watch/> to transact the following businesses:

1. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2024, and the Auditors' Report thereon.
2. Declaration of dividend for the year ended December 31, 2024 as recommended by the Board.
3. Appointment/re-appointment of Directors.
4. (i) Re-appointment of statutory auditors and fixation of their remuneration;
(ii) Re-appointment of a professional firm to provide the certificate on compliance of the Corporate Governance Code of BSEC for the year 2025, as well as fixation of their remuneration.

By order of the Board

May 28, 2025

Sd/-

Jashim Uddin, FCS

Company Secretary

Notes:

- The Shareholders whose names appeared on the Shareholders/Depository Register as on the "Record Date" i.e. **May 27, 2025**, are eligible to participate in the 29th Annual General Meeting (AGM) and receive the dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's circular No. BSEC/ICAD/SRIC/2024/318/87 dated 27 March 2024, the AGM will be a virtual meeting of the Shareholders, which will be conducted via live webcast by using a digital platform.
- The Shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For login to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID number and number of shares along with other credentials (if any as required) as proof of their identity by visiting the [link: https://dbh29.agm.watch/](https://dbh29.agm.watch/)
- We encourage the Shareholders to login to the system prior to the meeting start time at 11:30 a.m. (Dhaka time) on June 19, 2025. Shareholders may contact +8801614072145 for any technical difficulties in accessing the virtual meeting.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, link of the soft copy of the Annual Report-2024 will be sent to the email addresses of the Shareholders available in their Beneficial Owner (BO) account maintained with the Depository. The soft copy of the Annual Report-2024 will also be available on the Company's website at: www.dbhfinance.com. The printed annual report may be available if any member requires in writing beforehand.



Communication to Shareholders and Customers

DBH Finance PLC. is listed in both the nation's exchanges. Investors can monitor the ticker in the name of DBH in both DSE and CSE. Any price sensitive information is disseminated timely. Annual Report of the company summarizes the company's financial performance and provides an overview of the company's major activities. The annual report is duly submitted to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC & Chittagong Stock Exchange PLC in timely manner. Each stockholder is sent copy of the report before AGM. Annual Report, Quarterly Reports and Supplements to the reports are available on the company's website, www.dbhfinance.com or copies are available with the Board Secretariat at DBH Finance PLC. On top of the above information, the company makes available each material information or achievement to the shareholders through the company's web portal. For additional information about company and the financials, the investors can visit our web portals, www.dbhfinance.com.

Redressal of Investors' complaint

Corporate Affairs Department of DBH Finance PLC always places high importance on resolving any complaints from investors about inconveniences. In mitigating investors' complaints (if any) regarding any inconvenience. Investors can approach to Corporate Affairs Department for filing a complaint or send an email to zobair@dbhfinance.com, the company's Corporate Affairs Department's email address. Additionally, an investor may file a written complaint to DBH Finance PLC also. DBH's assigned person responds immediately to the complaint after receiving the complaint.

Redressal of Customers' complaint:

At DBH Finance, we are committed to delivering exceptional service and addressing customer concerns with utmost priority and professionalism. Customers can reach us to lodge complaints through multiple convenient channels. They can contact us by phone through our hotline number 16562 or 09610 222888 for prompt assistance. Complaints can also be sent via email to our dedicated customer service address at customerservice@dbhfinance.com. For a self-service option, clients may use our Virtual Interactive Voice Response (VIVR) platform at vivr.dbhfinance.com. Additionally, customers are welcome to visit any of our 15 branches and approach the Customer Service Desk (CSD) to file a complaint in person.

We are dedicated to resolving all complaints fairly, transparently, and in a timely manner. Once a complaint is received, it is acknowledged promptly and assigned to the relevant department for investigation. Our team ensures regular follow-up and communicates with the customer throughout the resolution process. We continuously review our complaint handling procedures to improve our service quality and ensure customer satisfaction.

Note

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



DBH Finance PLC.

Head Office : Landmark Building (9th Floor)
12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212
PABX : 09610 334455, +880(2) 222282374
58816001, 222289112,
Fax : +880(2) 222282110
Email : dbh@dbhfinance.com
Web : www.dbhfinance.com

29th Annual General Meeting

Proxy Form

I/We _____
of _____ being a member of DBH Finance PLC.
and a holder of _____ shares do hereby appoint
Mr./Ms _____ of _____ as my/our proxy to vote for me/us and on
my/ our behalf at the **29th Annual General Meeting (Virtual)** of the Company to be held on **June 19, 2025 (Thursday)**
at 11.30 a.m. and any adjournment thereof.

Signed this _____ day of _____ 2025.

Signature _____

Name _____

Folio/BO ID No. _____

Member

Revenue
Stamp

Signature _____

Name _____

Folio/BO ID No. _____

Proxy

NOTES:

- 1) This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the registered office. Proxy is invalid if not duly signed and stamped.
- 2) Signature of the Shareholders should agree with the Specimen Signature registered with the Company and Depository Register.

29th Annual General Meeting

Virtual Meeting Logistics



Date

Thursday, 19 June 2025



Time

11:30 AM, Dhaka Time



Live Webcast

<https://dbh29.agm.watch/>

ডিবিএইচ ইসলামিক

শরিয়াহভিত্তিক ফাইন্যান্সিং উইং

মুদারাবা হজ ডিপোজিট

সর্বোচ্চ সুরক্ষা • পূর্ণাঙ্গ শরিয়াহ পরিপালন





☎ **16562**

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DBH Finance PLC.