

Strictly Private & Confidential

Information Memorandum

DBH Affordable Housing Bond

Issuer: DBH Finance PLC

Corporate Head Office: Landmark Building (9th Floor), 12-14 Gulshan North C/A,
Gulshan-2, Dhaka-1212, Bangladesh

Type of Security: Non-Convertible Redeemable Fixed Coupon Senior Bond
Issued as set out below

Total Face Value: up to BDT 3,500,000,000
(each Bond, a "Bond")

Issuance:

Issue Amount: Up to BDT equivalent of USD 30 million (such amount being approximately up to BDT 3,500,000,000)

Beneficiaries: Bondholders

Trustee: UCB Investment Limited (in its capacity as trustee for the Bondholders)

Common Terms:

Coupon Rate	: Fixed rate of 8.50% p.a.
Tenor	: Five Years from the date of the issuance
Face Value of Each Bond is	: BDT 1,000,000
Face Value of Each Lot of Bond	: BDT 1,000,000
Bonds in Each Lot	: 1
Number of Lot	: Up to 3,500
Total Number of Securities	: Up to 3,500
Total Issue Price of the Bonds	: Up to BDT 3,500,000,000
Issue Price of Each Bond	: BDT 1,000,000
Issue Price of Each Lot of Bond	: BDT 1,000,000
Total Issue Amount	: Up to BDT 3,500,000,000 (Face Value)
Credit Rating status of the Issuer	: AAA (ECRL)
Credit Rating status of the Issue	: AAA _(B) Outlook: Stable (ECRL)
Issue Date of IM	: _____, 2023

Issuer

DBH Finance PLC



26 DEC 2023

"If you have queries about this document, you may consult the issuer or originator, issue manager and the trustee"

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DBH Finance PLC.

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

ARRANGER'S DISCLAIMER

DBH Finance PLC (the "Issuer" or "DBH") has authorized DBH Finance PLC (the "Arranger") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "Transaction") and the Bonds proposed to be issued in the Transaction (each, a "Bond").

"DBH Finance PLC" means DBH Finance PLC and any group, subsidiary, associate or affiliate of DBH Finance PLC and their respective directors, representatives or employees and/or any persons connected with them. Nothing in this Information Memorandum (the "IM") constitutes an offer of securities for sale of any jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, Governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger.

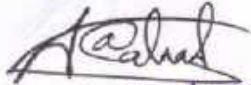
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By accepting this Information Memorandum, you agree that the Arranger will not have any such liability. You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with clients' own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

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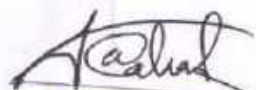

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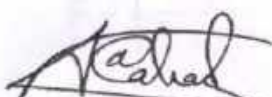

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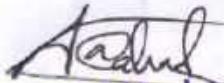

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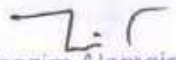
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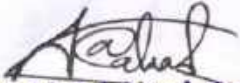

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Bonds

As set out in this Information memorandum, the Issuer will conduct the issuance in respect of the Bonds (Investors with an issue amount of up to BDT equivalent of USD 30 million and such amount being approximately up to BDT 3,500,000,000), subject to the Subscription Agreement setting out the terms of subscription of the Investors. The Trust Deed will create settlement of trust for the appointment of UCB Investment Limited as trustee with respect to the Bonds.

Please refer to the terms of the Subscription Agreement and Trust Deed for further details.


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3. REPORT TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh economy from various Government publications and other sources. In the consideration of belief that its sources are reliable, it should be kept in mind that it has not independently verified information it has obtained from industry and Government sources and information from its internal surveys has not been verified by any independent sources. In addition, the information provided about the Trustee for Bonds (i.e. UCB Investment Limited) is received from the Trustee and the Arranger does not accept any responsibility for the information contained in the section entitled "The Trustee". Further, the Arranger does not accept any responsibility for the information contained in the section entitled "Credit Rating". The Arranger also does not make any representation concerning the accuracy or completeness of the information contained in the section "The Trustee" or in the section "Credit Rating". The distribution of this Information Memorandum and the offering can be made both inside and outside Bangladesh. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

The Arranger may withdraw this offering at any time, and also reserves the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor. The Issuer has obtained approval of the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh for issue of Bonds and the distribution of this Information Memorandum. Bangladesh Securities and Exchange Commission has given their consent to issue the Bonds through its letter No.....dated:

4. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Following are certain issues for the investors to consider before taking an investment decision in this offer. In some of the risk factors and management proposals thereof, reference has been described below in addition to the other information contained in this Information Memorandum:

a. Interest Rate Risk

The financials consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counterparty. The earnings or changes in the economic value are the main focus in financials. Interest rate risk is the risk that a company will experience deterioration in its financial position as interest rates move over time. Interest rate risk in the financials arises from a company's core companying activities.

Management Perception: In order to manage interest rate risks, DBH has adopted a clearly defined set of policies and procedures for limiting and controlling the risk. The company also takes efforts to ensure that these approved policies and procedures are routinely applied and monitored. These include maintaining an interest rate risk management review process, appropriate limits on risk taking, adequate systems of risk measurement, a comprehensive interest rate risk reporting system, and effective internal controls.

b. Exchange Rate Risk

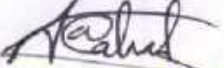
Exchange Rate Risk refers to the potential change in earnings resulting from exchange rate fluctuations, adverse exchange positioning/ holding and market volatility. If the local currency appreciates against the major foreign currencies and the company holds a significant net long position in foreign currencies during that time, a company might incur loss. Similarly, if the local currency depreciates against the major foreign currencies while a company holds a netshort position in foreign currencies, the company might lose.

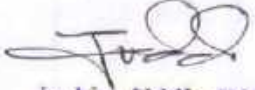
Management's Perception: Since Non-bank Financial Institutions (NBFIs) are not allowed to enter into any FX transaction, risks associated with exchange rates fluctuations is not applicable for any NBFI including DBH.

c. Non-Repayment Risk (i.e. Credit risk)

Non-repayment risk is defined as the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs.


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Management's Perception: DBH believes that a key component of a disciplined credit culture is adherence to internal policies and procedures. Hence comprehensive investment policies and guidelines have been established in the company to ensure quality and transparency of investment decisions at all times. The Board of Directors has approved the credit Policy for the company where major policy guidelines, growth strategy, limits and risk management strategy have been described/stated in details. Credit policies & practices are updated as required to cope up with the changing global and domestic economic scenarios.

d. Prepayment, Call or Refunding Risk

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of a bond. Such risks exist in a bond that has prepayment or call option.

Management Perception: The bond does not have voluntary prepayment option hence; the risk does not prevail.

e. Security Risk

Security Risk pertains from the adverse changes in the value of collaterals securing the credit exposure of the Company and it takes the worst turn in case of default situation. In companying arena, components of security risk are more related with the operational part i.e. failure of system, process, procedure or occurrence of any other incident due to supervisory lapses on the part of management. Besides, security risk also arises from the failure to protect the information assets (data security) having direct impact on the business portfolio of the Company.

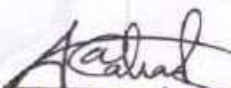
Management's Perception: Since this debt issuance is secured by first ranking pari-passu against all receivables and assets, and the asset quality of the receivables of DBH is superior with minimum non-performing loan, the risk is minimum. Moreover, the receivables are secured by collaterals originating from real estate property.

f. Liquidity Risk

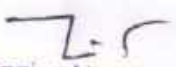
The Company's businesses are subject to liquidity risks and could affect the Company's ability to meet its financial obligations. In order for the Company to continue to meet its funding obligations and to maintain or grow its business generally, it relies on customer deposits as well as ongoing access to the wholesale lending markets and alternative debt instruments. The ability of the Company to access funding sources on favorable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as general market conditions and confidence in the companying system.

Management's Perception: Liquidity management is treated as a priority at DBH and efforts are taken to ensure that objectives for liquidity management are clear across the company. DBH has adequate internal controls over its liquidity risk management process that is a part of the overall system of internal control. This process monitors net funding requirements based on both current cash inflows and outflows and projected future needs. An adequate information system is maintained that produces regular independent reports and evaluations to review adherence to establish policies and procedures. DBH also keeps protective reserves in addition to planned reserves that are derived from regulatory requirements.


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g. Management Risk

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management.

Management's Perception: DBH is one of the leading non-bank financial institutions in Bangladesh with a track record of consistently exceptional performance achieved through effective leadership and corporate governance. DBH has a sound management system that is not only efficient but also dynamic in taking relevant decision to make the organization more effective and results oriented. Therefore, with a strong leadership on the back, management risks are not a matter of concern or a vital risk factor for DBH.

h. Operational Risk

The business of the company depends on the ability to process a large number of transactions efficiently and accurately. Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the company.

Management's Perception: In order to manage operational risks, management at DBH has established the desired standards of risk management and clear guidelines for practices that would reduce operational risks. As operational risks may arise from a wide spectrum of organizational units, management has developed operational risk mitigation practices which are inbuilt in the business process for each business unit.

i. Business Risk

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including business environment, economic situation and government regulations.

Management perception: DBH has a robust risk management system to counter any adverse business risk and to maneuver in a hostile business environment. Most business risks have been covered in Credit, Liquidity and Market Risk. To counter and mitigate business risk, the following mitigation measures are in place:

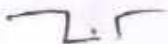
- Regular review of impact of global economic meltdown and taking appropriate measures;
- Innovative and convenient financial products and services;
- Taking prompt actions on customer complaints;
- Frequent assessment of clients' satisfaction;
- Regular review of performance against budgets and targets;
- Review and analysis of competitors' performance;

Prevention of risk by forecasting future market condition gives DBH competitive edge over other competitors in the local market. In order to mitigate prospective risks of the market, the strategy team regularly assesses the market information. This assessment updates the management about the current market situation, growth of certain industries, current global phenomena, price index of raw materials, refinance scheme taken by central company and regulatory steps taken by various regulatory bodies. This also helps to make future prediction on any industry and the market as a whole.


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j. Industry Risk

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organizations of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern companying industry has brought greater business diversification. Some companies in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the company.

Management Perception: DBH keeps constant watch on ever changing economic and business environment which sometimes leads some industry risk as well as opportunity.

k (i) Market Related Risk

Market Risk is defined as the possibility of loss to a company caused by changes or movements in the market variables such as interest rates, equity prices and commodity prices. Company's exposure to market risk arises from investments (interest related instruments and equities) in trading book. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

Management perception: The Company's Asset Liability Management Committee (ALCO) regularly meets to assess prevailing market risks. ALCO members analyze the changes in interest rates and market conditions, and conduct an analysis on the asset-liability maturity gap and product repricing, thereby taking effective measures to monitor and control interest rate risks. DBH clearly defines policies and procedures for limiting and controlling ALM risks by delineating responsibility and accountability and defining authorized instruments and position-taking opportunities. ALCO ensures that the company embraces the policies and procedures that enable effective ALM risk management. These include maintaining:

- An interest rate risk & liquidity risk.
- Appropriate limits on risk taking
- Adequate systems of risk measurement
- A comprehensive risk reporting system and effective internal controls

k(ii) Technology Risk

Risk that customers may suffer service disruptions, or that customers or the group may incur losses arising from system defect such as failures, faults, or incompleteness in computer operations, or illegal or unauthorized use of computer system. As the companying industry is becoming more and more technology dependent, the risks arising from technology use is increasing day by day. The company might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.


Management perception: Technology Risk is mitigated by the company's robust IT department, which assesses any technologically associated risks and implements suitable counter measures.

l. Risk Related to Potential or Existing Government Regulations

The issuer operates its business under the specific guidelines laid by the Bangladesh Bank, the Bangladesh Securities and Exchange Commission and other regulatory bodies. The company is also regulated by the Financial Institution Act 1993, Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984 and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank sets policy rates including Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) of non-bank financial institutions from time to time. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the company.

Management's Perception: Internal Control and Compliance of DBH works to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Pillar 1 and Pillar 2 of Basel-II Accord also focused on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Company core risk


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guideline on Internal Control & Compliance, Audit Committee of DBH reviews the overall effectiveness of internal control system.

m. Risk Related to Potential Changes in Global or National Policies

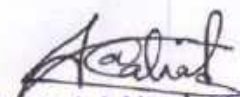
Changes in existing global or national policies can have either positive or negative impact for the Issuer. The performance of the Issuer will be hindered due to unavoidable circumstances such as political turmoil either in Bangladesh or foreign countries or both.

Management perception: Since this security would be issued in the local market, potential global changes are unlikely to have any impact on the security issued. Moreover, DBH has a robust risk management team and has the capability to adapt to any global scenario that might affect the local market.

n. Risks Highlighted in Credit Rating Report & Mitigating Factor

Sl.	Risk Factor	Mitigating Report
1.	Negative Aspects of Industry	Negative aspects of housing finance industry are components of systematic risk. DBH attempts to minimize the systematic components through strengthening its credit standards, increasing geographical foot print, and segment diversification, increasing brand presence and increasing customer awareness.
2.	Spread pressure	Lower spreads are usually allowed for less risky clients and as such, are expected to provide value in the form of lower provision. Moreover, diversification of funding and lending portfolio may provide scope for reducing pressure on spread.
3.	Minimal Growth in Lending Portfolio	The lending portfolio has been experiencing lower growth for last few years due to interest rate cap, impact of Covid-19 on the economy, post covid commodity price increased due to Ukraine Russia war. DBH has attempted to combat this through venturing into sub segments like affordable housing and extending geographical footprint to reduce dependency on real estate business generated in Dhaka.


 Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.


 Md. Abdul Ahad, FCA
 EVP & Chief Financial Officer
 DBH Finance PLC.


 Jashim Uddin FCS
 Company Secretary
 DBH Finance PLC.
 Landmark Bldg.
 12-14 Gulshan-2, Dhaka.


 Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

5. DETAILED DESCRIPTION AND INFORMATION OF THE ISSUER

1. a. Name of the issuer	DBH Finance PLC
b. Legal status of the issuer	<p>DBH Finance PLC (the "Company" or "DBH Finance") is a scheduled Non-Bank Financial Institution established under the Financial Institutions Act, 1993, and incorporated as a public company, limited by shares, on 11 May 1996 under the Companies Act, 1994, in Bangladesh, vide RJSC registration no. C-30646 (1862)/96. The primary objective of the company is to conduct all kinds of businesses allowed to Non-Bank Financial Institutions. On completion of all legal formalities, the company commenced its operations on 11th May 1996. At present, the company has 14 branches spread across the country.</p> <p>DBH Finance has been listed on the Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007, respectively.</p>
c. (i) Registered address and telephone number of the issuer	The registered address of the company is: Landmark Building, (9 th Floor), 12-14 Gulshan North C/A, Gulshan 2, Dhaka-1212.
(ii) Name, address and telephone number of the contact person	<p>Nahid Ahmed Head of Treasury Landmark Building (14th Floor), 12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212, Bangladesh Tel: 09612 334142 (Direct) Cell: +880 1613195645 Email: nahid@dbhfinance.com Website: www.dbhfinance.com</p> <p>Abdullah Al Jahid Assistant Vice President-Treasury Landmark Building (14th Floor), 12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212, Bangladesh Tel: 09612 334128 (Direct) Cell: +880 1620444422 Email: aa.jahid@dbhfinance.com Website: www.dbhfinance.com</p>
d. Date of incorporation (in case of companies)	Incorporated as a Public Limited Company on May 11, 1996 under the Companies Act, 1994 in Bangladesh
e. Date of commencement of business	DBH started its operations from May 11, 1996.
f. Authorized capital (in case of companies)	BDT 4,000,000,000


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

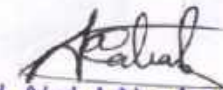

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

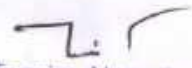
g. Paid-up Capital (in case of companies)	The paid up capital of Company is BDT 1,949,903,640 as of Dec 31, 2022
h. Total Equity of the issuer	Consolidated total equity BDT 7,994,960,897.00 excluding minority interest as of Dec 31, 2022
i. Total Liabilities of the issuer	BDT 53,751,124,876.25 as of Dec 31, 2022
j. Total Financial Obligations	Not Applicable as DBH is a Financial Institution
k. Total Assets	BDT 61,746,085,773.25 as of Dec 31, 2022
l. Total Tangible Assets	BDT 61,746,085,773.25 as of Dec 31, 2022
m. Net worth of the issuer	Consolidated net worth BDT 7,994,960,897 excluding minority interest as of Dec 31, 2022
n. Others	N/A
2. a. Issue manager	DBH Finance PLC
b. Legal status of the issue manager	Same as issuer
c. Contact Information	<p>Nahid Ahmed Head of Treasury Landmark Building (14th Floor), 12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212, Bangladesh Tel: 09612 334142 (Direct) Cell: +880 1613195645 Email: nahid@dbhfinance.com Website: www.dbhfinance.com</p> <p>Abdullah Al Jahid Assistant Vice President-Treasury Landmark Building (14th Floor) 12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212, Bangladesh Tel: 09612 334128 (Direct) Cell: +880 162044422 Email: aa.jahid@dbhfinance.com Website: www.dbhfinance.com</p>
d. Name of the issue managed by the issue manager:	DBH Affordable Housing Bond
e. Others	N/A
3. a. Name of the Issue	DBH Affordable Housing Bond
b. Type of debt instrument to be issued	Non-Convertible Redeemable Fixed Coupon Senior Bond
c. Purpose of the Issue	To provide affordable housing financing facility to lower and middle income households and women
d. Number of securities being offered and the total issue amount	See Part 7, Table 1 below
e. Face Value and issue price	See Part 7, Table 1 below
f. Coupon rate/discount rate and YTM	See Part 7, Table 1 below
g. Tenor/Maturity	See Part 7, Table 1 below

h. Prepayment, Call, Refunding, Conversion features	See Part 7, Table 1 below
i. Mode of redemption	See Part 7, Table 1 below
j. Mode of Option	Not Applicable
k. Rate of return	As the Coupon Rate
l. Applicable tax rate	As per applicable law, any available exemptions and transaction documents with respect to the Bonds
m. Default protection mechanism	See Part 7, Table 1 below
n. Type of collateral securities being offered	Not Applicable
o. Status of securities holders in case of priority of payment:	Senior
p. Period within which securities to be issued	To be issued within 180 days from BSEC consent or as per terms approved by BSEC
q. Nature of tradability	A Subscriber shall have the right to freely transfer, novate or assign all or a portion of its rights and obligations under the Subscription Agreement.
r. Others	Not Applicable
4. a. Name of trustee	: UCB Investment Limited BULUS Center, Plot- CWS (A)-I, Road: 34, Gulshan Avenue, Dhaka-1212, Bangladesh
b. Paid-up capital of the Trustee	BDT 1,000,000,000.00 as of December 31, 2022
c. Net worth of the Trustee	BDT 1,173,067,142.00 as of December 31, 2022
d. Name of the issue(s) where performing as trustee:	DBH Affordable Housing Bond
e. Others	Not Applicable
5. a. Credit Rating Company	Emerging Credit Rating Limited (ECRL)
b. Credit Rating Status of the issuer	ECRL: Long Term: AAA, Short Term: ST-1, Outlook: Stable
c. Credit Rating Status of the issue	ECRL: Long Term: AAA (B), Outlook: Stable
d. Date, validity of rating, and surveillance rating	Issuer: DBH Finance PLC Date of Rating: 01 Jul 2023; Valid Till : 30 Jun 2024 Issue: DBH Affordable Housing Bond Date of Rating: September 26, 2023 Valid Till: September 25, 2024
e. Latest default rate of the credit rating company:	1-Year Default Rate 0.00% 3-Year Cumulative Default Rate (CDR) 0.00%
f. Average time to default of the rated category:	No default in the rated category
g. Rating trigger, if any:	See Part 7, Table 1 below
h. Others	: Not Applicable


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DBH Finance PLC.


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Company Secretary
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Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

6. Particulars of originators, if any	: Not Applicable
7. Particulars of other contractual parties	: Not Applicable
8. Date of audited accounts, which is included in the IM	: For the period ended on Dec 31, 2022

6. DETAILS OF THE UTILIZATION OF PROCEEDS

The issuer plans to raise BDT 3,500,000,000.00 through issuance of coupon bearing bonds to provide affordable housing finance to the middle income and facility and utilize the proceeds as hereunder:

Bonds

The issuer will utilize the BDT equivalent of USD 30,000,000.00 (such amount being approximately up to BDT 3,500,000,000) through issuance of the coupon bonds to provide housing financing facility, including affordable finance facility to lower and middle income groups, as set out in Section 2.01 of the Subscription Agreement.

7. FEATURES OF THE DEBT SECURITY TO BE ISSUED

Table 1: Features of the Debt Securities

Issuer	DBH Finance PLC (DBH)
a. Basic Features of the Instrument	
Name of the Issue	DBH Affordable Housing Bond
The Issue	Non-Convertible Redeemable Fixed Coupon Senior Bond of DBH Finance PLC
Investor	International Investor
Arrangement Basis	Best Efforts / Strictly Non-Underwritten
Purpose	To provide the issuer with funding to be used exclusively for financing its lending operations in the affordable housing finance space by way of Affordable Housing Loans
Currency	Bangladeshi Taka (BDT)
Face Value of each bond	BDT 1,000,000.00
No. of Bonds in Each Lot	1
Number of tranches	1
Denomination:	Denomination of each lot of bond is indicated at BDT 1,000,000.00 Face Value
Total no. of Lots	Up to 3,500
Mode of Placement:	Private Placement
Maturity:	Up to 5 years from the Issue/Subscription date

@ USD/BDT exchange rate of 1USD = BDT 116.67.

Governing Law:	English Law (other than any clauses of the Trust Deed relating to the creation of trust under the Trust Deed as required under Bangladesh law which shall be governed accordingly); SIAC arbitration seated in Singapore
Credit Enhancement:	A first priority Bangladesh law hypothecation over all assets of the Issuer to be shared pari passu with other secured creditors of the Issuer
Form:	Registered
Listing:	To be listed in Alternative Trading Board (ATB) or as required by BSEC
Documentation / Transaction Documents	<ul style="list-style-type: none"> • Trust deed • Subscription Agreement • Information Memorandum • Terms and Conditions • Any other instrument(s) relating to such transaction
Conditions Precedent:	As more particularly detailed in Subscription Agreement, including without limitation: (i) applicable authorizations being obtained by the Issuer, (ii) receipt by relevant subscriber of appropriate legal opinions from external counsel, (iii) required insurance policies being entered into, (iv) compliance with environmental and social action plan, and other environmental and social requirements and (v) agreement on parameters of certain on-going Financial covenants.
Trustee	<i>Trustee:</i> UCB Investment Limited <i>Agent:</i> UCB Investment Limited
Legal Counsel	Lex Juris
b. Coupon Rate	Fixed rate of 8.50% p.a.
c. Coupon Frequency	Semi-annual
d. Transferability /Liquidity	Freely transferable in accordance with the provisions of the Trust Deed.
e. Prepayment, Call, Refunding, Conversion features	No voluntary prepayment/call option or conversion.
f. Late Redemption	The Issuer shall pay a late payment penalty of 2% (two per cent) above the coupon rate on any late redemption amount (including principal, coupon or fees) and be payable on the amount not paid on the due date up until the date of actual payment, unless otherwise provided in the Subscription Agreement.
g. Credit Rating Trigger	In the event the credit rating of the Bond is downgraded below the rating trigger under surveillance rating (as defined in the Debt Securities Rules) (the "Rating Downgrade") from the rating applicable at the date of issuance of the same bonds in accordance with the Subscription Agreement, the coupon rate of the Bonds shall be subject to a risk premium set out in the below table (in addition to the Coupon Rate) with respect to any coupon payable following the date of the Rating Downgrade:

	<table border="1"> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added¹</th> </tr> <tr> <td>BB</td> <td>0.25%</td> </tr> <tr> <td>B</td> <td>0.50%</td> </tr> <tr> <td>C</td> <td>0.75%</td> </tr> <tr> <td>D</td> <td>1.00%</td> </tr> </table>	Issue Rating	Risk Premium to be Added ¹	BB	0.25%	B	0.50%	C	0.75%	D	1.00%																																																														
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h. Tax Features	As per applicable law and transaction documents with respect to the Bonds																																																																								
i. Aggregate Cost related to the issue of the Bonds	Total of Arrangement fee, "Trustee, Paying Agent, Registrar, Transfer Agent fee," (for 5 years), Bond Rating fee & Legal Counsel Fee, Other fees: BDT 37,783,300 (approx.) Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the total face value																																																																								
j. Repayment Schedule	5 years' maturity from the date of subscription; with 8 approximately equal semi-annual principal payments starting on month 18 from the date of subscription of the relevant Bond tranche considering Coupon rate of 8.50%. <table border="1"> <thead> <tr> <th>Month</th> <th>Principal Outstanding</th> <th>Interest</th> <th>Principal Redemption</th> <th>Outstanding</th> <th>Total Payable</th> </tr> </thead> <tbody> <tr> <td>6th Month</td> <td>3,500,000,000</td> <td>149,157,534</td> <td>-</td> <td>3,500,000,000</td> <td>149,157,534</td> </tr> <tr> <td>12th Month</td> <td>3,500,000,000</td> <td>148,342,466</td> <td>-</td> <td>3,500,000,000</td> <td>148,342,466</td> </tr> <tr> <td>18th Month</td> <td>3,500,000,000</td> <td>149,157,534</td> <td>437,500,000</td> <td>3,062,500,000</td> <td>586,657,534</td> </tr> <tr> <td>24th Month</td> <td>3,062,500,000</td> <td>129,799,658</td> <td>437,500,000</td> <td>2,625,000,000</td> <td>567,299,658</td> </tr> <tr> <td>30th Month</td> <td>2,625,000,000</td> <td>111,868,151</td> <td>437,500,000</td> <td>2,187,500,000</td> <td>549,368,151</td> </tr> <tr> <td>36th Month</td> <td>2,187,500,000</td> <td>92,714,041</td> <td>437,500,000</td> <td>1,750,000,000</td> <td>530,214,041</td> </tr> <tr> <td>42nd Month</td> <td>1,750,000,000</td> <td>74,578,767</td> <td>437,500,000</td> <td>1,312,500,000</td> <td>512,078,767</td> </tr> <tr> <td>48th Month</td> <td>1,312,500,000</td> <td>55,934,075</td> <td>437,500,000</td> <td>875,000,000</td> <td>493,434,075</td> </tr> <tr> <td>54th Month</td> <td>875,000,000</td> <td>37,289,384</td> <td>437,500,000</td> <td>437,500,000</td> <td>474,789,384</td> </tr> <tr> <td>60th Month</td> <td>437,500,000</td> <td>18,542,808</td> <td>437,500,000</td> <td>-</td> <td>456,042,808</td> </tr> <tr> <td></td> <td></td> <td>967,384,418</td> <td>3,500,000,000</td> <td></td> <td>4,467,384,418</td> </tr> </tbody> </table>	Month	Principal Outstanding	Interest	Principal Redemption	Outstanding	Total Payable	6th Month	3,500,000,000	149,157,534	-	3,500,000,000	149,157,534	12th Month	3,500,000,000	148,342,466	-	3,500,000,000	148,342,466	18th Month	3,500,000,000	149,157,534	437,500,000	3,062,500,000	586,657,534	24th Month	3,062,500,000	129,799,658	437,500,000	2,625,000,000	567,299,658	30th Month	2,625,000,000	111,868,151	437,500,000	2,187,500,000	549,368,151	36th Month	2,187,500,000	92,714,041	437,500,000	1,750,000,000	530,214,041	42nd Month	1,750,000,000	74,578,767	437,500,000	1,312,500,000	512,078,767	48th Month	1,312,500,000	55,934,075	437,500,000	875,000,000	493,434,075	54th Month	875,000,000	37,289,384	437,500,000	437,500,000	474,789,384	60th Month	437,500,000	18,542,808	437,500,000	-	456,042,808			967,384,418	3,500,000,000		4,467,384,418
Month	Principal Outstanding	Interest	Principal Redemption	Outstanding	Total Payable																																																																				
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k. Enforcement of Charges over securities	UCB Investment Limited in its capacity as Trustee for the Bonds may at its discretion take proceedings against the Issuer to enforce the obligations of the Issuer under the Trust Deed with respect to the Bonds, provided that the Trustee shall not be under any obligation to do any of the foregoing unless it shall have been so requested in writing by the Bondholders (except for matters expressly stated as requiring a Resolution in the Trust Deed) or shall have been so directed by a Resolution (as further set out in the Trust Deed). Bondholders will hold the securities created in its own name and in case of default Bondholders may enforce the security by itself against the Issuer.																																																																								

8. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

The Issuer owes bondholders an indebtedness same to all secured lenders/investors. DBH Affordable Housing Bond will be backed by a first priority Bangladesh law hypothecation over all assets of the Issuer to be shared pari passu with other secured creditors of the Issuer.

9. RIGHTS & OBLIGATIONS OF THE ISSUER

Capitalized terms not defined herein shall have meaning as ascribed to such terms in the Subscription Agreement, the Trust Deed and/or the Terms and Conditions (as the case may be).

Please refer to the terms of the Subscription Agreement, the Trust Deed and Terms and Conditions for the Bonds for an exhaustive list of the Issuer's rights and obligations regarding the Bonds.

9.1 Covenants to Repay

The Issuer will on any date when the Bonds become due to be redeemed in accordance with the Subscription Agreement and the Trust Deed conditions unconditionally pay to or to the order of the Trustee (in its applicable capacity) in BDT in immediately available funds the principal amount of the Bonds becoming due for redemption on that date and will until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest on the principal amount of the Bonds outstanding as set out in the Subscription Agreement and Trust Deed, as well as any other amounts due and payable in connection with such redemption. The Trustee will hold the benefit of this covenant on trust for itself and the Bondholders.

Any payment to be made in respect of the Bonds by the Issuer or the Trustee may be made as provided in the Terms and Conditions and the Subscription Agreement, and any payment so made will to that extent be a good and complete discharge to the Issuer or the Trustee, as the case may be.

9.2 Compliance with Transaction Documents

The Issuer shall comply with, perform and observe all those provisions of the Transaction Documents for the Bonds which are expressed to be binding on it (including make all payments due under the relevant Transaction Documents as and when they are due and payable). All amounts payable by the Issuer under the Trust Deed or any other Transaction Document to the Bondholders or, as the case may be, the Trustee shall be made for value on the due date in BDT by electronic transfer to the Designated Account of that Bondholders communicated in writing to the Issuer or in case of the Trustee, in an account communicated in writing to the Issuer by the Trustee.

9.3 Compliance with Applicable Law

The Issuer shall comply with, perform and observe all those provisions of the Applicable Laws including, but not limited to Debt Securities Rules.

9.4 Books of Account

The Issuer shall keep proper books of account and, so far as permitted by Applicable Law, allow the Trustee and anyone appointed by it, access to its books of account at all reasonable times during normal business hours.

9.5 Notice of Events of Default

The Issuer shall notify the Trustee in writing immediately becoming aware or being notified of the occurrence of any Potential Event of Default or Event of Default without waiting for the Trustee to take any further action, and provide to the Trustee a notice setting forth the details of the Event of Default or Potential Event of Default, and the action which the Issuer proposes to take with respect thereto.

9.6 Information

The Issuer shall, so far as permitted by Applicable Law, give to the Trustee such information as it requires to perform its functions and/or exercise its rights, powers and discretion as Trustee under the Trust Deed.

9.7 Reporting Requirements

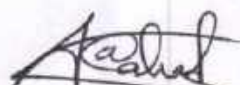
The Issuer shall have its financial statements prepared as per International Financial Reporting Standards (IFRS) and audited as per International Standards on Auditing (ISA) and other applicable legal requirements and send to the Trustee such financial information, notices and other information as set out in the Terms and Conditions.

9.8 Notices to Bondholders

The Issuer shall, prior to the giving of any notice, send to the Trustee at least ten (10) days (or such shorter period as may be agreed by the Trustee) prior to the date of publication, a copy of the form of each notice to be given to Bondholders and, once given, two copies of each such notice, such notice to be in a form approved by the Trustee.

9.9 Notification of non-payment


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The Issuer shall notify the Trustee in the event that it does not, on or before the due date for payment of any sum in respect of the relevant Bonds, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds.

9.10 Further Acts

The Issuer shall so far as have permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee to give effect to the relevant provisions Trust Deed.

9.11 Notice of Late Payment

The Issuer shall forthwith upon request by the Trustee give or procure to be given notice to the Bondholders of any unconditional payment to the Trustee of any sum due in respect of the Bonds made after the due date for such payment.

9.12 Risk Premium

In case where the credit rating of the Issuer falls below the minimum investment grade i.e. "BBB" in the long term or "ST-3" in the short term, pay an additional interest (in addition to the then Interest Rate) as risk premium, as set out in the below table:

Issuer Rating	Risk Premium
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

9.13 Legal Opinions

The Issuer shall prior to making any modification or amendment or supplement to the part of the Trust Deed relating to the Bonds, procure the delivery of (a) legal opinion(s) as to any relevant law, addressed to the Trustee, dated the date of such modification or amendment or supplement, as the case may be, and in a form acceptable to the Trustee from legal advisers acceptable to the Trustee.

9.14 Authorization and Consents

The Issuer shall obtain, comply with and do all that is necessary to maintain in full force and effect any consent, approval, authorization, exemption, filing, license, order, recording or registration (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the Bonds, the Trust Deed and the Transaction Documents, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Transaction Documents admissible in evidence in Bangladesh and England.

9.15 Acceleration after Default.

If any Event of Default occurs and is continuing (whether it is voluntary or involuntary, or results from operation of law or otherwise), the Trustee (acting in accordance with the relevant provisions of the Trust Deed) may, by notice to the Issuer, require the Issuer to repay the outstanding amounts under the Bonds or such part thereof as is specified in that notice. On receipt of any such notice, the Issuer shall immediately repay outstanding amounts under the Bonds (or that part specified in that notice) and pay all interest accrued on it, any other costs in accordance with the Subscription Agreement, and any other amounts then payable under the Transaction Documents to which it is a party. The Issuer waives any right it might have to further notice, presentment, demand or protest with respect to that demand for immediate payment.


10. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights and obligations of UCB Investment Limited in its capacity as Trustee for the Bonds.

Capitalized terms not defined herein shall have meaning as ascribed to such terms in the Subscription Agreement, the

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DBH Finance PLC.


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EVP & Chief Financial Officer
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Trust Deed and/or the Terms and Conditions.

Please refer to the terms of the Subscription Agreement, the Trust Deed and the Terms and Conditions for an exhaustive list of the rights and obligation of the Trustee regarding the Bonds.

10.1. The Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Debt Securities Rules and the Trusts Act.

10.2. The Trustee shall manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof.

10.3. To the extent permitted by Applicable Laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them.

10.4. The Trustee shall ensure that the Issuer is observing Applicable Laws (including, but not limited to, the requirements of the Debt Securities Rules) and the terms and conditions of the Transaction Documents. Promptly upon becoming aware of any breach of Applicable Laws or the Transaction Documents by the Issuer, the Trustee shall immediately inform the Bondholders and the Issuer of such breach.

10.5. The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee pursuant to the provision of the Trust Deed, the Trusts Act and the Debt Securities Rules.

10.6. The Trustee shall hold and keep the money and assets representing the Trust Property and to deposit and withdraw such moneys and assets as may be required from time to time.

10.7. The Trustee shall monitor timely payment of all amounts due and payable by the Issuer to the Bondholders pursuant to the relevant Transaction Documents and submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of amounts payable to the relevant Bondholders. When Trustee shall submit such report to the BSEC, it shall provide a copy of such report to the Issuer and each of the Bondholders.

10.8. Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed.

10.9. On the requisition of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any meeting of the Bondholders and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed.

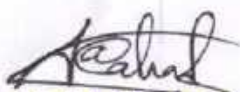
10.10. Upon instruction by the Bondholders in accordance with the Trust Deed, the Trustee shall sell or otherwise dispose of the Trust Property and close any company accounts that may have been opened pursuant of the Trust Deed after distribution of amounts standing to their credit. The Trustee shall, if required, inspect or call for books of accounts, records, register of the Issuers and the Trust Property to the extent necessary for discharging its relevant obligations under the Trust Deed.

10.11. The Trustee shall, in case a downgrade of credit rating (i.e. below the rating trigger) of the Issue under surveillance rating as defined under the Debt Securities Rules, ensure the collection of the Risk Premium from the Issuer as per declaration in the Trust Deed or Information Memorandum.

10.12. In case the delay is approved by the trustee for a certain period upon any reasonable ground, the trustee shall ensure repayment of the dues within the approved delay period along with interest for the delay period at a rate of 2% (two percent) per annum above the interest rate of the Bonds.

10.13. The Trustee shall submit an annual compliance report to the Commission regarding the activities of the Issuer including repayment of dues to the investors.


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

10.14. The Trustee shall take adequate steps for redress of grievances of the investors within one month of the date of receipt of the complaints and shall keep the Commission informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed.

10.15. The Trustee may, if required, inspect or call for books of accounts, records, registers of the Issuer and the trust property to the extent necessary for discharging its obligation.

10.16. APPOINTMENT, RETIREMENT AND REMOVAL OF THE TRUSTEE

The Issuer has the power of appointing new trustees but no person will be so appointed unless previously approved by a Resolution. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer to the Bondholders as soon as practicable.

Any Trustee may retire or be removed, in each case, at any time in accordance with Rule 16 of the Debt Securities Rules. A Trustee shall not be responsible for any costs, charges and expenses occasioned by such retirement or removal.

The Trustee may by prior written notice to the Issuer appoint anyone to act as an additional trustee jointly with the Trustee: (a) if the Trustee considers the appointment to be in the interests of the Bondholders; (b) to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or (c) to obtain a judgment or to enforce a judgment or any provision of the Trust Deed in any jurisdiction.

Subject to the provisions of the Trust Deed, the Trustee may confer on any person so appointed such functions as it thinks fit, provided that such additional trustee shall agree to be bound by the provisions of the Trust Deed. The Trustee may by written notice to the Issuer and that person remove that person. At the Trustee's request, the Issuer will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so. The Trustee shall not be responsible for monitoring or supervising any such additional trustee and shall not be liable for the acts and/or omissions, or any misconduct, negligence, default, fraud or breach of duty of any additional trustee. The obligations and liabilities of each co-trustee shall be several and not joint. If there are more than two Trustees, the majority of them will be competent to perform the Trustee's functions provided such majority includes a trust corporation.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder (provided it is a trust corporation), without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notice shall be given to the Issuer by the Trustee as soon as practicable if any such event occurs. No trustee or co-trustee may be appointed or removed, and no Trustee or co-trustee hereunder may retire without the prior written approval of the BSEC.

11. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS

Capitalized terms not defined herein shall have meaning as ascribed to such terms in Subscription Agreement, the Trust Deed and/or the Terms and Conditions (as the case may be).

Please refer to the terms of the Subscription Agreement, the Trust Deed and the Terms and Conditions for an exhaustive list of the rights and obligation of the eligible investors regarding the Bonds.

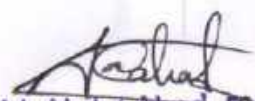
11.1. Binding Obligation

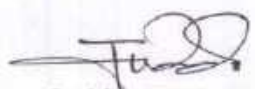
The Bondholders have the rights and obligations under the relevant Transaction Documents to which they are a party or otherwise expressed as benefitting them or as being binding on them.

11.2. Severability of Bondholder's Obligations and Individual Rights

The rights of each Bondholder are separate and independent rights and any debt arising under the Bonds and the Terms and Conditions to a Bondholder from the Issuer shall be a separate and independent debt. An amendment or waiver


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

to the Terms and Conditions for the Bonds shall require the consent of the Bondholders by way of a Resolution.

11.3. Powers

Each Bondholder has the right to participate in meetings of the Bondholders and vote therein in accordance with the relevant provisions of the Trust Deed.

11.4. Subscription

The Investors will subscribe and pay the aggregate purchase price for the Bonds in accordance with the Subscription Agreement.

11.5. Compliance

The Bondholder(s) are obligated to comply with all applicable laws and regulations.

11.6. Indemnity

(a) The Issuer shall indemnify Bondholders and their respective officers, directors, employees, agents and representatives (each, an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, and expenses (including fees, charges and disbursements of counsel) incurred by or asserted against any Indemnitee arising out of, in connection with, or related to (i) the execution, delivery or performance of any Transaction Document or any other agreement or instrument contemplated thereby or the consummation of the transactions contemplated hereby, (ii) the Bonds or the use of proceeds thereof, (iii) non-compliance with any law or regulation, including any environmental law or regulation, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is party thereto; provided that such indemnity will not be available to any Indemnitee to the extent that such losses, claims, damages, liabilities or expenses resulted directly from such Indemnitee's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction. (b) To the maximum extent permitted by applicable law, the Issuer shall not assert, and hereby agrees to waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages arising out of, in connection with, or relating to, the Subscription Agreement or any agreement or instrument contemplated hereby, the Bonds or the use of the proceeds thereof.

11.7 Payment

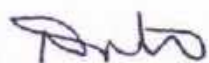
The Bondholders will subscribe for the relevant Bonds in accordance with the Subscription Agreement (as applicable).

11.8 Termination

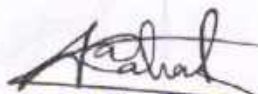
The Trust shall be extinguished on the date on which the Trustee is satisfied (acting in accordance with a Resolution of the Bondholders) that: (a) all indebtedness and other liabilities of any nature of the Issuer due, owing or incurred under or in connection with the applicable Transaction Documents, whether present, future, actual or contingent, matured or unmatured, liquidated or unliquidated, has been irrevocably, indefeasibly and unconditionally paid and discharged in full; (b) the Issuer has no liability to the Trustee or any Bondholder under any Transaction Document applicable to such Bondholders (other than any contingent liability in respect of an indemnity provided by the Issuer under the Transaction Documents applicable to such Bondholders where there is no outstanding claim for payment in respect of any such indemnity), (c) and the Subscription Period with respect to the Bonds has ended and the Issuer has no further right to request a subscription under the terms of the Subscription Agreement.

11.9. Protection of Interest

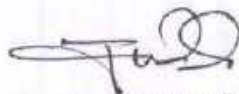
The Bondholders are entitled to have their interests protected/preserved by the Trustee for the Bonds.



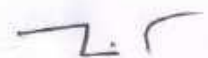
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.



Jashim Uddin FCS
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

12. Description of the Issuer

(a) Capital Structure

**Table 2: Capital Structure of DBH Finance PLC
as on 31 August 2023**

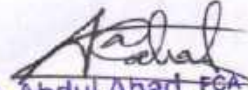
Group Name	No. of Shareholders	No. of Shares	Percentage (%)
Sponsors/ Directors	5	102,072,758	51.32
General Public	9242	22,453,932	11.29
Financial Institutions & Other Companies	205	40,499,407	20.36
Foreign Investors	14	33,864,074	17.03
Total:	9466	198,890,171	100.00

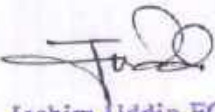
Shareholding Position of each Sponsors / Directors:

Name	Status (Sponsor/Promoter/Director/Sponsor Director/Nominated Director/Independent Director/Depositor Director etc.)	No. of Shares	Percentage (%)
BRAC	SPONSOR	36,572,729	18.39
DELTA LIFE INSURANCE CO. LTD.	SPONSOR	35,059,185	17.63
GREEN DELTA INSURANCE CO.LTD.	SPONSOR	30,440,772	15.3
FARUQ A. CHOUDHURY	SPONSOR	36	0
DR. SALEHUDDIN AHMED	SPONSOR	36	0
Mr. Kazi Fazlur Rahman	SPONSOR	0	0
Mr. Q. M. Shariful Ala	SPONSOR	0	0
Mr. Nasir A Choudhury	Chairman & NOMINATED DIRECTOR (GDIC)	0	0
Dr. A M R Chowdhury	Vice Chairman & NOMINATED DIRECTOR (BRAC)	0	0
Ms. Mehreen Hassan	NOMINATED DIRECTOR (DLIC)	0	0
Mr. Khandkar Manwarul Islam	NOMINATED DIRECTOR (DLIC)	0	0
Mr. Syed Moinuddin Ahmed	NOMINATED DIRECTOR (GDIC)	0	0
Mr. Nazir Rahim Chowdhury	NOMINATED DIRECTOR (DLIC)	0	0
Ms. Rasheda K. Choudhury	INDEPENDENT DIRECTOR	0	0
Major General Syeed Ahmed BP, (Retd)	INDEPENDENT DIRECTOR	0	0
Mr. Nasimul Baten	MANAGING DIRECTOR & CEO	0	0
		100,071,333	51.32

(b) Business of DBH Finance PLC


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Background:

DBH Finance PLC. Previously known as Delta Brac Housing Finance Corporation Limited (DBH) was incorporated in Bangladesh on May 11, 1996 as a Private Limited Company. DBH is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country. DBH is the major player in the housing finance sector in Bangladesh since 1997 and remains one of the leading non-company financial institutions. It is an acclaimed brand for a high level of customer service and respected for ethics, values and corporate governance.

The company has developed an attractive suite of products that cater to all customer segments, with a primary focus to strengthen the society by expanding home ownership. By leveraging customer profiling from different economic segments, DBH extends a range of products and services in loans as well as deposits through its specialized team members.

Business Model:

Products and Activities

DBH is involved in extending long-term housing loan facility to individual borrowers. Its main objective is to increase the stock of housing in Bangladesh and to promote individual home ownership.

DBH is also authorized to collect term deposit from corporate and individual depositors for short to medium term.

The core business of DBH, however, is housing loan. DBH extends housing loan for the following purposes:

- Purchasing apartment
- Constructing own house
- Purchasing approved plots
- Extending/renovating existing dwelling

Portfolio Analysis

The main category of borrowers is employed category where people are employed in government organizations, NGOs, local large corporate, multinationals etc. Another category includes independent professionals like doctors, engineers, accountants etc. and businessmen (self-employed). DBH has organized its loan portfolio in such a way so as to keep the average loan size small and diversify the types of borrowers in the portfolio. At the close of financial year DBH has extended loan to different categories of borrowers in the following manner:

Employment Category as of Dec 31, 2022	% of total
Employed	72.00%
Self-employed	17.00%
Others	11.00%

Based on monthly household income of the outstanding borrowers of DBH, we can see that approximately 50% of DBH Loan portfolio comprises of income group of up to 9th decile. The details are as shown as follows:

For Income Up To	House Hold Monthly Income (BDT)	Baseline Dec 2022	
		Volume of Home Loan (BDT mn)	Total Number of Home Loan (#)
Decile 6	85,000	10,615.07	8,685
Decile 7	99,000	13,545.94	10,171

For Income Up To	House Hold Monthly Income (BDT)	Baseline Dec 2022	
		Volume of Home Loan (BDT mn)	Total Number of Home Loan (#)
Decile 8	117,000	17,159.44	11,764
Decile 9	150,000	22,156.72	13,693

Asset Quality

Strong underwriting, loan administration and risk management practices of the company has successfully maintained an NPL ratio below 1.0% in last five years. As of December 31, 2022 NPL Ratio of DBH was 0.86%. DBH has been consistently retaining the asset quality due to the factors like;

- Stringent credit appraisal system
- Strong monitoring and effective recovery procedure
- Targeting middle and upper middle income salaried customer
- Lower Loan to Value Ratio

Besides, the company set aside a comfortable amount as provision against the delinquent loans as a safety measure. Loans that are overdue for more than 180 days are treated as NPLs by the definition of company whereas the central bank considers the minimum 270 days' overdue loans as to fulfil the criteria of NPL for housing loans. DBH provides 100% for NPLs and does not take into account any security values.

Particular	31-12-2018	31-12-2019	31-12-2020	31-12-2021	31-12-2022
NPL ratio (%)	0.30%	0.45%	0.41%	0.63%	0.86%

Operational Highlights

Details in BDT Million	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Loan sanction	8,632	8,934	7,527	10,896	10,493
Loan disbursement	10,273	10,112	7,028	10,803	11,029
Cumulative disbursement	103,274	113,386	120,414	131,217	142,246
Cumulative sanction	105,780	114,714	122,241	133,137	143,630

Profitability

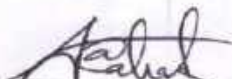
The following information on the company reflects the profitability position of the Company for last five financial years:


Details in BDT Million	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Profit before tax	1,607	1,555	1,498	1,721	1,580
Profit after tax	1,048	1,073	891	1,044	1,017
Earnings per share in BDT	8.60	8.04	5.78	5.89	5.21
Earnings per share (restated) in BDT	5.91	6.05	5.03	5.35	5.21

c. Management of DBH Finance PLC (DBH)

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

NASIMUL BATEN
MANAGING DIRECTOR & CEO

Mr. Nasimul Baten is the Managing Director & CEO of the Company since January 01, 2021. He is the home grown Managing Director of the company where he served for 23 years before taking the lead role. He was previously working 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 more than two decades of experience in housing finance and real estate industry. He worked extensively with Bangladesh Company, World Company, IFC, 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 all consecutive years since 2005 with lowest level of NPLs among all financial institutions, where Nasim played significant leadership roles in various capacities like Head of Business, Head of Operations, Head of Home Loans, Head of Branch, 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 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.

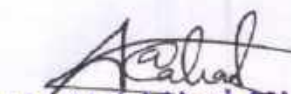
DBH Finance Corporation has a dedicated Management Committee comprising of senior executives and headed by the CEO & Managing Director. The members have long and diversified experience in different roles in the financial industry and are entrusted with key functions of the institution. The Management Committee is the highest decision and policy making authority of the management.

Brief profile of the Management Committee of DBH is provided below.

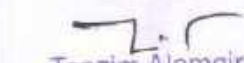
Name	Academic Background	Experience
Mr. Nasimul Baten	BBA and MBA from IBA, University of Dhaka.	Managing Director & CEO, DBH Finance PLC. (DBH) since January 01, 2021. He is the home grown Managing Director of the company. He has about 23 years' experience and training in the financial services industry both at home and abroad.
Mr. Tanvir Ahmad	MSS from University of Dhaka.	Deputy Managing Director in DBH since March 01, 2020. He has over 30 years' experience which also includes different multinational organizations.
Mr. A.K.M. Tanvir Kamal	B. Sc. in Civil Engineering from BUET, MBA from IBA, University of Dhaka.	Deputy Managing Director in DBH since March 01, 2020. He has about 25 years' experience and training in the financial services industry both at home and abroad.
Mr. Hassan I Yussouf	B.Sc. from RUET, Rajshahi, MBA from IBA, University of Dhaka.	Deputy Managing Director in DBH since March 01, 2020. He has about 25 years' experience and training in the IT field both at home and abroad.
Mr. Saiyaf Ejaz	MBA from A. M. C. Bangalore, India	Executive Vice President in DBH since July 01, 2019. He has about 22 years' experience.
Mr. Md. Zakaria Eusuf	B.Sc. from BUET, MBA from IBA, University of Dhaka,	Senior Vice President in DBH since July 01, 2015. He has about 20 years' experience.

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Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Name	Academic Background	Experience
Mr. Md. Abdul Ahad, FCA	BBA, MBA in Accounting Information System from University of Dhaka. A qualified Chartered Accountant from ICAB.	Executive Vice President in DBH since September 13, 2023. He has about 15 years' experience.
Mr. Jashim Uddin, FCS	MSS from University of Dhaka. Completed the Chartered Secretary Course from ICSB.	Senior Vice President in DBH since July 01, 2019. He has about 25 years' experience.
Mr Sabed Bin Ahsan	BBA from Independent University of Bangladesh	Senior Vice President in DBH since July 01, 2022. He has about 19 years' experience
Ms. Nahid Ahmed	BBA and MBA in Finance from University of Dhaka.	Senior Vice President in DBH since January 01, 2022. He has about 18 years' experience.
Mr. Md. Fakhurul Amin	LLM from Department of Law from University of Dhaka	Senior Vice President in DBH since January 01, 2018. He has about 20 years' experience.

d. Description of encumbered and unencumbered assets with value thereof

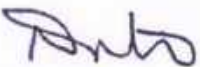
Since DBH Finance PLC is a non-bank financial institution (NBFI), all of its fixed and floating assets –including book debts are encumbered and all secured lenders have charge on its assets. The value of the total assets comprising of Loans, Advances, and Property and Equipment is BDT 61,746,085,773 as at December 31, 2022.

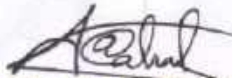
Encumbered and unencumbered assets position as on 31 Dec 2022 is as below:

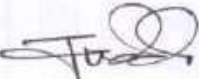
List of Encumbered Assets:

Particulars	Balance as at 31 December 2022	Status
Cash	575,264,085.00	Encumbered
Balance with other Banks	11,018,065,981.00	Encumbered
Money at Call and Short Notice	2,700,000,000.00	Encumbered
Investments	2,516,950,591.00	Encumbered
Loans and Advances	44,535,972,899.00	Encumbered
Fixed assets including land, building, furniture and equipment:		
Furniture & fixtures	15,409,264.00	Encumbered
Office Equipment	6,180,521.00	Encumbered
Computer and computer equipment	8,036,570.00	Encumbered
Vehicles	12,652,266.00	Encumbered
Building	161,507,634.00	Encumbered
Land	13,658,300.00	Encumbered
Right of use asset	34,315,192.00	Encumbered
Intangible asset:		
Software	2,722,633.00	Encumbered

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Tarzim Alamgir
Managing Director & CEO
UCB Investment Limited

Other Assets:	145,349,837.25	Encumbered
Total	61,746,085,773	

Secured Loans:

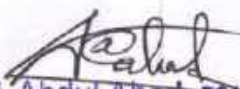
	Amount as of December 31, 2022	% of Total Asset
a) Secured Short-term & long-term loans:		
Standard Chartered Bank	1,300,000,000	
b) Secured Bank Overdraft:		
Commercial Bank of Ceylon plc	5,836,346	
Woori Bank	163,545,227	
Pubali Bank Limited	122,490,438	
Total Secured Loan*	1,591,872,011	2.58%

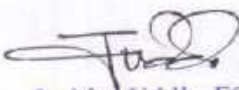
***Note:**

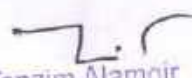
The aforesaid secured short term & long term loans (a) are secured by first charge on company's all present and future movable and immovable assets including book debts ranking pari-passu security charges with other lenders of the company. Bank overdraft (b) from Commercial Bank of Ceylon plc and Pubali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

However, against the secured loans while all assets are encumbered, the total secured loan as a percent of total asset is only 2.58%.


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

e. Brief Profile of the Board of Directors

Mr. Nasir A. Choudhury

Chairman

Mr. Nasir A. Choudhury is acting as Advisor of Green Delta Insurance Company Limited (GDIC). He is in the insurance profession for over the last 50 years and was the Founding Managing Director of GDIC. After obtaining his Master's Degree from the University of Dhaka, he started his career in Karachi in the then Pakistan Insurance Corporation in 1958. Mr. Choudhury received advanced training in insurance and reinsurance from UK and Germany during 1961 and 1962. He was the Managing Director of GDIC since its inception (01-01-1986) until his retirement in May 2013. Mr. Choudhury is an executive committee member of the Federation of Afro-Asian Insurers & Reinsurers (FAIR). He was the Honorable Insurance Advisor of Bangladesh Biman and Bangladesh Shipping Corporation for decades. He was the Chairman of Bangladesh Insurance Association from 2001 to 2005. Mr. Choudhury is the Chairman of Green Delta Securities Ltd., Green Delta Capital Ltd. & GD Assist Ltd. He is one of the Sponsor of Union Capital Limited and Director of United Hospital (Pvt.) Limited and Managing Director of Nascom (Pvt.) Ltd. Mr. Choudhury is also the Member of Governing Body of Bangladesh Insurance Academy. He was honored with "Lifetime Achievement Award" by The DHL-Daily Star in April 2010 for his outstanding contribution towards the development of the insurance industry in Bangladesh. His other notable awards include: Lifetime Achievement Award by Asia Insurance Review as the first Bangladeshi Insurer, Mother Teresa International Award for contributions as a Social Worker, Honesty Award by Campus and Golden Award by Jalalabad Association. He has been a Director of DBH, nominated by Green Delta Insurance Company Limited, since 1996 and Chairman of DBH since May 2017.

Dr. A M R Chowdhury

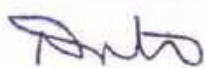
Vice Chairman

Dr. Mushtaque Chowdhury is the Vice Chair of BRAC, the world's largest nongovernmental organization. Previously, he was its Deputy Executive Director, founding Director of the Research and Evaluation Division and founding Dean of the James P. Grant School of Public Health. Dr. Chowdhury is also a Professor of Population and Family Health at the Mailman School of Public Health of Columbia University in New York. During 2009-12, he worked as the Senior Adviser to the Rockefeller Foundation, based in Bangkok, Thailand. He also served as a MacArthur Fellow at Harvard University. 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. 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. 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. Dr. Chowdhury has published over 150 articles in peer-reviewed international journals including the International Journal on Education, the Lancet, the Social Science & Medicine, The Scientific American and the New England Journal of Medicine. 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 head Group of Scaling up Nutrition (SUN) Movement set up by UN Secretary General. He has been a Director of DBH, nominated by BRAC, since February 2015 and Vice-Chairman of DBH since May 2017.

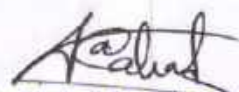
Ms. Mehreen Hassan

Director

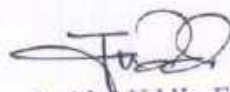
Ms. Mehreen Hassan is a Barrister-at-law and Advocate practicing in the High Court Division of the Supreme Court of Bangladesh. Her areas of practice (both litigation and advisory matters) involve mostly Corporate and Commercial laws. She has experience working with several companies and insurance companies on matters involving Companying, Insurance laws and Securities laws. She also practices in the areas of International Arbitration, Admiralty matters, Constitutional and Administrative laws. Ms. Hassan obtained her Bar-at-law degree from City University, UK in the year 2007 and is a member of the Lincoln's Inn, UK. She completed a mini-pupillage with Staple Inn Chambers in



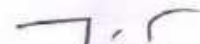
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.



Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

London prior to returning to Bangladesh in 2007. She is a member of the Dhaka Bar Association and the Supreme Court Bar Association of Bangladesh and also participates in various social and charitable activities through her association with Zonta International Dhaka. Ms. Hassan has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since June 2012.

Mr. Khandkar Manwarul Islam

Director

Mr. Khandkar Manwarul Islam is a reputed Business person in Bangladesh with an overall 23 years of experience in different sectors of the country.

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

Before starting his career as a professional banker with Shahjalal Islami Bank Limited where he worked for around 18 years, Mr. Islam started his career as Marketing Executive at ITSL (Intelligent Trade Systems Limited, Dhaka). He also contributed for a while in the largest NGO of the country (BRAC). Currently he is involved with HaMeem Group, one of the largest Bangladeshi conglomerates in textile & garments sector. Mr. Islam is the Chief Executive Officer of HaMeem Group Sweater Division & Managing Director as well as Chief Executive Officer of Styllent Knit Limited. He has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.

Mr. Syed Moinuddin Ahmed

Director

Mr. Syed Moinuddin Ahmed is a respected companying 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 Company. Beginning as a management trainee at the company, he subsequently drew rich experience by virtue of working with several other reputed commercial companys 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, 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 and Company Secretary of Green Delta Insurance Company 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 Company Limited, since September 2019.

Nazir Rahim Chowdhury

Director

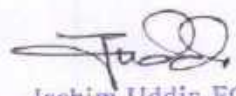
Mr. Nazir Rahim Chowdhury is a promising entrepreneur with an excellent business background of Export & Import in readymade garments sector in the country. He has also extended business in the areas of IT and Trading in partnership with experienced specialist of the country.

Mr. Chowdhury completed his Bachelor's degree in Business Administration from Independent University, Bangladesh

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Nasimul Baten
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

in 2001. After completing his graduation, he started his career in Standard Chartered Bank. After 10 years of service providing at banking sector, Mr. Chowdhury involved in business. He is the Vice Chairman of M.I.M. Fashion Wear since 2012.

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

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

Ms. Rasheda K. Choudhury

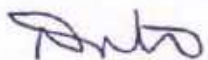
Independent Director

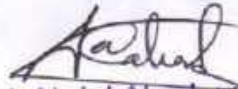
Ms. Rasheda K. Choudhury is the Executive Director of CAMPE, a network of more than a thousand education NGOs, researchers and educator groups in Bangladesh. It is well known for its evidence based advocacy, pro-people campaigns and capacity to mobilise thousands of people particularly at the grassroots level. Ms. Rasheda is also Member-Secretary of Education Watch, the largest academia-civil society joint initiative that regularly reviews the status of Education in Bangladesh. It has earned wide recognition at home and abroad and inspired Watch initiatives, at the courtesy of GCE and in cooperation with ASPBAE and ANCEFA, in other countries of Asia-Pacific and Africa regions. Ms. Rasheda is Co-Founder of the Global Campaign for Education (GCE), a civil society movement working to end the global education crisis, operating in almost 100 countries. She is currently the elected Vice-President of GCE. Rasheda is also an elected Member of the CCNGO Coordination Group of UNESCO. She has been nominated to represent global civil society in the Technical Cooperation Group (TCG) of UNESCO Institute of Statistics (UIS) that has been assigned by the UN to work on indicators of SDG-4. Ms. Rasheda is currently a member of the Consultative Group of ERD (CGE), Government of Bangladesh. In 2008, Rasheda became an Adviser (Cabinet Minister) to the Interim Non-party Caretaker Government of Bangladesh. Serving in that position involved high-level decision making, particularly in the Ministries of Primary and Mass Education, Cultural Affairs, Women and Children Affairs. Her involvement in the government's decision-making process, even for a short period, has gained recognition for the education campaigners in the country. The pro-learner, pro-quality reforms that she introduced were later accepted and continued by the elected government. She regularly writes in national newspapers and participates in debates of national and international significance relating to development issues particularly on the right to education, gender justice and inclusive development. Ms. Rasheda is also an Independent Director of DBH, since December 2017.

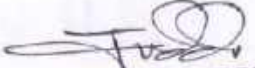
Mr. Major General Syeed Ahmed, BP, AWC, PSE (RETD.)

Independent Director

Major General Syeed Ahmed BP (retd) is a freedom fighter of the Liberation War of 1971. He served thirty-three years in Command, Administrative and Management positions and acquired experience at various echelons of Bangladesh Army and also in later years, in diplomatic postings, as Ambassador and High Commissioner to Kuwait and Kenya. During his tenure in the military he served as the Principal Staff Officer at the Armed Forces Division under the current Prime Minister. Armed Forces Division operates directly under the Prime Minister as the highest coordinating Headquarters for the three Services (Army, Navy and Air Force) of the Bangladesh Armed Forces. At the Army Headquarters level as Director Military Operations he oversaw the world wide deployment of Bangladesh Armed Forces in UN Peace Keeping Operations. During his tenure he commanded Divisions, Brigades and Battalions in the field, which included serving as the General Officer Commanding (GOC) of the 19th and the 9th Infantry Division respectively. He attended Army War College (awc) at Carlyle, Pennsylvania, USA, and National Defence University at Beijing, China. He is a BA (Honours) graduate in General History from University of Dhaka and completed his SSC and HSC from Faujdarhat Cadet College. He had served as Advisor and CEO of BRACNet Limited, an Internet Service Provider Company, a joint venture between BRAC of Bangladesh, Defta Partners of USA and KDDI Corporation of Japan. He has been a Director of DBH, since December 2018.


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Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
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Landmark Bldg,
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

f. Description of Assets and Liabilities

Assets (As of 31 Dec 2022)

Cash, Company Balances, Money at Call on Short Notice and Investments

Items	Amount in BDT
Cash and company balances	575,264,085
Balance with other companys and financial institutions	11,018,065,981
Money at Call on Short Notice	2,700,000,000
Investments	2,516,950,591
Loans and advances	44,535,972,899
Fixed assets including premises, furniture and fixtures	254,482,380
Other assets	145,349,837
Total Assets	61,746,085,773

Investments

Items	Amount in BDT
Government	1,658,567,002
Others	858,383,589
Total Investments	2,516,950,591


Fixed Assets

Items	Amount in BDT
Furniture & Fixtures	15,409,264.00
Office Equipment	6,180,521.00
Computer and Computer Equipment	8,036,570.00
Vehicles	12,652,266.00
Building	161,507,634.00
Land	13,658,300.00
Right of use asset	34,315,192.00
Software	2,722,633.00
Total	254,482,380.00

Other Assets

Items	Amount in BDT
Interest receivable	42,687,539
Dividend receivable	10,494,882
Sundry receivable	72,418,076
Advance to employees	132,668
Advance to suppliers	1,299,000
Security deposits	4,170,000
Prepaid expenses	1,073,118
Stamps and pay orders in hand	3,450,762
Deferred tax assets	9,623,792
Total Other Asset	145,349,837


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Liabilities (As of 31 Dec 2022)**Borrowings from other banks, financial institutions, agents, Bangladesh Company, and Deposits**

Items	Amount in BDT
Borrowings from other banks, financial institutions & agents	8,740,150,527
Borrowings from Bangladesh Company	1,239,991,060
Money at call on short notice	1,100,000,000
Deposits and other accounts	40,060,590,590
Other liabilities	2,610,392,699
Total Liabilities	53,751,124,876

Borrowings from other companys & financial institutions and agents

Items	Amount in BDT
Borrowings inside Bangladesh	-
Borrowings outside Bangladesh	11,080,141,587
Total	11,080,141,587

Borrowings from Bangladesh Company

Items	Amount in BDT
Bangladesh Company refinance	1,239,991,060
Total	1,239,991,060

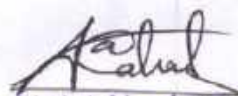
Deposits and Other Accounts

Items	Amount in BDT
Current accounts & other accounts	-
Bills payable	-
Savings deposits	-
Fixed deposits	40,060,590,590
Other deposits	-
Total Deposits	40,060,590,590

Other Liabilities

Items	Amount in BDT
General provision	447,704,930
Specific provision	493,817,066
Provision for diminutions in the value of investments	142,204,843
Provision for income tax	246,921,782
Interest suspense	77,181,131
Interest payable on deposits & loans	828,957,657
Lease liability	29,936,203
Sundry creditors	114,669,333
Unclaimed instruments	11,876,431
Payable to clients	90,419,091
Loan under litigation	8,022,686
Privileged creditors	102,014,115
Liability for expenses	4,594,209


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Items	Amount in BDT
Deferred tax liability	1,642,121
Other Assets Provision	6,346,933
Unclaimed dividend account	4,084,168
Total Other Liabilities	2,610,392,699

g. Description of previously issued debt or equity securities

Description of Debt Securities:

SI no	Date of consent	Date of subscription	Maturity period	Figures in Crore Taka				Default if any
				Issue amount	Subscription amount	Redemption amount (Face Value)	Outstanding amount	
01	05 March, 2008	10 June, 2008	5 Years	150	30	30	Nil	Nil
02	19 October, 2021	05 June, 2022	4 Years	300	300	44.65	224.83	Nil

Description of Outstanding Debt Securities as on Dec 31, 2022:

Client Name	Subscription Date	Maturity Date	No of Lot/s	No of Bonds	Subscription Amount (Face Value)	Outstanding
Concord Real Estate & Development Ltd.	8-Nov-21	8-Nov-25	70	560	280,000,000	191,881,262
Mr. Shahriar Kamal	8-Nov-21	8-Nov-25	1	8	4,000,000	2,741,161
A.K.Khan & Co. Ltd.	25-Nov-21	25-Nov-25	114	912	456,000,000	311,622,555
UCB Asset Management Ltd.	29-Nov-21	29-Nov-25	28	224	112,000,000	76,488,607
Bangla Telecom Ltd.	5-Jan-22	5-Jan-26	12	96	48,000,000	38,577,787
Sena Kalyan Insurance Company Ltd.	13-Jan-22	13-Jan-26	2	16	8,000,000	6,421,192
Chittagong Stock Exchange Ltd.	18-Jan-22	18-Jan-26	56	448	224,000,000	179,645,696
Ms. Yasmine Khan Kabir	7-Mar-22	7-Mar-26	6	48	24,000,000	19,094,144
American Life Insurance Company Ltd.	30-May-22	30-May-26	290	2,320	1,160,000,000	894,567,296
A.K.Khan & Co. Ltd.	30-May-22	30-May-26	43	344	172,000,000	132,642,737
UCB Investment Ltd.	2-Jun-22	2-Jun-26	115	920	460,000,000	354,541,148
Concord Real Estate & Development Ltd.	5-Jun-22	5-Jun-26	12	96	48,000,000	36,973,782
Mr. Shahriar Kamal	5-Jun-22	5-Jun-26	1	8	4,000,000	3,081,148
			750	6,000	3,000,000,000	2,248,278,516

13. AUDITORS REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS OF THE ISSUER,
DBH FINANCE PLC

a) Balance Sheet



DBH FINANCE PLC.
Balance Sheet
As at 31 December 2023

Notes	Amount in Taka	
	31 December 2023	31 December 2022
PROPERTY AND ASSETS		
Cash		
	575,264,085	558,066,972
In hand	95,203	101,109
3.1		
Balance with Bangladesh Bank and its agent Bank	575,168,882	557,965,870
3.2		
Balance with other banks and financial institutions	11,038,066,981	14,725,958,032
In Bangladesh	11,038,066,981	14,725,958,032
4.1		
Outside Bangladesh	-	-
Money at call on short notice	2,700,000,000	-
5		
Investments	2,516,850,591	678,218,185
Government	1,508,527,002	6,241,093
Others	998,323,589	660,377,092
6		
Loans and advances	44,535,972,899	43,830,505,644
Loans and advances	44,535,972,899	43,830,505,644
7		
Fixed assets including land, building, furniture and equipments	294,482,388	267,581,058
8		
Other assets	345,349,837	225,282,992
9		
Total Assets	61,746,085,773	60,778,612,883
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	11,080,341,567	6,175,673,065
10		
Deposits and other accounts	40,040,390,500	43,678,380,426
11.1		
Fixed deposits	40,040,390,500	43,678,380,426
Other deposits	-	-
11.2		
Other liabilities	2,610,392,599	2,880,448,795
12		
Total Liabilities	53,751,124,666	53,034,481,791
Shareholders' equity		
Paid-up capital	1,940,903,840	1,772,639,680
13.2		
Share premium	55,080,000	50,080,000
14		
Statutory reserve	1,894,903,041	1,698,914,109
15		
Other reserves	3,276,040,000	3,128,040,000
16		
Retained earnings	570,132,516	593,632,271
23		
Total equity	7,994,060,457	7,244,131,090
Total Liabilities and Shareholders' equity	61,746,085,773	60,778,612,883
OFF-BALANCE SHEET ITEMS		
Contingent liabilities		
12.1		
Acceptance and endorsement	-	-
Letter of guarantee	-	-
Irrevocable letter of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	-	-
Other commitments		
12.2		
Documentary credit & short term trade related transaction	-	-
Forward assets purchased and forward deposit placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total other commitments	-	-
Total Off-balance Sheet items including contingent liabilities	-	-

Notes:

1. Independent Auditor's Report Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:

Nasir A. Chowdhury
Chairman

Dated, Dhaka
28 MAR 2023

Dr. A M R Chowdhury
Vice Chairman

Nasimul Baten
Managing Director & CEO

ACNABIN, Chartered Accountants

Muhammad Anwarul Haque, FCA
Partner
ICAEF Enrollment # 1129

DVC:2303291129AS543002

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Managing Director & CEO
DBH Finance PLC.

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

b) Profit & Loss Account



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

Notes	Amount in Taka	
	2022	2021
Interest Income	18 4,431,162,037	3,093,574,673
Interest paid on deposits and borrowings etc.	19 (3,953,175,736)	(3,889,401,328)
Net Interest Income	1,265,786,301	2,163,672,697
Income from investment	20 144,100,701	58,311,081
Commission, exchange and brokerage	21 182,386,308	177,520,507
Other operating income	22 26,721,725	18,469,633
Total operating income	2,114,630,055	2,482,773,328
Salary and allowances	23 377,435,752	364,346,554
Rent, taxes, insurance, electricity etc.	24 35,611,730	37,635,863
Legal & professional expenses	25 17,028,124	15,772,000
Postage, stamp, telecommunication etc.	26 3,426,116	8,273,059
Stationery, printing, advertising etc. etc.	27 16,997,864	11,309,741
Managing Director's salary and fees	27.1 14,036,000	13,000,000
Director's fees and expenses	28 596,075	1,808,847
Auditor's fees	29 375,000	346,250
Depreciation, repairs & maintenance	30 90,854,191	66,127,092
Other expenses	31 65,765,218	46,051,867
Total operating expenses	610,467,170	565,126,197
Profit before provisions	1,524,167,935	1,917,645,138
Provisions:		
Loans and advances	12.1.4 (164,278,118)	235,280,475
Dividends in value of investments	12.1.7 105,949,283	(14,798,646)
Other Assets	2,235,024	4,100,129
Total provisions	(56,093,071)	326,509,958
Profit before tax	1,580,360,006	1,721,045,210
Provision for tax:		
Current tax	32 563,322,000	561,404,137
Deferred tax expense/(income)	208,341	(14,247,000)
	163,334,297	372,156,257
Profit after tax	1,016,725,739	1,042,888,923
Appropriations:		
Statutory reserve	200,988,452	207,488,176
Special reserve	450,000,000	200,000,000
	650,988,452	407,488,176
Retained surplus	365,738,307	635,400,747
Earnings Per Share	5.31	5.35

Notes:
 1. Independent Auditor's Report-Page 1 to 6
 2. The appended notes 1 to 42 form an integral part of these financial statements.
 3. These financial statements were approved by the Board of Directors on 29 March 2023 and were signed on its behalf by

Nasir A. Chowdhury
 Chairman

Dr. A M R Chowdhury
 Vice Chairman

Nasimul Baten
 Managing Director & CEO

Copy, Dhaka
 28 MAR 2023

ACNABIN, Chartered Accountants

 Muhammad Aminul Haque, FCA
 Partner
 WAB Registration # 1125
 DVC:2303291129A5543002

Nasimul Baten
 Managing Director & CEO
 DBH Finance PLC.

Md. Abdul Ahad, FCA
 EVP & Chief Financial Officer
 DBH Finance PLC.

Jashim Uddin FCS
 Company Secretary
 DBH Finance PLC,
 Landmark Bldg.
 12-14 Gulshan-2, Dhaka.

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

c) Cash Flow Statement



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

	Amount in Taka	
	2022	2021
Cash flows from operating activities		
Interest receipts	4,662,690,096	3,074,070,004
Interest payments	(2,832,565,465)	(3,052,439,323)
Dividend receipts	33,308,674	44,971,394
Fees and commission receipts in cash	183,889,568	172,520,067
Cash payments to employees, suppliers and various operating expenses	(563,449,622)	(501,878,969)
Tax on tax paid	(251,242,259)	(646,436,762)
Receipts from other operating activities	118,465,861	10,233,437
Cash generated from operating activities before changes in operating assets and liabilities	947,257,143	1,142,272,808
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(702,282,151)	(1,062,438,401)
Investment in trading securities	(176,526,099)	(1,686,015)
Other assets	31,612,888	(77,286,445)
Loans and deposits from banks and other customers	(1,917,269,839)	151,405,403
Interest expense	(3,388,235)	23,808,384
Other liabilities	(25,140,194)	(3,672,620)
Cash generated/(utilized) in operating assets and liabilities	(4,377,994,523)	(3,120,211,931)
Net cash flows from/(used in) operating activities	(3,430,737,380)	(1,977,939,123)
Cash flows from investing activities		
Net proceeds/(Payments) for sale/purchase of Treasury Bond	(1,551,325,909)	(7,200,770)
Other investments	3,000,600	27,000,360
Purchase of property, plant & equipment	(27,329,459)	(18,117,485)
Proceeds from sale of property, plant & equipment	3,880,651	33,517
Net cash flows from/(used in) investing activities	(1,673,412,727)	9,983,399
Cash flows from financing activities		
Net Receipt of Loans & Zero Coupon Bond	4,640,425,568	230,934,786
Cash dividend paid	(245,801,659)	(231,211,177)
Net cash flows from/(used in) financing activities	4,394,623,909	499,723,609
Net increase/(decrease) in cash and cash equivalents	(1,120,228,291)	689,826,770
Effects of exchange rate changes on cash and cash equivalents	36,852	2,162
Cash and cash equivalents (net off overdraft) at the beginning of the period	13,121,649,494	14,431,830,862
Cash and cash equivalents (net off overdraft) at the end of the period	14,001,428,055	15,121,649,424

Notes:

1. Independent Auditor's Report Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 26 March 2023 and were signed on its behalf by:

Md. A. Chowdhury
Chairman

Dr. A. H. R. Chowdhury
Vice Chairman

Nasimul Baten
Managing Director & CEO

Dated: Dhaka
28 MAR 2023

ACNABIN, Chartered Accountants

Md. Amrul Hossain FCA
Partner
ICAB Membership: 1429

DVC: 2303291129AS543002



For detailed Auditors Report along with audited financial statements see Annexure 3

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

d) Statement of Changes in Equity



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

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2022	1,772,619,680	55,000,000	1,623,914,189	3,125,040,000	997,537,321	7,744,131,290
Net profit (after tax) for the period	-	-	-	-	1,016,325,758	1,016,325,758
Transferred to reserve funds	-	-	700,000,000	450,000,000	(600,000,000)	-
Stock dividend issued	177,361,963	-	-	-	(177,361,963)	-
Cash dividend paid	-	-	-	-	(265,000,000)	(265,000,000)
Balance at 31 December 2022	1,949,981,643	55,000,000	1,894,914,189	3,575,040,000	520,131,616	7,994,961,647


Statement of Changes in Equity
For the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2021	1,541,425,810	55,000,000	1,496,425,811	2,405,040,000	125,561,368	6,431,452,990
Net profit (after tax) for the period	-	-	-	-	1,043,886,571	1,043,886,571
Transferred to reserve funds	-	-	707,000,378	330,000,000	(407,488,378)	-
Stock dividend issued	211,211,800	-	-	-	(211,211,800)	-
Cash dividend paid	-	-	-	-	(231,213,872)	(231,213,872)
Balance at 31 December 2021	1,772,639,480	55,000,000	1,693,914,189	3,125,040,000	997,537,321	7,244,131,090




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka,


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

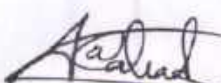
14. BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

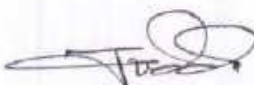
Table 3: BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS of DBH Finance PLC

DBH Finance PLC
Balance Sheet
As at 31 December 2022

Particulars	Notes	Amount in Taka				
		31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
PROPERTY AND ASSETS						
Cash		575,264,085	558,066,972	575,240,921	873,001,710	798,514,488
In hand	3.1	99,203	101,102	132,671	105,037	106,217
Balance with Bangladesh Company and its agent Company	3.2	575,164,882	557,965,870	575,108,250	872,896,673	798,408,271
Balance with other companies and financial institutions		11,018,065,981	14,725,958,032	14,338,776,038	13,028,725,061	11,779,169,860
In Bangladesh	4.1	11,018,065,981	14,725,958,032	14,338,776,038	13,028,725,061	11,779,169,860
Outside Bangladesh		0	0	-	-	-
Money at call on short notice	5	2,700,000,000	0	-	-	-
Investments	6	2,516,950,591	678,218,185	489,024,228	462,108,462	607,821,066
Government		1,658,567,002	8,241,093	1,040,323	1,078,570	1,114,848
Others		858,383,589	669,977,092	487,983,905	461,029,892	606,706,218
Loans and advances		44,535,972,899	43,830,505,644	42,750,381,474	44,521,893,390	43,847,701,062
Loans and advances	7	44,535,972,899	43,830,505,644	42,750,381,474	44,521,893,390	43,847,701,062
Fixed assets including land, building, furniture and equipment	8	254,482,380	262,581,058	289,880,948	279,704,267	169,515,890
Other assets	9	145,349,837	223,282,992	163,712,258	114,496,609	296,259,328
Total Assets		61,746,085,773	60,278,612,883	58,607,015,867	59,279,929,499	57,498,981,694
LIABILITIES AND CAPITAL						
Liabilities						
Borrowing from other companies and financial institutions	10	11,080,141,587	6,175,673,065	5,571,061,010	7,051,344,655	6,085,478,083
Deposits and other accounts		40,060,590,590	43,978,360,429	43,826,874,936	43,411,284,633	43,318,721,105
Fixed deposits	11.1	40,060,590,590	43,978,360,429	43,826,874,936	43,411,284,633	43,318,721,105
Other deposits		-	-	-	-	-
Other liabilities	12	2,610,392,699	2,880,448,299	2,777,623,932	3,008,695,578	3,054,803,259
Total Liabilities		53,751,124,876	53,034,481,793	52,175,559,878	53,471,324,866	52,459,002,447
Shareholders' equity						
Paid-up capital	13.2	1,949,903,640	1,772,639,680	1,541,425,810	1,340,370,270	1,218,518,430
Share premium	14	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Statutory reserve	15	1,894,903,641	1,693,914,189	1,486,425,811	1,340,370,271	1,307,430,064
Other reserves	16	3,575,040,000	3,125,040,000	2,825,040,000	2,575,040,000	2,025,040,000
Retained earnings	33	520,113,616	597,537,221	523,564,368	497,824,092	433,990,753
Total equity		7,994,960,897	7,244,131,090	6,431,455,989	5,808,604,633	5,039,979,247
Total liabilities and Shareholders' equity		61,746,085,773	60,278,612,883	58,607,015,867	59,279,929,499	57,498,981,694


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC,
Landmark Bldg,
12-14 Gulshan-2, Dhaka.

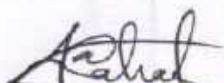

Tanzim Alamgir
Managing Director & CEO
UCS Investment Limited

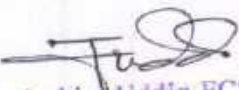
Particulars	Notes	Amount in Taka				
		31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
OFF-BALANCE SHEET ITEMS		-	-	-	-	-
Contingent liabilities	17.1					
Acceptances and endorsement		-	-	-	-	-
Letter of guarantee		-	-	-	-	-
Irrevocable letter of credits		-	-	-	-	-
Bills for collection		-	-	-	-	-
Other contingent liabilities		-	-	54,040,388	61,612,242	35,969,622
Total contingent liabilities		-	-	54,040,388	61,612,242	35,969,622
Other commitments	17.2					
Documentary credit & short-term trade related transaction		-	-	-	-	-
Forward assets purchased and forward deposit placed		-	-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	578,220,000	410,580,000	506,775,000
Total other commitments		-	-	578,220,000	410,580,000	506,775,000
Total Off-Balance Sheet items including contingent liabilities		-	-	632,260,388	472,192,242	542,744,622

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

Particulars	Notes	Amount in Taka				
		2022	2021	2020	2019	2018
Interest income	18	4,831,162,037	5,053,574,673	5,908,789,297	6,352,769,970	5,855,189,028
Interest paid on deposits and borrowings etc.	19	-3,045,375,756	-2,889,901,976	-3,960,184,480	-4,644,846,591	-4,062,413,858
Net Interest Income		1,785,786,281	2,163,672,697	1,948,604,817	1,707,923,379	1,792,775,170
Income from investment	20	145,220,701	125,111,081	24,150,831	26,835,187	45906426
Commission, exchange and brokerage	21	182,889,368	177,520,507	155,864,097	199,772,398	146116642
Other operating income	22	20,733,705	16,469,035	19,674,791	6,795,002	11,239,822
Total operating income		2,134,630,055	2,482,773,320	2,148,294,536	1,941,325,966	1,996,038,060
Salary and allowances	23	377,439,782	364,346,554	354,075,491	337,505,438	324,963,562
Rent, taxes, insurance, electricity etc.	24	35,613,730	37,625,863	32,007,229	34,585,575	53,797,572
Legal & professional expenses	25	17,808,124	15,777,000	12,567,554	8,347,617	4,709,869
Postage, stamp, telecommunication etc.	26	8,428,116	8,673,069	6,882,924	7,632,955	8,117,410
Stationery, printing, advertisements etc.	27	19,997,884	11,309,741	7,416,751	15,129,389	14,458,419
Managing Director's salary and fees	27.1	13,000,000	13,000,000	7,050,000	15,100,000	15,100,000
Directors' fees and expenses	28	956,075	1,069,840	956,897	658,837	690,716
Auditor's fees	29	575,000	546,250	517,500	483,000	460,000
Depreciation, repairs & maintenance	30	70,854,191	66,127,992	60,950,452	62,380,239	37,608,567
Other expenses	31	65,789,218	46,651,883	41,001,532	41,841,934	35,467,131


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

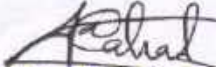
Particulars	Notes	Amount in Taka				
		2022	2021	2020	2019	2018
Total operating expenses		610,462,120	565,128,192	523,426,330	523,664,984	495,373,246
Profit before provisions		1,524,167,935	1,917,645,128	1,624,868,206	1,417,660,982	1,500,664,814
Provisions:						
Loans and advances	12.1.A	-164,278,158	226,288,475	151,605,837	-181,159,783	-146,239,976
Diminution in value of investments	12.1.3	105,946,283	-33,795,686	-24,897,811	43,950,370	40,369,345
Other Assets		2,239,804	4,107,129	-	-	-
Total provisions		-56,092,071	196,599,918	126,708,026	-137,209,413	-105,870,631
Profit before tax		1,580,260,006	1,721,045,210	1,498,160,180	1,554,870,395	1,606,535,445
Provision for tax:	32					
Current tax		563,325,906	691,404,197	604,672,845	477,069,747	557,865,603
Deferred tax expense		208,341	-14,247,960	2,561,925	4,545,655	771,279
		563,534,247	677,156,237	607,234,770	481,615,402	558,636,882
Profit after tax		1,016,725,759	1,043,888,973	890,925,410	1,073,254,993	1,047,898,563
Appropriations						
Statutory reserve		200,989,452	207,488,378	146,055,540	32,940,207	82,346,655
General reserve		450,000,000	300,000,000	250,000,000	350,000,000	580,000,000
		650,989,452	507,488,378	396,055,540	382,940,207	662,346,655
Retained surplus		365,736,307	536,400,595	494,869,870	690,314,786	385,551,908
Earnings Per Share (Restated)	34	5.21	5.35	5.78	6.96	7.82


15. RATIOS FOR THE LAST FIVE ACCOUNTING YEARS

Table 5: Ratios for the last five accounting years

Sl.	Particulars	Metric	2022	2021	2020	2019	2018
1	Current Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
2	Quick Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
3	Times Interest Earned Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
4	Break-Even Point*	N/A	N/A	N/A	N/A	N/A	N/A
5	Accounts Receivable Turnover Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
6	Inventory Turnover Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
7	Asset Turnover Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
8	Debt Service Coverage Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
9	Gross Margin Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
10	Operating Income Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
11	Net Income Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
12	Debt to Equity Ratio	Times	6.72	7.32	8.11	9.21	10.41
13	Debt to Total Asset Ratio	%	87%	88%	89%	90%	91%
14	Net Interest Margin (NIM)	%	3.06	3.74	3.40%	3.04%	0.0334
15	Loan To Fund Ratio	%	75.31%	64.08%	76.57%	79.12%	80.54%
16	Cost Income Ratio	%	28.60%	22.76%	24.36%	26.97%	24.82%
17	Return on Avg. Equity	%	13.34%	15.27%	14.56%	19.79%	0.223
18	Return Avg. Assets	%	1.67%	1.76%	1.51%	1.84%	0.0187
19	Capital Adequacy Ratio	%	28.37%	25.94%	24.22%	21.92%	18.90%


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Sl.	Particulars	Metric	2022	2021	2020	2019	2018
20	Non-performing Loan Ratio	%	0.86%	0.63%	0.41%	0.45%	0.30%
22	Earnings Per Share	BDT	5.21	5.89	5.78	8.04	8.6
23	Earnings Per Share (Restated)	BDT	5.21	5.35	5.78	6.96	7.82
24	NAV per Share	BDT	41	37.15	41.72	43.34	41.36
25	NAV per Share (Restated)	BDT	41	40.87	41.72	37.68	37.6

16. REPAYMENT SCHEDULE OF THE BOND

Month	Principal Outstanding	Interest	Principal Redemption	Outstanding	Total Payable
6th Month	3,500,000,000	149,157,534	-	3,500,000,000	149,157,534
12th Month	3,500,000,000	148,342,466	-	3,500,000,000	148,342,466
18th Month	3,500,000,000	149,157,534	437,500,000	3,062,500,000	586,657,534
24th Month	3,062,500,000	129,799,658	437,500,000	2,625,000,000	567,299,658
30th Month	2,625,000,000	111,868,151	437,500,000	2,187,500,000	549,368,151
36th Month	2,187,500,000	92,714,041	437,500,000	1,750,000,000	530,214,041
42nd Month	1,750,000,000	74,578,767	437,500,000	1,312,500,000	512,078,767
48th Month	1,312,500,000	55,934,075	437,500,000	875,000,000	493,434,075
54th Month	875,000,000	37,289,384	437,500,000	437,500,000	474,789,384
60th Month	437,500,000	18,542,808	437,500,000	-	456,042,808
		967,384,418	3,500,000,000		4,467,384,418

17. CREDIT RATING REPORT OF THE ISSUE

Company Rating

DBH Finance has been assessed by a leading credit rating agency named Emerging Credit Rating Limited (ECRL). Based on financial statements dated December 31, 2022, as well as other quantitative and qualitative information, DBH Finance's ratings are as follows:

Table 7: Company Credit Rating

Credit rating agency	2022		2011		2020	
	Long Term	Short term	Long Term	Short term	Long Term	Short term
ECRL	AAA	ST-1	AAA	ST-1	AAA	ST-1

These ratings signify that:


- DBH Finance is one of the most financially-solvent NBF1 in Bangladesh
- The company has the capability to honor its financial obligations
- The company's ability to meet its repayment obligations timely is noteworthy

At DBH Finance, we are indebted to our stakeholders for entrusting us with their business and the confidence reposed in us throughout our journey.

Bond Rating

Table 8: Bond Credit Rating


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Credit rating agency	2023	
	Long Term	Outlook
ECRL	AAA (B)	Stable

For detailed Credit Rating Report, see Annexure 2 & 3

18. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS:

ECRL Ratings' Default Study-2022

Rating Category	1 Year Default Rate	3 Year Cumulative Default Rate (CDR)
AAA	0.00%	0.00%
AA	0.00%	0.00%
A	0.00%	0.10%
BBB	0.00%	0.00%
BB	0.10%	0.50%
B	3.00%	3.00%
C	0.00%	0.00%

ECRL Ratings' Transition Matrix (2021-2022)

Previous Rating	Rating After 1 Year						
	AAA	AA	A	BBB	BB	B	C
AAA	98.80%	1.20%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	1.10%	98.50%	0.40%	0.00%	0.00%	0.00%	0.00%
A	0.00%	1.50%	96.50%	1.90%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	1.80%	96.70%	1.40%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	11.40%	87.60%	0.60%	0.00%
B	0.00%	0.00%	0.00%	0.00%	13.60%	86.40%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

19. DESCRIPTION OF THE TRUSTEE

UCB Investment Ltd (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial banks in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB97/2020) from Bangladesh Securities and Exchange Commission (BSEC) on 5th October 2020.

The company has been inaugurated on 29th November 2020, and Mr. Tanzim Alamgir is appointed as the founding Managing Director and Chief Executive Officer of the company. The company aims to play a vital role in bridging the gap in professional financial management services in the country and the gap between investors and investment opportunities. The registered address of the company is Bulus Center, Road: 34, Plot: CWS- (A)-1, Gulshan Avenue, Dhaka-1212.

With its group of versatile financial consultants, UCBIL covers all investment banking services including Corporate Advisory, Fixed Income Securities, Syndicate Loans, IPO Management, Portfolio Management, and many more. The entity aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

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Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

be their long-term growth partner.

Board of Directors	Status in Board
Mr. Nabil Mustafizur Rahman	Chairman
Mr. Touhid Shipar Rafiquzzaman	Independent Director
Mr. Md. Shah Alam Bhuiyan	Director, representative of UCB
Mr. Md. Abdullah Al Mamoon	Director, representative of UCB
Mr. Alamgir Kabir	Director, representative of UCB
Mr. Tanzim Alamgir	Managing Director & CEO

Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.999999%	99,999,999
Mohammed Habibur Rahman	0.000001%	1


Key Milestones	Major Products
<p>1998 - Obtained merchant companying license</p> <p>1999 - Commenced merchant companying through participation in underwriting</p> <p>2003 - Managed first IPO as Issue Manager</p> <p>2004 - Commencement of Margin Loan Operations</p> <p>2010 - Managed 1st ever IPO in Book Building Method</p> <p>2011 - Merchant Companying Division turned into separate company as UCB Investment Limited, a wholly-owned subsidiary of IDLC</p> <p>2016 - Launched 'EASY INVEST'- A Monthly Investment Scheme</p> <p>2020 - Managed the IPO of Robi Axiata Limited, the biggest ever IPO in the history of Bangladesh</p>	<p>Major Products</p> <ul style="list-style-type: none"> ▪ Margin Loan ▪ Discretionary Portfolio Management <p>Major Services</p> <ul style="list-style-type: none"> ▪ Corporate Advisory ▪ Issue Management ▪ Underwriting ▪ Acting as Trustee of debt securities

Status of debt securities issued under trusteeship of UCB Investment Limited:

SL	Name of the issue	Maturity period/Tenure	Value of debt (in Million)	Repayment amount /Principal Redemption	Outstanding amount (as of Sep 2023)	Default
1	NRBC Bank Subordinated Bond-1	07 years	3,000	-	3,000	Nil
2	Bank Asia Perpetual Bond	Perpetual	5,000	-	5,000	Nil
3	Mercantile Bank Perpetual Bond	Perpetual	5,000	-	5,000	Nil
4	Mir Akhter Zero Coupon Bond	04 Years	2,499	-	2,499	Nil
5	Envoy Textiles Zero Coupon Bond	05 Years	2,000	-	2,000	Nil
6	3rd Subordinated Bond	07 years	5,000	-	5,000	Nil
7	MTB 5th Subordinated Bond	07 years	5,000	-	5,000	Nil
8	ICB 1st Mudaraba Sukuk	10 years	10,000	-	10,000	Nil
9	Prime Bank Subordinated Bond IV	07 years	3,000	-	3,000	Nil
10	Summit Towers Limited Zero Coupon Bond	03 Years	600	-	600	Nil
11	Summit Towers Limited Project Bond	20 Years	1,592	-	1,592	Nil


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portion of the Issue Amount have been fully redeemed and repaid in accordance with the Depository Agreement.

(b) The Trustee shall, in relation to each of the Bonds, obtain a list of the relevant Bondholders as of the relevant Record Date from the Depository (for the purposes of notices issuance and/or interest transactions) within one (1) Dhaka Business Day of the Record Date.

(c) The Issuer shall duplicate the Depository record in a duplicate register to be kept at the Issuer's registered office (the "Duplicate Register") where such Duplicate Register shall include the names and addresses of the holders of the Issue Amount of the Bonds and the particulars of such Issue Amount of the Bonds held by them and of all transfers of the Issue Amount of the Bonds. The relevant Bondholders and the Trustee shall be entitled to inspect the Duplicate Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

Principal amount of the Bonds Issued

In aggregate, there shall be units of Bonds issued with a nominal amount of BDT 1,000,000.00 each, totaling, in aggregate up to the BDT 3,500,000,000.00.

Refund

The Issue Amount of the Bonds shall not be refund/redeemed or otherwise prepaid by the Issuer before the Maturity Date, except that early redemption is required for a change of control event set out in the Subscription Agreement.

Transfer

A Subscriber shall have the right to freely transfer or assign all or a portion of its rights and obligations under the Subscription Agreement.

Trading or listing with stock exchange

The Bonds are not listed with the stock exchange only listed in Alternative Trading Board (ATB).

Repayment and coupon payment

The Issuer shall repay the outstanding principal for each of the Bonds (being the portion of the Issue Amount) in eight equal semi-annual principal payments commencing on the date falling eighteen months after the Issue Date and ending on the Maturity Date by transferring BDT to the Designated Account of the Bondholders for the Bonds. The semi-annual coupon payments will be transferred to the Designated Account of the Bondholders for the Bonds on the corresponding date.

Conversion

Conversion feature is not applicable for either of the Bonds.

22. TERMINATION AND FINAL SETTLEMENT OF THE PROPOSED BOND

Capitalized terms not defined herein shall have meaning as ascribed to such terms in the Subscription Agreement, the Trust Deed and/or the Terms and Conditions (as the case may be).

Termination

The Trust with respect to the Bonds shall be extinguished on the date on which the Trustee is satisfied (acting in accordance with a Resolution of the Bondholders) that: (a) all indebtedness and other liabilities of any nature of the Issuer due, owing or incurred under or in connection with the Transaction Documents for the Bonds, whether present, future, actual or contingent, matured or unmatured, liquidated or unliquidated, has been irrevocably, indefeasibly and unconditionally paid and discharged in full; (b) the Issuer has no liability to the Trustee or any Bondholder under any relevant Transaction Document for the Bonds (other than any contingent liability in respect of an indemnity provided by the Issuer under such Transaction Documents where there is no outstanding claim for payment in respect of any such indemnity), and (c) the Subscription Period has ended and the Issuer has no further right to request a subscription under the terms of the Subscription Agreement.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, the Issuer may revoke the Trust with the express consent of all the Bondholders of the Trust.

Events of Default

21. MODUS OPERANDI OF THE ISSUE

Capitalized terms not defined herein shall have meaning as ascribed to such terms in the Subscription Agreement, the Trust Deed and/or the Terms and Conditions (as the case may be).

Application Procedure

Investors shall enter into the Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement containing in details its rights and obligations.

Upon receiving the Consent Letter in accordance with the Trust Deed, the Information Memorandum shall be published by the Issuer on its official website, within the timeframes specified in the Consent Letter; provided further that a notice regarding the publication of Information Memorandum in the website mentioning web-address shall be circulated in at least one Bangla and one English language national daily newspaper. The approved Information Memorandum shall be made available in the website of the Issuer until the final date for subscription under the terms of the Subscription Agreement.

Following publication of Information Memorandum and subject to fulfilment of the conditions precedent set out in the Subscription Agreement, the Issuer may request investors to subscribe to the Bonds in accordance with the terms of the relevant Subscription Agreement. The Subscription Agreement will allow for the subscription of one bond tranche for the Bonds with an aggregate principal amount not exceeding the BDT equivalent of \$35,000,000 (such amount being as determined at the date of issuance of the same in accordance with the Subscription Agreement).

Confirmation of subscription in respect of each bond tranche along with company statement(s) shall be submitted to BSEC within 10 days of the date of issuance by investor of a 'Subscription Confirmation' for the Bonds in accordance with terms of the Subscription Agreement or equivalent confirmation of subscription accordance with terms of the Subscription Agreement.

The proceeds raised through the Bonds issue shall be placed in a designated company account maintained with the company (in an office GL account as the issuer is a Company) as set out in the Request for Bond Subscription provided under the Subscription Agreement. The utilization of the proceeds of the Bonds shall also be made from the said account.

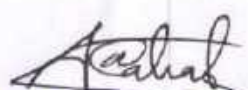
For the purposes of the Debt Securities Rules, the Issuer shall submit a report on the utilization of proceeds as well as implementation status shall be submitted to the Commission (as defined in the Debt Securities Rules), on a half-yearly basis within 10 days of the Issuer's financial half year, until full utilization of the Bonds proceeds.


Register & Allotment

(a) Each Bond will be numbered serially with an identifying number which will be recorded in the Bondholders' Register, a copy of which will be maintained by the Issuer. The Issuer shall prepare and maintain the Bondholders' Register for each of the Bonds until all of the Bonds constituting the applicable

² @ USD/BDT exchange rate of 1USD = BDT 116.67.


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**Due Diligence Certificate of the Trustee
UCB Investment Limited**

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of DBH Affordable Housing Bond of up to BDT 3,500,000,000.00 issued by DBH Finance PLC.

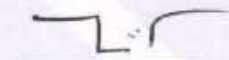
We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents, and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM; N/A
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Date: December 26, 2023
Place: Dhaka, Bangladesh

As further set out in the Subscription Agreement, including:

Failure to Pay Principal or Interest. The Issuer fails to pay when due any principal of or interest on the Bonds and such failure continues for five (5) days;

Failure to Comply with Obligations. The Issuer fails to comply with any of its obligations under the Terms and Conditions or any other Transaction Document (other than payment of principal or interest on the Bonds or other loan from the relevant Bondholders to the Issuer) relating to such Bonds and such failure continues for a period of thirty (30) days after the date on which the Bondholder(s) (or the Trustee) notifies the Issuer of such failure; and

Bankruptcy Proceedings. If: (i) the Issuer (A) is liquidated or declared bankrupt; or (B) is unable or admits inability to pay its debts as they fall due or otherwise becomes insolvent; (ii) the value of the Issuer's assets is less than its liabilities (taking into account contingent and prospective liabilities); or (c) a moratorium is declared in respect of any indebtedness of the Issuer, the Bonds, all interest accrued on it and any other amounts payable under the relevant Subscription Agreement will become immediately due and payable without any presentment, demand, protest or notice of any kind, all of which the Issuer waives;

Indemnification

The Issuer unconditionally and irrevocably covenants and undertakes, on demand by the Trustee, to indemnify and hold harmless the Trustee, its directors, officers, employees and agents (each an "indemnified party") in full at all times, on an after tax basis, against all losses, liabilities, actions, proceedings, claims, demands, penalties, damages, costs, fees, expenses disbursements, and other liabilities whatsoever (including any and all tax liabilities) ("Losses"), including without limitation the costs and expenses of legal advisors and other experts, which may be suffered or brought against or may be properly incurred by such indemnified party as a result of or in connection with (a) its appointment or involvement hereunder or under the Bonds or the exercise or non-exercise of any of their powers or duties hereunder or under the Bonds or the taking of any acts in accordance with the terms of the relevant parts of the Trust Deed, the Bonds or its usual practice as a trustee or as a director, officer, employee or agent of the Trustee; or (b) any instruction or other direction upon which the Trustee may rely under the relevant parts of the Trust Deed and/or the Bonds as well as the costs and expenses properly incurred by an indemnified party of defending itself against or investigating any claim or liability with respect of the foregoing; provided that this indemnity shall not apply in respect of an indemnified party to the extent but only to the extent that a court of competent jurisdiction determines that any such Losses incurred or suffered by or brought against such indemnified party arises directly from the gross negligence, willful default or fraud of such indemnified party. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of a Trustee or the termination of the Trust Deed.

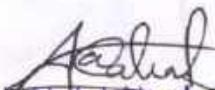
Advice

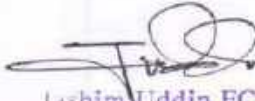
The Trustee may engage and consult, with any legal adviser, expert including any banker, accountant, auditor, valuer, surveyor, broker, auctioneer or other professional adviser selected by it and act in reliance on the opinion or advice of, or certificate, report or information obtained from, any such advisor or expert and the Trustee and each of its directors, officers, employees and duly appointed agents will not be responsible to the Bondholders for any loss occasioned by any action taken, or omitted to be done or suffered to be taken, in accordance with such opinion or advice or information, whether such opinion or advice or information is obtained by or addressed to the Issuer, the Trustee or any other person and notwithstanding any monetary or other limit on liability in respect thereof. Any opinion, advice, reports, certificates or information from an expert including lawyers, bankers, accountants, auditors, valuers, surveyors, brokers or auctioneers or other experts sent or obtained by letter or fax or any electronic communication and the Trustee and each of its directors, officers, employees and duly appointed agents will not be liable to anyone for acting in good faith on any opinion, advice, certificate, report or information purporting to be conveyed by such means even if it contains some error or is not authentic and whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise and whether or not addressed to the Trustee. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification or legal opinion submitted to it by the Issuer or any legal adviser, expert or other professional adviser.

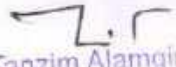
Trustee to Assume Performance

The Trustee need not notify anyone of the execution of the Trust Deed, the Bonds or any other document referred to herein or therein or do anything to find out if a Potential Event of Default or Event of Default has occurred. Until it has express written notice to the contrary, the Trustee may assume that (i) no such Potential Event of Default or Event of Default has occurred and (ii) the Issuer is performing all of its obligations under the Trust Deed and the Bonds and any other document referred to herein or therein.


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Resolutions of Bondholders

The Trustee shall not be liable to any person by reason of having acted upon any instruction in writing of a Bondholder (to the extent permitted under the relevant part of the Trust Deed), any Resolution in writing or other resolution purporting to have been passed at any meeting of the holders of the Bonds in respect whereof minutes have been made and signed or any direction or request of the holders of the Bonds even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of a Resolution in writing, a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon such holders.

Certificate Signed by Authorized Representative

If the Trustee, in the exercise of its functions, rights, powers and/or discretion, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by one Authorized Representative of the Issuer, as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible or liable to any person for any loss occasioned by acting on such a certificate.

Deposit of Documents

The Trustee may appoint as custodian, on any terms, and deposit the Trust Deed and any other documents with any company or entity whose business includes the safe custody of documents or with any lawyer or firm of lawyers believed by it to be of good repute and may deposit the Trust Deed and any other documents with such custodian and pay all sums due in respect thereof and the Trustee shall not be responsible for or required to insure against any loss incurred in connection with such deposit.

Discretion

The Trustee will have absolute and unfettered discretion as to the exercise or non-exercise of its functions, rights, powers and discretions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise. Whenever in the Trust Deed, the Bonds or by law, the Trustee shall have absolute discretion or permissive power, it may decline to exercise the same in the absence of approval by the Bondholders. The Trustee shall not be bound to exercise any discretion or power or act at the request or direction of the Bondholders unless first indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities it may incur by doing so. As between the Trustee and the Bondholders, the exercise of such discretion shall be conclusive and binding.

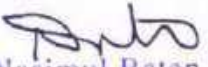
When determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst case scenario and (ii) to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

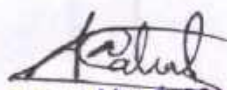
Agents

Whenever it considers it expedient and in the interests of the Bondholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money). If the Trustee exercises reasonable care in selecting such agent, the Trustee will not be responsible to anyone for any acts or omissions by, or any misconduct, negligence, default, fraud or breach of, any such agent or be bound to supervise the proceedings or acts of any such agent.

Delegation

Whenever it considers it expedient and in the interests of the Bondholders, the Trustee may delegate to any person on any terms (including the power to sub-delegate) all or any of its functions. If the Trustee exercises reasonable care in selecting a delegate in accordance with this paragraph, it will not have any obligation to supervise such delegate or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any act or omission by, or any misconduct, negligence, default, fraud or breach of, any such delegate or sub-delegate.


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Forged Register

The Trustee will not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any Bond purporting to be such or any entry in the register of beneficial owners of the Depository later found to be forged or not authentic.

Confidentiality

Unless ordered to do so by a court of competent jurisdiction or in respect of information contemplated to be provided to the pursuant to the relevant Transaction Documents, the Trustee shall not be required to disclose to any Bondholder or any other person any confidential financial or other information made available to the Trustee by the Issuer and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Determinations Conclusive

As between itself and the Bondholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and the relevant Bonds. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Trustee and the relevant Bondholders.

Currency Conversion

Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and on such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer and the Bondholders.

Application of Funds

All moneys received by the Trustee under the Trust Deed in respect of the Bonds or amounts payable under the Trust Deed will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them:

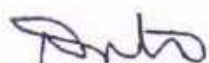
- (a) first, in payment of all costs, charges, expenses and liabilities incurred by the Trustee and indemnity amounts and other amounts owing to the Trustee (including without limitation remuneration payable to it and legal expenses properly incurred) in carrying out its functions and/or exercising its rights and discretions under or in connection with the relevant parts of the Trust Deed, the Bonds (which for the avoidance of doubt includes the fees, costs, charges and expenses of any Appointee appointed by the Trustee pursuant to the relevant parts of the Trust Deed for so long as they are acting as agents of the Trustee);
- (b) second, in or towards retention of an amount which the Trustee considers necessary to pay any amounts that may thereafter become due to be paid under Clause 7 (Costs and Expenses) or 8 (Remuneration and Indemnification of the Trustee) of the Trust Deed to it or any Appointee, to the extent it considers that moneys received by it thereafter under the relevant parts of the Trust Deed may be insufficient and/or may not be received in time to pay such amounts; third, in payment of any amounts owing in respect of the Bonds *pari passu* and ratably; and
- (c) fourth, in payment of any balance to the Issuer, for itself.

If the Trustee holds any moneys in respect of the Bonds which have become void or in respect of which claims have become prescribed, the Trustee will hold them on these trusts and shall apply them as set out above.


Right to Deduct or Withhold

Notwithstanding anything contained in the Trust Deed, to the extent required by any Applicable Law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it under the Trust Deed, or is or may become liable to, tax as a consequence of performing its duties hereunder and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the parts of the Trust Deed (other than in connection with its remuneration as provided for in the relevant part of the Trust Deed) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trust of the Trust Deed (other than the remuneration specified in the relevant part of the Trust Deed) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain from sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trust of the relevant parts of the Trust Deed.

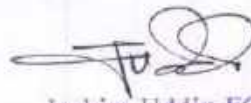
The Trustee shall not be obliged to gross up any such distribution or to pay any additional amounts to the intended recipient of the distribution or payment as a result of making such deduction or withholding and shall not be liable to



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UCB Investment Limited

the Issuer, the Bondholders or any other person for any of the aforesaid. The Trustee shall notify the Issuer as soon as is reasonably practicable of the making of any such deduction or withholding.

The Issuer undertakes to the Trustee that:

it will provide to the Trustee all documentation and other information in relation to Tax required by the Trustee from time to time to comply with any Applicable Law forthwith upon request by the Trustee; and
it will notify the Trustee in writing within 30 days of any change that affects the tax status of the Issuer pursuant to any Applicable Law and will provide the Trustee with any information or instructions required to effect payments which the Issuer determines are required to be made to the relevant Authorities in respect of the Bonds in light of such change.

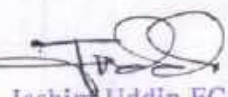
If any Taxes become payable with respect to any prior payment to the Issuer by the Trustee, the Issuer acknowledges that the Trustee may debit any balance held for the Issuer in satisfaction of such Taxes, to the extent permitted by Applicable Law. The Issuer shall remain liable for any deficiency and agrees that it shall pay any such deficiency upon notice from the Trustee or any Authority. If Taxes are paid by the Trustee or any of its Affiliates, the Issuer agrees that it shall promptly reimburse the Trustee for such payment to the extent not covered by withholding from any payment or debited from any balance held for the Issuer.

It shall be the sole responsibility of the Issuer to determine whether a deduction or withholding is or will be required from any payment to be made in respect of the Bonds or otherwise in connection with the Trust Deed and to procure that such deduction or withholding is made in a timely manner to the appropriate Authorities and shall promptly notify the Trustee and each Agent upon determining or becoming aware of such requirement. The Issuer shall notify the Trustee and each Agent in writing a minimum of seven (7) days prior to the date on which any payment for which a deduction or withholding is required of (i) the amount of such deduction or withholding and (ii) the relevant Authorities to whom such amount should be paid. The Issuer shall forthwith provide the Trustee and each Agent with all information required for the Trustee to be able to make such payment, to the extent permitted by Applicable Law.

The Issuer shall notify the Trustee in writing in the event that it determines that any payment to be made by the Trustee under any Bonds is a payment which could be subject to any deduction or withholding, including without limitation, FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from any deduction or withholding, including without limitation, FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation under this paragraph shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Bonds, or both.


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

The Trustee is under no obligation to enquire as to the residency or status of a Bondholder or a potential holder of Bonds.

Expenditure by the Trustee

Nothing contained on the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authority or discretion hereunder or pursuant to the Terms and Conditions, if it believes in its discretion that the repayment of such funds or satisfactory indemnity against, and/or security and/or pre-funding for, such risk or liability is not assured to it.

Trustee's Actions

Notwithstanding anything else contained in the Trust Deed, the Trustee is not obliged to do or omit to do anything, and may refrain without liability from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion or based upon legal advice in the relevant jurisdiction, be illegal or contrary to any Applicable Law or regulation or any directive or regulation of any agency of that jurisdiction or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject or of any state or jurisdiction. The Trustee may also refrain from taking any action if:

- (a) it would constitute a breach of any fiduciary duty or duty of confidentiality or would otherwise in its opinion render it liable to any person in any jurisdiction;
- (b) in its opinion or based upon legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any Applicable Law in that jurisdiction; or
- (c) it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

The Trustee may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

No obligations to monitor

Except as provided in the Trust Deed, the Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Bonds, the Trust Deed or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of express notice of a breach of obligation, to assume that each such person is properly performing and complying with its obligations, or to ascertain whether any relevant event under the Trust Deed or the Terms and Conditions has occurred. Other than as specified in the Trust Deed, the Trustee shall be under no obligation to monitor any financial performance of the Issuer and the Trustee shall not be responsible to the holders of the Bonds for any loss arising from any failure to do so or for any loss arising from any breach by any party of its obligations.


No responsibility for Recitals etc.


The Trustee shall not be responsible for recitals, statements, warranties or representations of any other party contained in the Trust Deed or in any transaction document relating to the Bonds or other document entered into in connection herewith or therewith and shall assume the accuracy and correctness thereof or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Trust Deed or any such agreement or other document or any security constituted thereby or pursuant thereto.

No responsibility for condition of the Issuer

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and no Bondholder shall rely on the Trustee in respect thereof.


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Enforcement

The Trustee may at its discretion take proceedings against the Issuer to enforce the obligations of the Issuer under the Trust Deed, provided that the Trustee shall not be under any obligation to do any of the foregoing unless it shall have been so requested in writing by the Bondholder(s) or by a Resolution of the Bondholders, in accordance with the terms and conditions of the Trust Deed.

For the avoidance of doubt:

The Trustee shall not be bound to take any step to enforce the rights of the Bondholders in respect of whom it acts as a Trustee against the Issuer unless it has been directed to do so in writing by the Initial Bondholders or the Bondholders of not less than 66% in principal amount of the Bonds then outstanding

The Trustee may pursue the rights and remedies available under the Trust Deed in respect of whom it acts as a Trustee to enforce the rights of the Bondholders against the Issuer in accordance with the terms of Trust Deed. Nothing in the Trust Deed shall preclude the Bondholders to enforce the security by itself against the Issuer under the Trust Deed.

Consolidation, amalgamation etc.

The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or any sale or transfer of all or substantially all of the assets of the Issuer or the form or substance of any plan relating thereto or the consequences thereof to any Bondholder.

Consent

Any consent to be given, or any discretion to be exercised, by the Trustee for the purposes of the Trust Deed or the Bonds may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in the Trust Deed or the Bonds may be given or exercised retrospectively. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in these presents) if it is satisfied that the interests of the Bondholders will not be materially prejudiced thereby.


Professional Charges

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trust of the Trust Deed and the Bonds and any properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed and the Bonds including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

Special Damages and Consequential Loss

Notwithstanding any other term or provision of the Trust Deed, or the Bonds to the contrary, the Trustee shall not be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever including but not limited to loss of profits (whether direct or indirect), goodwill, reputation, business or opportunities, whether or not arising directly or indirectly and whether or not foreseeable, even if the Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust, breach of fiduciary obligation or otherwise.


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Managing Director & CEO
UCB Investment Limited

Force Majeure

Notwithstanding anything to the contrary in the Trust Deed or in any other transaction document, the Trustee shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to the Trust Deed arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Trustee, performance of any duty or obligation under or pursuant to the Trust Deed would or may be illegal or would result in the Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject.

"Force Majeure Event" means any event (including but not limited to an act of God, fire, epidemics, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalization, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the company or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other causes) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by the relevant parts of the Trust Deed applicable to such party.

Directions from Holders

Whenever the Trustee is required or entitled by the terms of the Trust Deed or the Terms and Conditions to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or certification, or giving any such direction, to seek directions from the holders of the Bonds by way of a Resolution or clarification of directions from the Bondholders, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in its exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification or the instructions or clarification sought is not provided by the holders of the Bonds.

Insurance

The Trustee shall not be under any obligation to insure any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

Duties

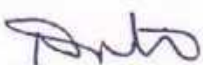
The Trustee shall not have and shall not be deemed to have any duty, obligation or responsibility to, or relationship of trust or agency with the Issuer or with the Depository.

Anti-Money Laundering and Terrorism


The Trustee may take and instruct any agent or delegate to take any action which it in its sole discretion considers appropriate so as to comply with any Applicable Law, regulation, request of a public or regulatory authority (including "know-your-customer" and other compliance policies) which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include, but is not limited to, the interception and investigation of transactions on the Issuer's or any Bondholder's accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of any funds paid into or out of such accounts. In certain circumstances, such action may delay or prevent the processing of the Issuer's or any Bondholder's instruction, the settlement of transactions over such accounts or the Trustee's performance of its obligations under the Trust Deed. Neither the Trustee nor any of its agent, delegate or attorney will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by any of the Trustee or its agent, delegate or attorney in this respect.

Payment to Nominee

If a Bondholder is a natural person, he may appoint a nominee who shall on the death of that Bondholder is entitled to all money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Registrar in the prescribed form the name of his nominee and upon receipt of such information the Registrar shall record the name of nominee in the Register and shall inform the Issuer. If a Bondholder is more than one natural person each natural person who is a Bondholder may appoint a nominee for himself who shall hold the Bond along



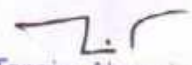
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.



Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

with the other Bondholders. Payment to the nominee on the death of the relevant Bondholder shall be sufficient to discharge payment obligations of the Issuer to such deceased Bondholders.

Details of Fees Structure & Expenses:

Estimated Cost	In BDT Crore
BSEC Consent Fee 0.10% + 15% VAT	0.35
Trustee Fee + VAT (BDT 5.0 Lac/Year)	0.29
Trustee & Trust Deed Registration Fee + VAT	0.14
Legal Counsel Fee +VAT	0.34
Other Costs Related to Issue Management + VAT	2.66
Total Cost (estimated)	3.78

For details, please refer to Subscription Agreement.

Notices

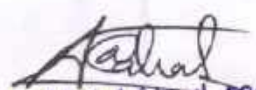
Addresses for notices

All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

Issuer: If to the Issuer, to it at:
Address: **DBH Finance PLC**
Head office: Landmark Building (14th Floor),
12-14 Gulshan North C/A, Gulshan-2,
Dhaka-1212, Bangladesh
Tel: 09612 334142 (Direct)
Cell: +880 1613195645
Email: nahid@dbhfinance.com

Trustee: If to the Trustee (as appropriate, acting as trustee for the Bonds), to it at: Address: **UCB Investment Limited,**
BULUS Center, Plot- CWS (A)-1
Road: 34, Gulshan Avenue
Dhaka- 1212, Bangladesh


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DBH Finance PLC.


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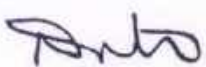
Cell: +880 1927 111555

Email: tanzim.alamgir@ucbil.com.bd


or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose, in writing.

Effectiveness

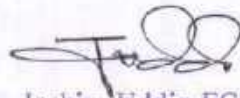
Every notice or other communication sent shall be effective if sent by letter, three days after the time of dispatch and if sent by mail at the time of dispatch provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.



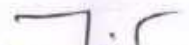
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



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DBH Finance PLC.



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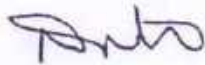


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.



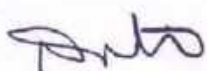
Nasimul Baten
Managing Director & CEO
Date:

Annexure 1: Entire/Detailed Audited Financial Statements

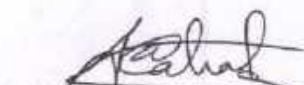
Annexure 2: Credit Rating Report of the Issuer

Annexure 3: Credit Rating Report of the Issue

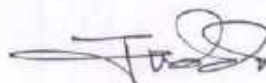
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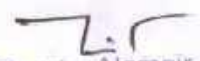
Nasimul Baten
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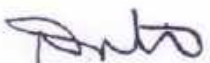


Jashim Uddin FCS
Company Secretary
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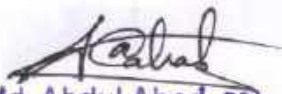


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UCB Investment Limited

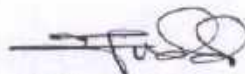
**Auditor's Report and Audited Financial Statements
of
DBH Finance PLC.
For the year ended on 31 December 2022**



Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.



Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of DBH Finance PLC. (the Company), which comprise the balance sheet as at 31 December 2022, and the profit and loss account and statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 to the financial statements.

Basis for Opinion

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

Key Audit Matters

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

Risk	Our response to the risk
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolios associated with credit risk is significant and complex.	We tested the design and operating effectiveness of key controls focusing on the following:



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Managing Director & CEO
DBH Finance PLC.

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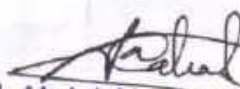


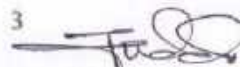
<p>For the individual (party-wise) analysis, these provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>At year end the Company reported total gross loans and advances of BDT 44,535,972,899 (2021: BDT 43,830,505,644) and provision for loans and advances of BDT 941,521,996 (2021: BDT 1,105,800,154).</p> <p>We have focused on the following significant judgments and estimates which could give rise to a material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006, FID circular no.03 dated 29 April 2013 and DFIM circular no.04 dated 26 July 2021; • For assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Provision measurement primarily depends on key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates. 	<ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Reviewed the process of Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p>See note # 7, note # 12.1.1 and note #12.1.2 to the financial statements.</p>	
<p>Legal and regulatory matters</p>	
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal</p>	<p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigations and regulatory matters.</p> <p>We also assessed the Company's contingent liabilities disclosure.</p>



<p>matters that have a probable and estimable impact on the financial position.</p>	
<p>See note # 2.27, note # 17.1 and note # 17.2 to the financial statements.</p>	
<p>Accuracy and completeness of revenue recognized</p>	
<p>The Company reports revenue of BDT 518.00 crore from Interest on loans, short-term investment, term deposit receipts, Commission, exchange and brokerage income, investment income and related activities.</p> <p>The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates, including those applied on revenue arrangements with multiple elements and those contracts where there is the existence of principal and agent relationship.</p> <p>Due to the estimates and judgment involved in applying the revenue recognition accounting standards and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter.</p>	<p>Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:</p> <ul style="list-style-type: none"> • We understood the significant revenue processes, including the performance of an end-to-end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces, and reports); • We tested the design and operating effectiveness of the relevant controls; • We reviewed significant new contracts and regulatory determinations, the accounting treatments opted and testing the related revenues recognized during the period; • We performed data analysis and analytical reviews of significant revenue streams; • We performed specific procedures to test the accuracy and completeness of adjustments relating to multiple-element arrangements and grossing up certain revenue and costs; and • We performed procedures to ensure that the revenue recognition criteria adopted by the entity for all major revenue streams is appropriate and in line with the accounting policies.
<p>See notes # 18, 20, 21 and 22 to the financial statements</p>	
<p>Investment and provision for diminutions in the value of investments</p>	
<p>The Company reports investments of BDT 251.70 crore, which is comprised of Government securities BDT 165.86 crore, marketable securities of BDT 79.09 crore, non-marketable securities of BDT 6.45 crore, and preference shares BDT 0.30 crore.</p> <p>The process for estimating the provision against the investments associated with credit risk is significant and complex.</p> <p>We focused on this area because of the significance of the investments in the financial</p>	<p>Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:</p> <ul style="list-style-type: none"> • We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that the management of the Company consistently applied valuation policies. • We assessed the controls' design and operating effectiveness, measurement, and oversight of financial assets' valuation risk.

 **bakertilly**
NETWORK MEMBER
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

3 
Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



<p>statements and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 & IAS 32 to comply with the circulars of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the Company.</p>	<ul style="list-style-type: none"> • We verified the existence and legal ownership of equity investments and mutual funds by confirming investment holdings with the portfolio statements of brokerage houses and CDBL. • We tested the calculations of provision for diminution in value of the investment and checked if the presentation and disclosure of investment are in compliance with FID circular no. 8 dated 3 August 2002 and DFIM circular no. 2 dated 31 January 2012 issued by Bangladesh Bank.
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See note # 06 and 12.1.3 to the financial statements

IT systems and controls

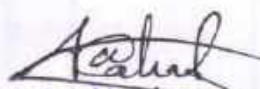
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, change-management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
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Other Matter

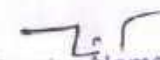
During our audit, we checked the Information Technology General Controls (ITGC) of DBH Finance PLC. and observed that there are rooms for further improvements, which are being communicated to the management through our letter to the management for their consideration and taking action.




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

4

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained on note # 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

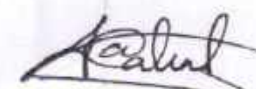
Those charged with governance are responsible for overseeing the Company's financial reporting process.

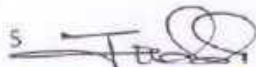
Auditor's Responsibilities for the Audit of the Financial Statements

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

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


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

5 
Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



ACNABIN

Chartered Accountants

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

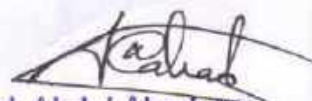
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


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

Report on other Legal and Regulatory Requirements

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


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

6

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

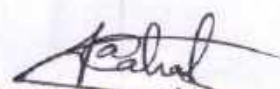


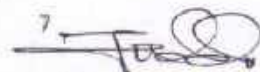


- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;
- d) the expenditure incurred was for the purposes of the Company's business for the year;
- e) the financial statements of the Company have been drawn up in conformity with Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank to the extent applicable to the Company;
- f) adequate provisions have been made for loans, leases, advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- i) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- j) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- k) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- l) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- m) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

 **bakertilly**
THE EY GROUP MEMBER


Md. Abdul Anad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



ACNABIN
Chartered Accountants

- n) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- o) We have reviewed over 80% of the risk weighted assets of the Company, and we have spent around 2400 person hours for the audit of the books and accounts of the Company;
- p) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- q) the Company has complied with the "First Schedule" of the Bank Company Act, 1991 in preparing these financial statements; and
- r) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka

29 MAR 2023

ACNABIN, Chartered Accountants

Muhammad Aminul Hoque, FCA
Partner
ICAB Enrollment# 1129
DVC:2303291129AS543002

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

8

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

DBH FINANCE PLC.
Balance Sheet
As at 31 December 2022

	Notes	Amount in Taka	
		31 December 2022	31 December 2021
PROPERTY AND ASSETS			
Cash		575,264,085	558,066,972
In hand	3.1	99,203	101,102
Balance with Bangladesh Bank and its agent Bank	3.2	575,164,882	557,965,870
Balance with other banks and financial institutions		11,018,065,981	14,725,958,032
In Bangladesh	4.1	11,018,065,981	14,725,958,032
Outside Bangladesh		-	-
Money at call on short notice	5	2,700,000,000	-
Investments	6	2,516,950,591	678,218,185
Government		1,858,567,002	8,241,093
Others		658,383,589	669,977,092
Loans and advances		44,535,972,899	43,830,505,644
Loans and advances	7	44,535,972,899	43,830,505,644
Fixed assets including land, building, furniture and equipments	8	254,482,380	262,581,058
Other assets	9	145,349,837	223,282,992
Total Assets		61,746,085,773	60,278,612,883
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	10	11,080,141,587	6,175,673,065
Deposits and other accounts		40,060,590,590	43,978,360,429
Fixed deposits	11.1	40,060,590,590	43,978,360,429
Other deposits		-	-
Other liabilities	12	2,610,392,699	2,880,448,299
Total Liabilities		53,751,124,876	53,034,481,793
Shareholders' equity			
Paid-up capital	13.2	1,949,903,640	1,772,639,680
Share premium	14	55,000,000	55,000,000
Statutory reserve	15	1,894,903,641	1,693,914,199
Other reserves	16	3,575,040,000	3,125,040,000
Retained earnings	33	520,113,616	597,537,221
Total equity		7,994,960,897	7,244,131,099
Total liabilities and Shareholders' equity		61,746,085,773	60,278,612,883
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsement	17.1	-	-
Letter of guarantee		-	-
Irrevocable letter of credits		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments			
Documentary credit & short-term trade-related transaction	17.2	-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-

Notes:

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:


Nasir A. Chowdhury
Chairman


Dated, Dhaka

28 MAR 2023


Dr. A M R Chowdhury
Vice Chairman


Nasimul Baten
Managing Director & CEO

ACNABIN, Chartered Accountants



Muhammad Arjunul Hoque, FCA
Partner
ICAB Enrollment #: 1129

DVC: 2303291129AS543002

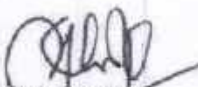


DBH FINANCE PLC.
Profit and Loss Account
For the year ended 31 December 2022

	Notes	Amount in Taka	
		2022	2021
Interest Income	18	4,831,162,037	5,052,574,673
Interest paid on deposits and borrowings etc.	19	(3,045,375,756)	(2,889,901,926)
Net Interest Income		1,785,786,281	2,163,672,697
Income from investment	20	145,220,701	125,111,081
Commission, exchange and brokerage	21	182,889,358	177,520,507
Other operating income	22	20,733,705	16,469,035
Total operating income		2,134,630,055	2,482,773,320
Salary and allowances	23	377,439,782	364,346,554
Rent, taxes, insurance, electricity etc.	24	35,813,730	37,625,863
Legal & professional expenses	25	17,808,124	15,777,000
Postage, stamp, telecommunication etc.	26	8,428,116	6,673,069
Stationery, printing, advertisements etc.	27	19,997,884	11,309,741
Managing Director's salary and fees	27.1	13,000,000	13,000,000
Directors' fees and expenses	28	956,075	1,069,840
Auditor's fees	29	575,000	546,250
Depreciation, repairs & maintenance	30	70,854,191	66,127,992
Other expenses	31	65,789,218	46,651,883
Total operating expenses		610,462,120	565,128,192
Profit before provisions		1,524,167,935	1,917,645,128
Provisions:			
Loans and advances	12.1.A	(164,270,158)	(26,288,475)
Diminution in value of investments	12.1.B	(105,946,283)	(33,795,086)
Other Assets		2,239,804	4,107,129
Total provisions		(56,992,071)	196,599,918
Profit before tax		1,580,260,006	1,721,045,210
Provision for tax:	32		
Current tax		563,325,906	691,404,197
Deferred tax expense/(income)		208,341	(1,247,960)
		583,534,247	672,156,237
Profit after tax		1,016,725,759	1,043,888,973
Appropriations			
Statutory reserve		200,989,452	207,488,378
General reserve		450,000,000	306,030,000
		650,989,452	507,488,378
Retained surplus		365,736,307	536,400,595
Earnings Per Share	34	5.21	5.35

Notes:

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:


Nasir A. Choudhury
Chairman


Dr. A M R Chowdhury
Vice Chairman


Nasimul Baten
Managing Director & CEO

Dated, Dhaka

28 MAR 2023

ACNABIN, Chartered Accountants



Muhammad Anisul Hoque, FCA
Partner
ICAB Enrollment # 1120

DVC : 2303291129AS543002



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

Notes	Amount in Taka	
	2022	2021
Cash flows from operating activities		
Interest receipts	4,862,890,086	5,074,370,924
Interest payments	(2,931,195,465)	(3,052,499,223)
Dividend receipts	33,306,674	44,972,394
Fees and commission receipts in cash	162,899,368	177,520,517
Cash payments to employees, suppliers and various operating expense	(563,849,822)	(501,978,998)
Income tax paid	(751,242,259)	(646,436,953)
Receipts from other operating activities	115,445,861	16,323,432
Cash generated from operating activities before changes in operating assets and liabilities	947,257,343	1,112,272,088
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(702,202,183)	(1,082,426,820)
Investment in trading securities	(179,526,069)	(128,888,015)
Other assets	31,417,955	(77,248,445)
Loans and deposits from banks and other customers	(3,917,799,839)	151,485,493
Interest suspense	(3,358,205)	22,888,384
Other liabilities	(6,195,184)	(6,023,628)
Cash generated/ (utilized) in operating assets and liabilities	(4,777,594,523)	(1,120,211,931)
Net cash flows from/(used in) operating activities	37 (3,830,337,180)	(7,938,943)
Cash flows from investing activities		
Net proceeds/payments for sale/purchase of Treasury Bond	(1,650,325,909)	(7,200,776)
Other investments	3,000,000	27,000,000
Purchase of property, plant & equipment	(27,979,469)	(10,127,450)
Proceeds from sell of property, plant & equipment	1,897,651	311,619
Net cash flows from/(used in) investing activities	(1,673,417,727)	9,983,399
Cash flows from financing activities		
Net Receipt of Loan & Zero Coupon Bond	4,649,422,568	718,995,706
Cash dividend paid	(285,898,952)	(201,251,872)
Net cash flows from/(used in) financing activities	4,383,526,616	487,781,914
Net increase/(decrease) in cash and cash equivalents	(1,120,228,291)	489,826,370
Effects of exchange rate changes on cash and cash equivalents	36,852	2,162
Cash and cash equivalents (net off overdraft) at the beginning of the period	15,121,649,494	14,631,820,962
Cash and cash equivalents (net off overdraft) at the end of the period	37A 14,001,458,055	15,121,649,494

Notes:

1. Independent Auditor's Report-Page 1 to 8.
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 28 March 2023 and were signed on its behalf by:



Nasir A. Chowdhury
Chairman


Dr. A M R Chowdhury
Vice Chairman


Nasimul Baten
Managing Director & CEO

Dated, Dhaka
28 MAR 2023

ACNABIN, Chartered Accountants



Muhammad Aminul Haque, FCA
Partner
ICAB Enrollment# 1129

BVC: 2303291129AS543002

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

Amount in Taka

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

Statement of Changes in Equity
For the year ended 31 December 2021

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2021	1,541,425,610	55,000,000	1,486,425,811	2,825,040,000	\$23,564,368	6,431,455,889
Net profit (after tax) for the period	-	-	-	-	1,041,888,923	1,041,888,923
Transferred to reserve funds	-	-	207,468,378	300,000,000	(507,468,378)	-
Stock dividend issued	231,213,870	-	-	-	(231,213,870)	-
Cash dividend paid	-	-	-	-	(231,213,872)	(231,213,872)
Balance at 31 December 2021	1,772,639,680	55,000,000	1,693,914,189	3,125,040,000	597,537,221	7,244,131,090



DBH FINANCE PLC.
Liquidity Statement
As at 31 December 2022

Amount in Taka

Particulars	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	Total
Assets						
Cash (in hand and balance with Bangladesh Bank and its' agent bank)	575,264,085	-	-	-	-	575,264,085
Balance with other banks and financial institutions	4,810,675,819	6,207,390,162	-	-	-	11,018,065,981
Money at call on short notice	2,700,000,000	-	-	-	-	2,700,000,000
Investments	778,884,089	-	9,500,000	-	1,736,566,502	2,516,950,591
Loans and advances	925,304,504	1,591,147,149	6,124,456,201	21,239,100,868	14,155,964,177	44,535,972,899
Fixed assets including land, building, furniture, equipments & ROU asset	3,187,247	6,277,657	18,975,850	73,639,304	152,402,322	254,482,380
Other assets	29,993,544	98,009,060	13,177,224	4,170,000	-	145,349,837
Total Assets	9,815,309,288	7,902,824,037	6,166,109,275	21,816,910,172	16,044,933,001	61,746,085,773
Liabilities						
Borrowing from other banks and financial institutions	6,047,185,076	1,348,705,841	1,143,891,921	2,540,358,749	-	11,080,141,587
Deposits and other accounts	1,042,568,560	5,037,536,758	4,741,858,166	109,766,059	29,128,841,047	40,060,590,590
Other liabilities	421,580,130	457,005,142	742,522,223	500,628,216	488,656,988	2,610,392,699
Total liabilities	7,511,353,766	6,843,247,741	6,628,272,310	3,150,753,024	29,617,498,035	53,751,124,876
Net liquidity gap	2,303,955,522	1,059,576,296	(462,163,035)	18,666,157,148	(13,572,565,034)	7,994,960,897



Nasimul Baton
Managing Director & CEO
DBH Finance PLC.

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ACCOUNTANT GENERAL

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Company Secretary
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Managing Director & CEO
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DBH FINANCE PLC.
Notes to the Financial Statements
as at and for the year ended 31 December 2022

1 Company and its activities

(a) Legal status

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

(b) Nature of business

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

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

2 Significant accounting policies and basis of preparation

2.01 Statement of compliance

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

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

2.02 Going concern

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

2.03 Reporting period

These financial statements have been prepared for the period from 1 January 2022 to 31 December 2022.

2.04 Functional and presentation currency

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

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

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

i) Complete set of financial statements

IAS 1 "Presentation of Financial Statements"

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

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

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

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

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

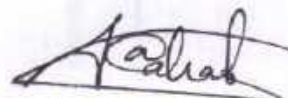
ii) Current/ Non-current distinction

IAS-1 "Presentation of Financial Statement"

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




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Treatment adopted as per Bangladesh Bank

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

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

iii) Off-balance sheet items

IAS 1 "Presentation of Financial Statements"

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

Treatment adopted as per Bangladesh Bank

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

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

iv) Intangible asset

IAS 1 "Presentation of Financial Statements"

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

Treatment adopted as per Bangladesh Bank

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

There is no financial impact for this departure.

v) Other comprehensive income

IAS 1 "Presentation of Financial Statements"

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

Treatment adopted as per Bangladesh Bank

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

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

vi) Disclosure of presentation of profit

IAS/IFRS

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

Treatment adopted as per Bangladesh Bank

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

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

vii) Preparation of "Statement of Cash Flows"

IAS 7 "Statement of Cash Flows"

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

Treatment adopted as per Bangladesh Bank

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

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

viii) Presentation of cash and cash equivalents

IAS 7 "Statement of Cash Flows"

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

Treatment adopted as per Bangladesh Bank

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

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

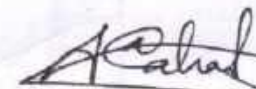
ix) Measurement of deferred tax asset


IAS 12 "Income Tax"

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




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Treatment adopted as per Bangladesh Bank

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

During the year net provision charged for loans and advances was Taka (57.42) million (note#12.1) and deferred tax liability of Taka 21.53 million was not recognized on this temporary difference.

x) Presentation and disclosures of Financial Statements and Financial Instruments

IFRS 7 "Financial Instruments: Disclosure"

IFRS 9 "Financial Instruments"

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

Treatment adopted as per Bangladesh Bank

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

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

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

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

IFRS 9 "Financial Instruments"

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

Treatment adopted as per Bangladesh Bank

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

In the Financial Statements, provision amounting to Taka 164.28 million has been released for the year 2022. Among which Taka 2.2 million is charged as General Provision and Taka 166.42 million is released as specific provision.

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

IFRS 9 "Financial Instruments"

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

Treatment adopted as per Bangladesh Bank

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

During the year interest suspense has decreased to Taka 77.18 million from taka 80.55 million resulting in an decrease of Taka 3.37 million.

xiii) Valuation of Investments in quoted and unquoted shares

IFRS 9 "Financial Instruments"

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

Treatment adopted as per Bangladesh Bank

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

There is no financial impact during the year.

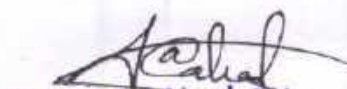
2.05 Use of estimates and judgments

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

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




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Tanzim Alamgir
Managing Director & CEO
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Impairment losses on loans and advances

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

2.07 Materiality and aggregation

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

2.08 Foreign currency transactions

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

2.09 Liquidity Statement

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

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

2.10 Accounting for Leases (IFRS 16)

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

- i) The contract involves the use of an identified asset;
- ii) DBH has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use;
- iii) DBH has the right to direct the use of the asset. When DBH has the decision making rights that are most relevant to changing how and for what purpose the asset is used, the policy is applied to all the lease agreements having lease term for 12 months or more as on 1st January 2019 and the contracts entered into, or changed on or after that date.

As lessee

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

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

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

As lessor

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

2.11 Property, plant and equipments

a. Recognition

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

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

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



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b. Depreciation

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

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

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

c. De-recognition

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

2.12 Intangible assets

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

2.13 Loans - secured

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

2.14 Investment in securities

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition, investments in marketable securities except DBH 1st Mutual Fund, Green Delta 1st Mutual Fund have been valued at cost or market price whichever is lower on an aggregate portfolio basis. Above mutual funds and Peninsula SBC Unit Fund-1and Peninsula ANCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2022 or cost price whichever is lower. Investment in non marketable securities have been valued at cost. Full provision for diminution in value of securities at the year end on aggregate portfolio basis excepts investment in mutual funds and unit funds are made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. Provision for above mutual funds and unit funds at the year end is made as required by Bangladesh Bank DFIM circular No. 05 dated May 11, 2015.

2.15 Investment in Government Treasury Bond

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

2.16 Cash and cash equivalents

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

Cash Flow Statement

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

2.17 Revenue recognition

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

Interest income

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

Fees and other charges on loans

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

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

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

Interest suspense account

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



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**2.18 Employee's benefit obligation****i) Defined benefit plan (Gratuity scheme)**

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

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

Less than 5 year of service - Nil

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

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

Maximum benefits - 50 times basic pay

ii) Defined Contribution plan (Contributory provident fund)

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

2.19 Workers Profit Participation and Welfare Fund (WPPF)

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

2.20 Taxation**Current tax**

Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1989 and amendments made thereto from time to time. Applicable rate of income tax for the company is 37.5%.

Deferred tax

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

2.21 Provision for loans

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

2.22 Write off

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

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

2.23 Interest expense

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

2.24 Earnings per share

Earnings Per Share (EPS) has been calculated in accordance with International Accounting Standard - 33 "Earnings Per Share" and shown on the face of profit and loss account and computation shown in note 19.

2.25 Related party disclosures

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

2.26 Events after the balance sheet date

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

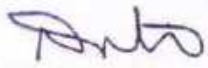
2.27 Contingent liabilities and contingent assets

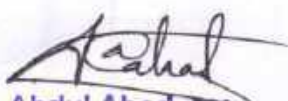
The Company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of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

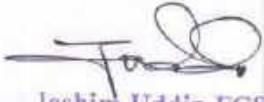
2.28 Branch accounting

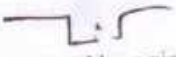
The Company has fourteen offices (head office & thirteen branches), with no overseas branch as on December 31, 2022. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.




Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.


Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



2.29 General

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

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

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	**
Inventories	2	N/A
Statement of Cash Flows	7	**
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government 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 Conditions	29	N/A
Financial Instruments - Presentation	32	**
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
First-time adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets held for sale and discontinued operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments - Disclosures	7	**
Operating Segments	8	N/A
Financial Instruments	9	**
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

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

2.31 Financial risk management

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

Credit risk

To encounter and mitigate credit risk, the company employed multi-layer approval process, policy for customer's 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 strict 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 account for 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.



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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 risk 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 formulate and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Money Laundering and Terrorist Financing Risk

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

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

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

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorist financing;
- b) Creation of structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for AML and CFT compliance;
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLO), 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, inefficiency 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 resources 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 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 (ENRRK) while financing to new projects. Company is making its credit appraisal process to be much more stringent from an Environment and Social (E&S) perspective – evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to approving a loan.

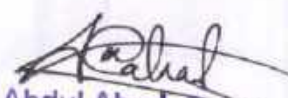
2.32 Implementation of BASEL-II

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

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




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Managing Director & CEO
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2.33 Islamic Finance Wing

The Board of Directors of DBH Finance PLC. (DBH) at its 124th meeting held on September 2, 2021 approved the proposal for opening of Islamic Financing Wing (IFW) at all the existing DBH branches in addition to its Conventional Financing subject to the approval of Bangladesh Bank. Accordingly, DBH applied to Bangladesh Bank (BB) and received a letter on March 09, 2022 from them to proceed with conditions and submissions of necessary documents for opening DBH IFW. As per their letter, DBH amended its Memorandum of Association and Articles of Association and incorporated the provision of Shariah-based Islamic Financing businesses as well as the appointment of Shariah Supervisory Committee. Afterward, DBH formed Shariah 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 Shariah-based businesses. On January 16, 2023 DBH applied to BB for approval of opening DBH IFW at all the existing branches of DBH. In response, on February 23, 2023 we received conditional approval from DFIM of Bangladesh Bank including their instruction of submitting further few documents for obtaining final approval for opening DBH IFW.





	31 December 2022 Taka	31 December 2021 Taka
3 Cash		
3.1 Cash in hand		
Local Currency	99,203	101,102
Foreign Currency	-	-
	99,203	101,102
3.2 Balance with Bangladesh Bank and its agent bank		
Bangladesh Bank:		
Local Currency	574,900,376	557,718,669
Foreign Currency	224,177	106,612
	575,124,553	557,905,281
Balance with Sonali Bank being an agent of Bangladesh Bank	40,329	60,585
	575,164,882	557,965,870
3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institution Act - 1993 and Financial Institution Rules - 1994 and DFIM circular no. 03 dated June 21, 2020.		
Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on 'Total Term Deposits' which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposits' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).		
Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on Total Liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), Balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bills & bonds & any other assets approved in Government Gazette or by Bangladesh Bank.		
3.3.1 Cash Reserve Requirement (CRR)		
Required reserve	341,617,554	529,499,202
Actual average reserve maintained	568,857,056	598,413,458
Surplus/(deficit)	227,239,502	19,014,256
3.3.2 Statutory Liquidity Reserve (SLR)		
Required reserve (including CRR)	2,003,207,047	1,804,250,534
Actual reserve maintained (including CRR note -3.3.1)	7,816,862,183	13,584,280,502
Surplus/(deficit)	5,813,655,136	11,740,029,968
4 Balance with other banks and financial institutions		
In Bangladesh (Note 4.1)	11,018,065,981	14,725,958,032
Outside Bangladesh	-	-
	11,018,065,981	14,725,958,032
4.1 In Bangladesh		
Current deposits	14,523,190	14,260,202
Short-term deposits	4,316,630,059	5,482,675,739
Fixed deposits	6,658,911,732	9,229,122,591
	11,018,065,981	14,725,958,032
4.2 Maturity grouping of balance with other banks and financial institutions		
Payable on demand	2,610,675,819	2,740,387,471
Up to 1 month	2,200,000,000	2,572,819,531
Over 1 month but not more than 3 months	6,207,390,162	7,227,400,992
Over 3 months but not more than 6 months	-	1,305,946,875
Over 6 months but not more than 1 year	-	521,323,160
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	11,018,065,981	14,725,958,032
5 Money at call on short notice		
NCC Bank Ltd.	1,000,000,000	-
Agram Bank Ltd.	1,000,000,000	-
NRB Bank Ltd.	100,000,000	-
Community Bank Bangladesh Limited	600,000,000	-
	2,700,000,000	-
6 Investments		
Government securities:	1,658,567,002	8,241,093
Other investments:		
Non-marketable securities (Note-6.1)	64,499,500	64,499,500
Preference Share (Union Capital Ltd.)	3,000,000	6,000,000
Marketable securities (Note-6.2)	790,884,089	599,472,592
	658,393,589	665,972,092
	2,516,950,591	678,718,185



6.1 Investment in non marketable securities

Bangladesh Rating Agencies Ltd.
Peninsula SBC Unit Fund-1
Peninsula AMCL DBBL Unit Fund-1
Energyprima Ltd. (Pre-IFC shares)
Vanguard AMI

No. of shares
24,955
4,000,000
250,000
300,000
751,614

	31 December 2022 Taka	31 December 2021 Taka
	2,499,500	2,499,500
	40,000,000	40,000,000
	2,500,000	2,500,000
	9,500,000	9,500,000
	10,000,000	10,000,000
	64,499,500	64,499,500

6.2 Investment in marketable securities

Sectors

Bank
Cement
Ceramics Sector
Engineering
Financial Institutions
Food & Allied
Fuel & Power
Iron/Steel
IT Sector
Mutual Funds
Miscellaneous
Pharmaceuticals & Chemicals
Tannery
Telecommunication
Textile

	Market price 31 December 2022 Taka	Cost price	Cost price
	56,878,372	72,155,258	52,892,706
	9,345,000	12,588,252	8,926,251
			8,257,240
	39,302,230	48,095,001	21,545,561
	21,840,602	22,740,799	7,468,775
	63,768,199	74,641,010	51,895,982
	26,783,682	33,634,408	4,382,284
	14,820,224	23,634,260	28,214,198
	11,920,360	12,197,798	14,821,810
	144,900,000	219,742,081	210,822,841
			2,356,244
	180,104,095	201,066,017	130,414,042
	354,883	370,900	
	49,357,940	58,265,122	45,748,523
	5,846,758	6,544,282	11,426,736
	624,825,344	790,884,889	599,477,592

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, 2022. As on December 31, 2022 there was Tk. 110,147,745 provision on investment in marketable listed securities and Tk. 23,057,098 for non marketable securities (Bangladesh Rating Agencies Ltd., Primisenergy Ltd., Preference Share of Union Capital Ltd, Vanguard AMI 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 2022 (last trading date was December 29, 2022).

6.3 Maturity grouping of investments:

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

	770,884,089	575,477,592
	-	58,500,000
	-	-
	9,500,000	9,500,000
	-	-
	1,736,566,302	36,746,593
	2,516,950,591	678,218,185

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

7 Loans and advances

Inside Bangladesh

Housing Loan
Term Loan
Loan against Deposits
Staff loan

	41,362,250,623	40,881,560,141
	2,840,321,322	2,683,736,281
	184,945,027	128,526,734
	143,455,927	135,682,458
	44,535,972,899	43,830,505,644

Outside Bangladesh

	44,535,972,899	43,830,505,644
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7.1 Maturity grouping of loans and advances

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

	221,813,406	218,550,204
	2,294,638,247	2,331,866,728
	6,124,456,701	6,183,874,122
	21,735,100,868	21,973,668,661
	14,155,964,177	12,522,946,523
	44,535,972,899	43,830,505,644

7.2 a) Loans and advances to institutions in which directors have interest

b) Loans and advances to chief executive
c) Loans and advances to senior executives
d) Loans and advances to customer group:
i) Housing loan - customer
ii) Staff loan-housing & others
iii) Loan to depositor
iv) Term Loan

	34,672,829	32,860,710
	41,362,250,623	40,881,560,141
	108,783,098	113,821,772
	184,945,027	128,526,734
	2,840,321,322	2,683,736,281
	44,535,972,899	43,830,505,644

e) Details of loan and advances industry-wise

i) Housing Finance/ Real Estate
ii) Consumer Finance

	41,511,192,567	40,961,140,321
	3,022,780,332	2,869,365,323
	44,535,972,899	43,830,505,644





7.3 Loans and advances – geographical location-wise

Inside Bangladesh:

Urban

Dhaka

Chattogram

Sylhet

Cumilla

Gazipur

Narayanganj

Rishta

Rajshahi

Rangpur

Outside Bangladesh:

7.4 Details of large loans and advances

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

7.5 Particulars of Loans and advances

i) Loans and advances considered good in respect of which the financial institution is fully secured

ii) Loans and advances considered good against which the financial institution holds no security other than the debtors personal security

iii) Loan and advances considered good and secured by the personal security of one or more parties in addition to personal guarantee of debtors

iv) Loan and advances adversely classified for which no provision is created

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

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

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

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

ix) Due from other bank and financial institutions

x) Information in respect of classified loans and advances

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

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

ii) Amount of written off debt against fully provided debts

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

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

c) Amount of interest creditable to interest suspense account

xv) Cumulative amount of written off loans and advances

Opening Balance

Amount written off during the year

Amount recovered against loans and advances previously written off

Balance of written off loans and advances yet to be recovered

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

7.6 Classification of loans and advances

Unclassified:

Standard (including Staff Loan, Loan against Deposits and Others)

Special mention account (SMA)

Classified:

Sub-standard

Doubtful

Bad/loss

31 December 2022 Taka	31 December 2021 Taka
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36,790,587,406	38,888,314,025
2,181,357,827	2,217,151,504
195,996,539	204,995,175
530,562,635	486,920,562
2,076,797,218	1,601,093,594
500,537,616	332,511,046
164,387,238	7,493,739
70,974,826	
11,771,592	
44,535,972,899	43,830,505,644
44,535,972,899	43,830,505,644

44,392,332,848	43,707,623,400
6,351,381	5,635,861
137,288,670	57,740,361
44,535,972,899	43,830,505,644

143,455,927	136,682,488
-------------	-------------

143,455,927	140,396,913
-------------	-------------

(166,418,711)	208,253,557
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306,518,001	251,490,708
-------------	-------------

77,181,131	80,549,336
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8,820,658	8,820,658
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8,820,658	8,820,658
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9,475,086	9,475,086
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44,003,473,839	43,300,860,796
147,782,861	253,175,025
44,151,205,200	43,553,985,471

70,152,435	13,035,535
8,096,263	12,003,930
306,518,001	253,495,708
384,766,699	276,520,173

44,535,972,899	43,830,505,644
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7.7 Calculation of provision for loans and advances as per Loan Classification Report as on December 31, 2022.

Nature	Base for provision	Rate (%)	Provision required
Standard	43,580,410,192	1	435,804,102
Standard (Loans to Assets Management Company)	94,612,693	2	1,892,254
Special (restricted account)	134,491,303	5	6,724,565
Sub-standard	11,827,422	20	2,365,484
Doubtful	1,214,439	50	607,220
Bad/loss	61,136,000	100	61,136,000
Staff loan - standard	143,855,927	1	1,438,559
Loan against deposit - standard	189,945,027	1	1,899,450
			511,813,634

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 annexed A.

9 Other assets

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

9.1 Account receivables

Interest receivable
Dividend receivable
Sundry receivable

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

9.2 Advances, deposits and prepayments

Advance to employees
Advance to suppliers
Advance against IPO
Security deposits
Prepaid expenses

9.3 Deferred tax assets

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

9.3 a Calculation of deferred tax assets

Carrying amount of Fixed Assets (excluding land and ROU Assets)
Tax base value of Fixed Assets
Deductible temporary difference
Applicable tax rate

i) Deferred tax assets on fixed assets

Carrying amount-Loss on sale of securities

Tax base
Deductible temporary difference
Applicable tax rate

ii) Deferred tax assets on loss on sale of securities

Total deferred tax assets (i + ii)
Deferred tax assets at the beginning of the year
Deferred tax income/(expenses)

31 December 2022	31 December 2021
Taka	Taka

531,228,669	516,305,586
41,804,980	20,107,080
573,033,649	536,412,675
(4,585,524)	(5,183,805)
568,448,325	531,228,869

268,647,611	226,424,638
49,861,586	47,820,946
318,509,797	274,255,584
(4,543,852)	(5,607,722)
313,965,945	268,647,811
254,482,380	262,591,058

125,600,497	178,903,729
6,674,786	30,521,855
3,450,762	3,642,385
9,623,792	9,766,013
145,349,837	223,282,992

42,687,539	61,543,905
10,494,882	2,021,419
72,418,076	80,337,485
125,600,497	178,902,729

132,658	520,260
1,299,000	2,070,324
-	22,081,930
4,170,000	3,070,000
1,073,118	2,227,441
6,574,786	30,921,855

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

206,588,888	204,288,057
232,172,334	230,330,797
25,863,446	26,042,406
37.50%	37.50%
9,623,792	9,766,013
-	-
-	-
10%	10%
9,623,792	9,766,013
9,766,013	9,766,013
(142,221)	9,766,013





10 Borrowing from other banks, financial institutions and agents

Inside Bangladesh (Note 10.1)
Outside Bangladesh

10.1 Inside Bangladesh

a Secured Short-term loan:

Standard Chartered Bank
Cib Bank, NA

b Unsecured Short-term loan:

Brac Bank Ltd.
National Credit and Commerce Bank Ltd.
The City Bank Ltd.
The Trust Bank Ltd.
Eastern Bank Ltd.
Dhaka Bank Ltd.

c Unsecured long-term loan:

Bangladesh Bank (Housing refinance)

d Bank overdraft:

Commercial Bank of Ceylon PLC
Woori Bank
Pubali Bank Ltd.
Standard Chartered Bank
ETC Bank Ltd.

e Call loans:

Community Bank Bangladesh Ltd.
Brac Bank Ltd.
United Commercial Bank Ltd.
Janata Bank Ltd.

f Zero Coupon Bond:

Zero Coupon Bond

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

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

Secured
Unsecured

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

10.3 Maturity grouping of borrowings from other banks, financial institutions and agents

Payable on demand
Up to 1 month
Over 1 month but within 3 months
Over 3 months but within 1 year
Over 1 year but within 5 years
Over 5 years

11 Deposits and other accounts

Fixed deposits (Note: 11.1)
Other deposits

11.1 Fixed deposits

Opening balance
Addition during the year
Repayment made during the year
Closing balance

11.2 Group-wise break-up of deposits and others accounts

Government
Bank
Other institutions
Individuals

31 December 2021 Taka	31 December 2021 Taka
--------------------------	--------------------------

11,080,141,587	6,175,673,065
11,080,141,587	6,175,673,065

1,300,000,000	1,300,000,000
1,300,000,000	1,590,000,000

2,500,000,000	-
1,000,000,000	-
800,000,000	-
600,000,000	-
-	800,000,000
-	500,000,000
4,900,000,000	1,300,000,000

1,239,991,060	1,470,263,573
1,239,991,060	1,470,263,573

5,836,346	1,373,084
163,545,227	146,642,678
122,490,438	8,743,694
-	5,115,816
-	38
291,872,011	162,375,510

600,000,000	-
500,000,000	-
-	500,000,000
-	400,000,000
1,100,000,000	900,000,000

2,248,278,516	753,033,987
11,080,141,587	6,175,673,065

1,501,872,011	1,752,375,510
9,488,269,576	4,423,297,555
11,080,141,587	6,175,673,065

1,100,000,000	900,000,000
4,947,185,076	1,312,864,887
1,348,705,841	1,136,333,574
1,143,891,521	1,040,640,902
2,540,358,749	1,296,308,032
-	881,025,170
11,080,141,587	6,175,673,065

40,060,590,590	43,978,360,429
40,060,590,590	43,978,360,429

43,978,360,429	43,806,874,936
78,893,892,255	71,411,586,710
122,872,253,194	135,230,461,146
82,831,662,504	91,353,100,717
40,060,590,590	43,978,360,429

257,237,144	235,392,591
3,000,000,000	8,650,000,000
17,387,994,516	16,496,814,658
18,414,858,530	18,696,433,160
40,060,590,590	43,978,360,429

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.



Nasimul Baten

Managing Director & CEO
DBH Finance PLC.

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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

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

As per the BSEC directive No. 8543/CMRCD/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 SFIM Circular No. 11, dated 23 December 2020 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
Recovery of amounts previously written off
Closing balance

12.1.1 General provision

Opening balance
Charged during the year
Closing balance

12.1.2 Specific provision

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

12.1.3 Provision for diminutions in the value of investments

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

12.1.A Provision on loans and advances

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

12.2 Provision for income tax

Provision

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

Add: Provision made during the year

Closing balance

Advance tax

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

Less: Adjustment during the year for completed tax assessment
Closing balance

Net balance

31 December 2022	31 December 2021
Taka	Taka

1,042,588,560	3,436,404,121
7,982,191,485	9,336,497,062
1,797,200,438	3,098,567,376
109,856,050	61,391,321
23,815,990,111	72,861,243,977
5,312,900,936	5,493,735,573
40,060,590,590	43,978,366,429

1,083,726,839	1,142,058,714
246,921,782	434,838,135
77,181,131	85,949,336
1,190,489,735	1,214,414,733
1,642,121	1,576,001
6,346,933	4,107,120
4,084,168	3,954,251
2,610,392,699	2,880,448,299

1,142,058,714	949,566,925
(58,131,825)	102,492,780
1,083,726,839	1,142,058,714

445,564,377	427,535,450
2,140,553	18,534,918
447,704,930	445,564,377

660,235,777	451,982,230
(166,418,711)	208,251,557
493,817,066	660,235,777

36,258,560	30,054,340
185,946,283	(13,295,685)
147,204,843	36,258,560

2,140,553	18,534,918
(166,418,711)	208,251,557
(164,278,158)	226,289,475

5,965,392,054	5,273,987,857
583,325,906	691,404,197
6,528,717,960	5,965,392,054

5,530,553,919	4,884,116,396
679,471,514	539,998,330
121,720,745	106,490,603
6,281,796,178	5,530,553,919

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



NETWORK MEMBER

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

Jashim Uddin FCS
Company Secretary
DBH Finance PLC.
Landmark Bldg.
12-14 Gulshan-2, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



12.3 Interest suspense

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

31 December 2022 Taka	31 December 2021 Taka
80,549,336	57,660,952
(13,368,205)	22,888,384
-	-
77,181,131	80,549,336

12.4 Other payables

Interest payable on deposits & loans
Lease liability
Sundry creditors
Undeclared instruments
Payable to clients
Loan under litigation
Privileged creditors
Liability for expenses

828,957,607	941,316,810
29,936,203	40,432,025
114,669,333	119,254,067
11,876,431	11,622,588
90,419,093	81,359,530
8,622,686	19,852,817
102,014,115	94,322,673
4,594,209	8,348,370
1,190,489,725	1,214,414,733

12.5 Calculation of deferred tax liability

Carrying amount of Fixed Assets (excluding land)
Tax base value of Fixed Assets
A) Taxable temporary difference
Right-of-use Asset - Carrying amount
Right-of-use Asset - Tax base
Taxable temporary difference
Lease liability- ROU - carrying amount
Lease liability-ROU-Tax base
Deductible temporary difference
B) Net taxable temporary difference -ROU asset
Total taxable temporary difference (A+B)
Applicable tax rate
Total deferred tax liability
Deferred tax liability at the beginning of the year
Deferred tax Expense/(income)

-	-
-	-
34,315,192	44,134,695
34,315,192	44,634,695
29,936,203	40,432,025
29,936,203	40,432,025
4,378,989	4,202,570
4,378,989	4,202,670
37.50%	37.50%
1,642,121	1,576,001
1,576,001	6,057,348
66,120	(4,481,347)

13 Share capital

13.1 Authorized capital

199,900,000 Ordinary shares of Tk. 10 each
5,000 Preference shares of Tk. 100 each
200,900,000 Ordinary shares of Tk. 10 each

1,999,500,000	1,999,500,000
500,000	500,000
2,000,000,000	2,000,000,000

13.2 Issued, subscribed, called and paid-up capital

Ordinary shares

Opening
23,121,357 Ordinary shares of Taka 10 each issued as bonus share
17,726,396 Ordinary shares of Taka 10 each issued as bonus share

1,772,639,680	1,543,825,810
177,263,956	731,213,570
1,949,903,640	1,772,639,680

13.3 Capital of the Company is held by the following shareholders

Ordinary shares

Local shareholders:

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

31 December 2022	
No of shares	Taka
35,855,617	358,556,170
34,371,750	343,717,500
29,643,895	296,438,950
58,379,009	583,790,000
159,450,271	1,594,502,710

Foreign shareholders:

General shareholders

29,540,000	295,400,930
29,540,000	295,400,930
194,990,364	1,949,903,640



13.4 Break-up of Paid-up capital:

Date of Issue
11 May 1996 to 28 June 1998
17-Dec-05
9-Apr-08
2-Dec-08
23-Nov-09
8-Dec-10
22-Nov-11
Total
Face Value Change (2011)
14-Apr-12
24-Nov-16
31-Mar-19
17-Jun-20
17-May-21
5-May-22
Total paid-up capital

Number of Shares	31 December 2022	
	Face Value	Amount
200000	100	200,000,000
200000	100	20,000,000
500000	100	50,000,000
810000	100	81,000,000
526500	100	52,650,000
1009125	100	100,912,500
5045625	100	504,562,500
10091250	100	1,009,125,000
100912500	10	1,009,125,000
15136675	10	151,366,750
5802468	10	58,024,680
12185184	10	121,851,840
20105554	10	201,055,540
23121387	10	231,213,870
17728396	10	177,283,960
194990364	10	1,949,903,640

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

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

Deductions from Tier-1 (Core Capital)

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

2. Tier-2 (Supplementary Capital)

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

Total capital

Total risk weighted assets

Required capital based on risk-weighted assets (10%)

Surplus

Capital Adequacy Ratio:

On core capital

On actual capital (against standard of minimum 10%)

Supplementary Capital to risk weighted assets

14 Share premium account

Ordinary shares

	31 December 2022 Taka	31 December 2021 Taka
	1,949,903,640	1,772,639,680
	1,694,903,641	1,693,914,189
	55,000,000	55,000,000
	3,325,040,000	2,875,040,000
	520,113,616	597,537,221
	250,000,000	250,000,000
	7,994,960,897	7,244,131,090
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	7,994,960,897	7,244,131,090
	307,749,606	309,491,921
	-	-
	-	-
	-	-
	-	-
	307,749,606	309,491,921
	307,749,606	309,491,921
	8,302,710,503	7,553,623,011
	29,262,753,050	29,116,288,079
	2,926,775,305	2,911,628,058
	5,375,935,198	4,641,994,911
	27.32%	24.88%
	28.37%	25.94%
	1.05%	1.06%
	55,000,000	55,000,000
	55,000,000	55,000,000



15 Statutory reserve

Opening balance
Add: addition during the year
Closing balance

31 December 2022	31 December 2021
Taka	Taka
1,693,914,189	1,486,425,811
200,989,452	207,489,378
1,894,903,641	1,693,914,189

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

16 Other reserves

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

1,275,000,000	1,275,000,000
1,600,000,000	1,600,000,000
250,000,000	250,000,000
40,000	40,000
3,575,040,000	3,125,040,000

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

16.1 Contingency reserve

Opening balance
Add: addition during the year
Closing balance

1,275,000,000	1,275,000,000
1,275,000,000	1,275,000,000

16.2 General reserve

Opening balance
Add: addition during the year
Closing balance

1,600,000,000	1,300,000,000
450,000,000	300,000,000
2,050,000,000	1,600,000,000

16.3 Dividend equalization reserve

Opening balance
Add: addition during the year
Closing balance

250,000,000	250,000,000
250,000,000	250,000,000

17 Business commitments and contingencies

17.1 Contingent liabilities

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
b) Approved by the Board but not contracted for

Nil	Nil
Nil	Nil

17.4 Unacknowledged debts

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

18 Interest income

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

2022	2021
Taka	Taka
3,977,254,710	4,109,005,064
743,515,809	988,066,409
110,790,458	500,000
4,831,560,977	5,053,574,673

19 Interest paid on deposits and borrowings etc.

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

68,163,545	79,638,758
2,465,496,402	2,591,734,206
366,138,588	302,700,180
6,694,201	3,254,044
125,549,452	5,436,700
8,561,392	3,431,438
2,743,176	3,241,585
3,045,375,756	2,889,901,976

20 Income from investments

Gain/(loss) on sale of marketable securities
Dividend income
Interest on Treasury Bond

11,880,479	80,105,172
36,780,137	44,960,308
96,538,135	37,541
145,200,751	125,111,081



	2022 Taka	2021 Taka
21 Commission, exchange and brokerage		
Loan fees	195,017,993	101,991,992
Other charges and fees	77,871,375	25,528,535
	182,889,368	177,520,507
22 Other operating income		
Property service income	17,946,221	15,745,630
Gain on sale of fixed assets	1,845,979	103,140
Miscellaneous income	603,542	435,255
Forfeited Provident fund income	337,853	105,080
	20,733,795	16,469,035
23 Salary and allowances	377,439,782	364,346,554
Salary and allowances include annual contribution of Tk. 12,615,311 to DBH Staff Provident Fund and Tk. 1,271,934 to DBH Employees Gratuity Fund which are recognised by NBR.		
24 Rent, taxes, insurance, electricity etc.		
Rent, rates & taxes (Note 24.1)	23,449,275	26,496,550
Insurance	4,535,265	4,005,371
Electricity	7,030,003	6,647,818
Water	546,687	476,124
	35,613,730	37,625,863
24.1 Disclosure related to Rent, rates and taxes		
Actual expenses	50,779,579	52,016,036
Less: Re-classification of rent expenses as per IFRS-16	27,330,304	26,319,486
	23,449,275	26,496,550
25 Legal and professional expenses		
Law charges	15,170,110	13,273,484
Other professional charges	2,638,034	2,503,516
	17,808,124	15,777,000
26 Postage, stamp, telecommunication etc.		
Postage & courier service	636,796	623,066
Stamp expenses	3,741,712	3,750,231
Telephone & internet	3,846,606	4,299,722
	8,428,116	8,673,069
27 Stationery, printing, advertisements etc.		
Printing	1,557,762	1,456,100
Stationery	2,537,569	2,064,335
Publicity and advertisement	15,902,553	7,780,357
	19,997,884	11,300,792
27.1 Managing Director's salary and fees	13,000,000	13,000,000
28 Directors' fees and expenses		
Fees for attending meeting	815,000	968,000
Incidental meeting expenses	145,075	101,880
	956,075	1,069,880
29 Statutory annual audit fees (including VAT)	575,000	546,750
30 Depreciation/Amortization, repairs & maintenance		
Depreciation/Amortization:		
Freehold assets	24,543,930	23,692,880
Right-of-use Asset	24,145,015	23,015,594
Intangible assets	1,173,040	1,127,512
	49,861,985	47,830,986
Repairs & maintenance:		
Vehicle	1,298,620	1,406,262
Office equipment & premises	13,118,060	12,802,797
Computer hardware & software	6,584,225	4,687,887
	20,992,205	18,297,046
	70,854,191	66,127,982





- 31 Other expenses**
Staff training & recruitment expense
Office security
Transportation, traveling & conveyance
Canteen expense
Business promotion & entertainment
Car fuel
Books and papers
Bank charges
Recovery expenses
Donation, subscription and Fees
Public relation & AGM expense
Expenses for Islamic Wing
Outsource agency charges
Brokerage
Staff welfare expense
- 32 Provision for tax**
Current tax
Provision for income tax
Less: Excess/(Short) provision adjustment

2022 Taka	2021 Taka
508,555	192,221
4,990,907	3,398,567
31,080,954	25,667,950
2,091,146	1,497,759
520,279	804,072
1,717,366	1,580,066
89,116	11,975
5,553,831	5,163,440
2,808,940	2,375,904
8,215,663	4,561,824
430,600	348,480
769,618	
5,176,209	368,004
1,138,125	258,046
736,896	536,519
65,789,218	46,651,883

- Deferred tax**
Expense/(Income) on taxable temporary differences (Note-9.3 a)
Expense/(Income) on taxable temporary differences (Note-12.5)

563,325,906	691,404,197
563,325,906	691,404,197
147,221	(9,766,013)
66,120	(4,481,947)
208,341	(14,247,960)

- Reconciliation of effective tax rate**
Tax using the company's tax rate
Tax effect of:
Provision for non-deductible expenses
Adjustment/provision released during the year
Other components of tax as per ITO 1994
Difference between accounting and tax depreciation
Effective tax rate

2022		2021	
Taka	%	Taka	%
597,597,502	37.50%	645,391,954	37.50%
975,000	0.06%	1,502,720	0.09%
(71,034,529)	-1.33%	73,723,874	4.78%
(10,333,835)	-0.65%	(30,058,495)	-1.73%
1,121,826	0.07%	544,144	0.05%
563,325,906	35.65%	621,404,197	40.17%

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

597,537,221	523,564,368
1,016,725,759	1,043,888,973
1,614,262,980	1,567,453,341
200,989,452	207,408,378
450,806,000	390,000,000
177,261,360	231,213,670
265,895,352	731,717,877
1,094,149,364	969,916,120
520,113,616	597,537,221

- 34 Earnings per share**
Profit after Tax
Profit available for ordinary shareholders
Number of shares outstanding for calculating basic EPS
Basic earnings per share

1,016,725,759	1,043,888,973
1,016,725,759	1,043,888,973
194,990,364	194,990,364
5.21	5.35

- 35 Net asset value (NAV) per share**
Shareholders' Equity
Number of Share
Net asset value (NAV) per share (As at 31 December)

7,994,960,897	7,244,133,290
194,990,364	194,990,364
41.00	37.15

- 36 Net operating cash flows per share (NOCFPS)**
Net cash from operating activities
Number of Share
Net operating cash flows per share (NOCFPS)

(5,830,337,180)	(7,978,941)
194,990,364	194,990,364
(19.64)	(0.04)



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DBH Finance PLC

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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

Particulars	Amount in Taka		Remarks
	2022	2021	
Profit after tax	1,016,725,259	1,043,888,973	
Provision for Income tax	563,534,247	877,156,217	Non cash item
Depreciation	49,861,986	47,830,946	Non cash item
Provision for Loans and advances	(164,278,156)	226,288,475	Non cash item
Provision for other assets	2,239,804	4,107,129	Non cash item
Provision for Diminution in value of investments	105,946,283	(33,795,686)	Non cash item
Interest Suspense	(3,368,205)	22,888,364	Non cash item
Gain/loss on sale of fixed assets	(1,845,979)	(163,140)	Non-operating item
ZCB interest accrued	125,549,457	5,436,796	Non cash item
Accrual for dividend, LAD and interest receivable	28,255,486	20,800,279	Changes in accrual
Accrual for expenses	(16,598,906)	(151,125,601)	Changes in accrual
Purchase & sale of trading securities	(191,406,498)	(208,953,187)	(Inc)/Dec of assets
Loans and advances	(702,202,181)	(1,982,426,820)	(Inc)/Dec of assets
Other Assets	32,408,011	(78,835,599)	(Inc)/Dec of assets
Loan and deposit from Banks and Customer	(1,917,769,839)	151,485,493	(Inc)/Dec of liabilities
Other liabilities	(6,146,184)	(6,002,679)	(Inc)/Dec of liabilities
Income tax paid	(751,242,259)	(645,430,953)	
Net cash flows from operating activities	(1,830,337,100)	(7,938,943)	

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

	31 December 2022 Taka	31 December 2021 Taka
In hand	99,203	801,102
Balance with Bangladesh Bank and its agent Bank	575,164,882	557,965,800
Balance with other banks and financial institutions	11,618,065,981	14,725,958,030
Money at call on short notice	2,700,000,000	-
Bank Overdraft	(293,872,011)	(160,375,510)
	14,691,458,055	15,121,649,894

38 Dividend on ordinary shares

Proposed dividend:

The Board of Directors in its 138th meeting held on 28 March 2023 has recommended cash dividend @ 15% (i.e. Taka 1.5 per ordinary share) and stock dividend @ 2% (i.e. 1 bonus share for every 50 ordinary shares held) for the year ended 31 December 2022 for placement before the shareholders for approval at 17th AGM of the company.

39 Foreign currency inward/outward remittance

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

40 Related party transactions

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

Name of the related parties	Relationship	Particulars	Expenses incurred during the year
Delta Life Insurance Company Limited (DLIC)	Shareholder	Insurance premium	3,301,865
Green Delta Insurance Company Limited(GDICL)	Shareholder	Insurance premium	1,797,900

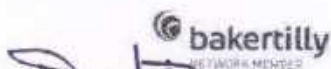
Name of the related parties	Relationship	Share Buy (Taka)	Share Sale (Taka)	Balance (Taka)
Green Delta Securities Ltd.	Subsidiary of GDICL	196,374,607	169,186,870	5,243,731
Delta Life Securities Ltd.	Subsidiary of DLIC	6,474,836	6,423,519	17,315

Name of the related parties	Relationship	Deposits Received (Taka)	Interest & Principal Paid during the period (Taka)	Balance (Taka)
Delta Life Insurance Company Limited (DLIC)	Shareholder	200,000,000	12,201,369	497,110,594
Green Delta Insurance Company Limited(GDICL)	Shareholder	-	1,340,257	29,305,169
BIAC	Shareholder	-	6,165,299	107,153,940

Name of the related parties	Relationship	Invested amount	Dividend received	Balance
Vanguard AMC	Close family member of the Chairman	10,000,000	1,142,431	10,000,000

Name of the related party	Relationship	Investment in Preference share (opening balance)	Received during the year	Balance receivable (including dividend) as of 31 Dec 2021
Union Capital Limited (UCL)	One of the Directors of UCL is the close family member of the Chairman	8,000,000	3,000,090	7,680,716

In the year 2022 (Jan '22 - Dec '22) Taka 49,236,154/- was paid as salary and allowances to the top 5 employees of the company. The amount includes short-term employee benefits of Taka 46,787,114/- and post-employment benefits of Taka 2,449,040/-.



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



41. During the year under audit, there were 266 (2021: 293) employees employed for the full period and 142 (2021: 086) employees for less than full period at a remuneration of Taka 3,600 and above per month.

42. General Disclosure

42.1 Name of Directors and entities in which they have interest as Director as at 31 December 2022:

Name	Position at DBH	Involvement in other organization	
		Name of the Organization in which they have interest	Position
Mr. Nasir A. Choudhury	Chairman	Green Delta Insurance Company Ltd.	Chairman
		Nascom (Pvt.) Ltd.	Managing Director
		United Hospital (Pvt) Ltd.	Director (Representing GDIC)
		Green Delta Securities Ltd.	Chairman
		Green Delta Capital Ltd.	Chairman
		GD Assist Ltd.	Chairman
		Professional Advancement Bangladesh	Chairman
Dr. A M R Chowdhury	Vice Chairman	BRAC University	Member, Board of Trustees
Ms. Mehreen Hassan, Bar-at-Law	Director	Nil	Nil
Mr. Syed Moazzuddin Ahmed	Director	Green Delta Insurance Co. Ltd	Additional Managing Director
		GD Assist Ltd.	Managing Director
		Green Delta Dragon AMC	Director (Representing GDIC)
		Professional Advancement Bangladesh	Director (Representing GDIC)
Mr. Mohammad Anisur Rahman	Director	BRAC	Senior Director-Enterprises
Mr. Khandkar Manwarul Islam	Director	Sybilent Knit Limited	Managing Director & CEO
		Hafeem Group Sweater Division	CEO
Mr. Nazir Rahim Chowdhury	Director	M.I.M. Fashion Wear Ltd.	Vice Chairman
Ms. Rashida K. Chowdhury	Independent Director	Campaign for Popular Education (CAMPE)	Executive Director
Major General Syeed Ahmed Bp, (Retd.)	Independent Director	Nil	Nil

Mr. Nasir A. Choudhury and Mr. Syed Moazzuddin Ahmed are the Representative Directors of Green Delta Insurance Company Ltd. Dr. A. M. R. Chowdhury and Mr. Mohammad Anisur Rahman are the Representative Directors of BRAC. Ms. Mehreen Hassan, Bar-at-law, Mr. Khandkar Manwarul Islam and Mr. Nazir Rahim Chowdhury are the Representative Directors of Delta Life Insurance company Ltd.



bakertilly
NETWORK MEMBER

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.

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42.2 Audit committee

The Audit Committee consists of the following Directors of the Board as at **31 December 2022**:

Name	Status with the Company	Status with the Committee	Educational Qualification
Major General Syed Akmal (Retd.)	Independent Director	Chairman	BA (Honours), B.P., AWC, etc.
Ms. Rashida K. Chowdhury	Independent Director	Member	MA
Mr. Syed Meenuddin Ahmed	Director	Member	MBA
Mr. Mohammed Anwar Rahman	Director	Member	BBA
Mr. Chandrar Manwarul Islam	Director	Member	MBA

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

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

The Committee discussed among others, the following issues:

- Review of Internal Compliance Report,
- Review of the un-audited quarterly financial statements and the audited financial statements.
- Appointment / Re-appointment of Statutory Auditors.

42.3 Events after the Balance Sheet date

There is no material adjusting and non-adjusting events after the Balance Sheet date.

42.4 Disclosure as required by FRC

Ref no. 178/FRC/APR/2021/29(7) dated 22 Dec. 2021 with further reference of DFIM Circular no.-08 dated 17 August 2021

DBH has a very fewer number of corporate clients or Public Interest Entities in its loan portfolio. As of 31 December 2022, it had 21 non-corporate clients and their portfolio was Taka 77.81 crore (0.62% of the total portfolio) only. The company disbursed Taka 4.68 crore to four Public Interest Entities during the year. It has collected Statutory Audit reports of the entities and checked the authenticity of the information of 100% of the files through the DVS system.

42.5 Comparative information

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



**Schedule of Fixed assets and Intangible assets:
For the year 2022**

Annexure-A

Particulars	Cost				Depreciation / Amortization				Amount in Taka	
	Balance as on 1 January 2022	Additions during the year	Disposals during the year	Balance as at 31 December 2022	Balance as on 1 January 2022	Charged for the year	Adjustment on disposals	Balance as at 31 December 2022	Written down value as at 31 December 2022	
Furniture & fixtures	70,957,012	2,032,359	1,872,034	76,127,337	55,933,322	6,646,686	1,866,938	60,713,073	15,409,264	
Office Equipment	34,089,990	2,740,209	2,946,348	34,783,951	27,947,978	2,700,650	2,045,168	28,603,470	6,180,521	
Computer and computer equipments	53,589,220	3,098,194	63,965	56,623,449	44,241,283	4,378,811	33,315	48,586,879	8,036,570	
Vehicles	42,039,785	14,957,707	803,277	56,394,215	39,451,210	4,889,134	598,404	43,741,949	12,652,266	
Building	198,480,625	-	-	198,480,625	31,044,442	5,928,549	-	36,972,991	161,507,634	
Land	13,658,300	-	-	13,658,300	-	-	-	-	13,658,300	
Right of use asset	107,290,251	13,825,511	-	121,115,762	67,155,554	25,145,016	-	87,300,570	34,315,192	
Total	520,605,183	41,658,980	4,585,524	557,678,639	261,773,798	48,688,946	4,543,852	305,918,892	251,759,747	
Intangible asset:										
Software	10,623,686	146,050	-	10,769,696	6,874,013	1,173,040	-	8,047,053	2,722,633	
Total 2022	531,228,869	41,804,980	4,585,524	568,448,325	268,647,811	49,861,986	4,543,852	313,965,945	254,482,380	

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

Particulars	Cost				Depreciation / Amortization				Amount in Taka	
	Balance as on 1 January 2021	Additions during the year	Disposals during the year	Balance as at 31 December 2021	Balance as on 1 January 2021	Charged for the year	Adjustment on disposals	Balance as at 31 December 2021	Written down value as at 31 December 2021	
Furniture & fixtures	67,571,775	3,917,099	531,862	70,957,012	49,995,446	6,465,775	527,398	55,933,322	15,021,690	
Office Equipment	32,285,903	2,462,114	657,627	34,089,990	25,782,452	2,817,648	652,122	27,947,978	6,142,012	
Computer and computer equipments	56,718,630	513,907	3,643,317	53,589,220	42,252,767	5,506,325	3,524,809	44,241,283	9,347,932	
Vehicles	41,767,205	623,580	351,000	42,039,785	36,829,174	2,973,043	350,969	39,451,210	2,588,966	
Building	198,480,625	-	-	198,480,625	25,115,893	5,928,549	-	31,044,442	167,436,183	
Land	13,658,300	-	-	13,658,300	-	-	-	-	13,658,300	
Right of use asset	97,810,512	9,079,639	-	107,290,251	40,692,966	23,015,584	592,446	63,155,554	44,634,697	
Total	508,292,650	17,498,339	5,183,806	520,605,183	229,673,137	46,708,434	5,607,773	261,773,798	258,831,385	
Intangible asset:										
Software	6,012,936	2,610,750	-	8,623,686	5,761,501	1,122,512	-	6,874,013	2,749,623	
Total 2021	516,305,586	20,107,089	5,183,806	531,228,869	226,424,638	47,830,946	5,607,773	268,647,811	262,581,058	

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FVP & Chief Financial Officer
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



**Credit Rating Report
Of
DBH Finance PLC.**


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DBH Finance PLC.


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EVP & Chief Financial Officer
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EMERGING

Credit Rating Ltd

DBH Finance PLC.

Credit Rating Report (Agreement Number: 2023-05-18-72862)

Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
July 01, 2023	June 30, 2024	Surveillance-5	AAA	ST-1	Stable
July 01, 2022	June 30, 2023	Surveillance-4	AAA	ST-1	Stable
July 01, 2021	June 30, 2022	Surveillance-3	AAA	ST-1	Stable

Date of Incorporation : May 11, 1996

Managing Director & CEO : Mr. Nasimul Baten

Authorized Capital : BDT 4,000.00 million

Paid up Capital : BDT 1,949.90 million (As on December 31, 2022)


Total Asset : BDT 61,746.09 million (As on December 31, 2022)

Total Liabilities : BDT 53,751.12 million (As on December 31, 2022)


Contact Analysts : Nur Hosen nur.hosen@emergingrating.com
Md. Harun Chowdhury harun@emergingrating.com

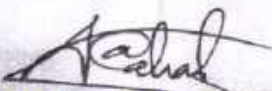
Credit
Analysis


Entity Rating


Kazi Mohammad Saami Alam
Chief Rating Officer
Emerging Credit Rating Limited


Nasimul Baten
Managing Director & CEO
DBH Finance PLC.


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Emerging Credit Rating Ltd

Entity Rating

CREDIT ANALYSIS

2023 Surveillance Review

DBH Finance PLC.

Major Rating Factors


- Strengths**
- ☑ Leading financial institution in housing/real estate finance
 - ☑ NPL that ranks among the lowest in the NBFIs sector of the country at 0.86% despite increasing in the latest year
 - ☑ Strong capital base resulting into healthy Capital Adequacy Ratio (CAR)
 - ☑ Good clientele base
 - ☑ Experienced and well-organized management team

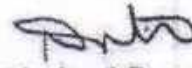
- Challenge/Risks**
- ☑ Negative aspects of housing sector will impose detrimental effect on the FI's asset quality
 - ☑ Minimal growth in loans and advances
 - ☑ Fall of net interest income

Rationale Emerging Credit Rating Limited (ECRL) has affirmed **AAA** (Pronounced as 'Triple A') long term credit rating and **ST-1** short term credit rating to DBH Finance PLC. (From here on referred to as 'DBH' or 'the FI') based on audited financial statements up to December 31, 2022 and other available quantitative and qualitative information up to the date of rating. The outlook on the rating is **Stable**. The ratings are consistent with ECRL's methodology for this type of financial institutions.

The ratings reflect the strengths of the FI which is backed by good corporate governance, experienced management, one of the lowest Non-Performing Loans (NPL) in the NBFIs industry, good retail clientele base, strong capital base, leading position in the home loan finance and prominent board of directors having long tenure experiences in the diversified fields. However, ECRL is concerned about the FI's sole concentration in housing finance indicating lack of diversification, minimal growth in credit and decline in net interest income.

DBH Finance PLC strategically emphasized enhancing its loan portfolio by redirecting its efforts towards affordable housing initiatives and expanding its presence through the establishment of new branches and sales offices, thereby facilitating increased business from specific target segments. This effort resulted in a slight increase of 0.50% in net loan disbursement during the period which contributed to a modest expansion of 1.61% in the FI's loan portfolio reaching BDT 44,535.97 million in FY2022. However, in the first quarter that ended on March 31, 2023, the FI experienced a slight 0.78% decline in its loan and advances reaching BDT 44,190.14 million indicating still cautious stance regarding the decision to reduce the decline in the balance sheet. It has been observed that the real estate sector of the country witnessed a slump in the second half of FY2022 due to price hike in raw materials, implementation of new Detailed Area Plan (DAP), shortage of dollar and inflationary pressure. However, DBH has expanded branch offices outside Dhaka like in Khulna, Rajshahi, Rangpur and also sales offices around Dhaka city in Tongi, Bosila, Jatrabari, Baipail where implication of DAP is not there which will help the FI to reduce the impacts of the DAP.

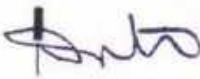

Kazi Mohammad Sammi Alam
Chief Rating Officer
Emerging Credit Rating Limited

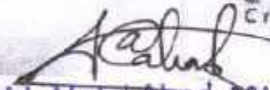

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DBH Finance PLC.


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In FY2022, the NPLs of the FI witnessed an increase of 39.15%, amounting to BDT 384.77 million, compared to BDT 276.52 million in FY2021 even though NPL percentage is still the lowest in the NBFi industry i.e., 0.86%. According to the regulator's directives, the FI could not classify a large number of accounts in FY2020, but in FY2021, the classification policy was relaxed with limited deferral facility, allowing the FI to classify its loan portfolio based on its performance, which ultimately hit moderately to increase the FI's NPL during the period. Consequently, the Non-Performing Loan (NPL) ratio moderately increased to 0.86% in FY2022 from 0.63% in FY2021. Nevertheless, the FI maintains one of the industry's lowest NPL ratios in the country indicating the good quality of loan portfolio. In FY2022, DBH maintained provisions totaling BDT 1,083.73 million, surpassing the required provision as per the audited financial statements by BDT 571.91 million. This indicates that the FI has still maintained more than sufficient loan loss reserves to safeguard against any deterioration in loan quality. In FY2022, the FI didn't reschedule or written off any of its loans and advances.

Being the leading and specialized housing finance institution, the financial institution (FI) holds a prominent position in the private sector of the country. This is evident in its sector-wise allocation of loans and advances. Specifically, in FY2022, the housing finance/real estate sector accounted for 93.21% of the total loans and advances, while consumer finance represented the remaining 6.79% during the same period. This high dependency on this sector highlights a lack of diversification in the FI's loan and advance products. This also implies that any slowdown in the real estate sector could potentially impact the FI's business performance.


The FI experienced a notable increase in investments, with a substantial growth of 271.11% and the investments reached BDT 2,516.95 million in FY2022. The rise in investments was primarily driven by increased investments in government and marketable securities during the period under review.

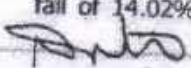
In FY2022, the financial institution (FI) had a total capital (Tier-I and Tier-II) of BDT 8,302.71 million, indicating an overall increase of 9.92% compared to the previous year. On the other hand, the FI's Risk Weighted Assets (RWA) amounted to BDT 29,267.75 million in FY2022, up from BDT 29,116.28 million in the previous year. The FI comfortably met the capital adequacy requirement and achieved a capital adequacy ratio of 28.37% in FY2022.

In FY2022, DBH witnessed a significant 8.91% decline in its deposit base contrasting with a 0.35% increase in the preceding year mainly due to release of excess liquidity to save cost of fund. This decrease amount of deposits was mostly bank deposits. However, the FI focused on maintaining of strong deposit base and effective management of liquidity position. In line with this, the FI has introduced Islamic Financing Wing (IFW) to diversify the deposit base and got approval from Bangladesh Bank in this year.

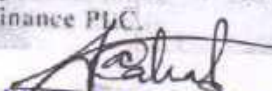
Interest income of the FI saw 4.40% fall in FY2022, standing at BDT 4,831.16 million as opposed to BDT 5,053.57 million in the former year. The implementation of an interest rate cap for Non-Bank Financial Institutions (NBFIs) impeded the interest spread of the NBFi sector in the country. Hence the FI witnessed a surge in interest expense compared to interest income in FY2022 which resulted in a significant 7.47% decline in net interest income during the period from BDT 2,163.67 million in FY2021 to BDT 1,785.79 million in FY2022. Additionally, the overarching circumstance of economy and excessive demand in deposits has increased the interest expenses which ultimately hit the net interest income this year.

The income from investment moderately increased by 16.07% to BDT 145.22 million in FY2022, increasing from BDT 125.11 million in FY2021 which is due to increase in income from treasury bonds. As a result, there has been an uplift of 9.32% in the non-interest income which eventually reached BDT 348.84 million at the end of FY2022. The FI the total operating income stood at BDT 2,134.63 million in FY2022 a fall of 14.02% compared to the previous year due to the increase total operating

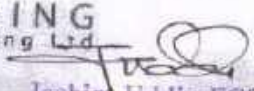

Kazi Mohammad Saami Alam
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DBH Finance PLC.


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costs by 8.02% in the same year. Consequently, it has resulted in a moderate rise in the cost-to-income ratio, which stood at 28.60% for the year, indicating a deterioration compared to 22.76% ratio recorded in the previous year. The growth in operating costs ultimately led to a substantial decline of 20.52% in pre-provision profit, which concluded at BDT 1,524.17 million in FY2022 compared to BDT 1,917.65 million in FY2021. Furthermore, the post-tax profit witnessed a marginal reduction of 2.60%, resulting in a post-tax profit of BDT 1,016.73 million at the end of FY2022.

Notably, in the first quarter of FY2023 ended on March 31, the net interest income and non-interest income fell by 6.82% and 27.12%, respectively compared to that same period of the preceding year. However, the net profit after tax dropped by merely 0.19% in the first quarter of 2023 as opposed to the same period of the previous year.

ECRL views DBH's outlook as **Stable** due to its significant presence in housing finance with good retail customer base along with minimal NPLs, risk management procedure, experienced management, satisfactory profitability indicators, strong capital base and good asset quality compared to the industry.


Exhibit 1: Financial Highlights: DBH Finance PLC. (DBH)

FY 31 December	2022	2021	2020	2019
Total Assets (BDT million)	61,746.09	60,278.61	58,607.02	59,279.93
Asset Growth (%)	2.43	2.85	(1.14)	3.10
Gross Loans (BDT Million)	44,535.97	43,830.51	42,750.38	44,521.89
Gross Loans Growth (%)	1.61	2.53	(3.98)	1.54
Deposits (BDT Million)	40,060.59	43,978.36	43,826.87	43,411.28
Deposit Growth (%)	(8.91)	0.35	0.96	0.21
NPL Ratio (%)	0.86	0.63	0.41	0.45
Loan/Deposit Ratio (%)	111.17	99.66	97.54	102.56
Net Interest Income (BDT Million)	1,785.79	2,163.67	1,948.60	1,707.92
Net Interest Income Growth (%)	(17.47)	11.04	14.09	(4.73)
Non-Interest Income (BDT Million)	348.84	319.10	199.69	233.40
Non-Interest Income Growth (%)	9.32	59.80	(14.44)	14.83
Average Interest Spread (%)	2.58	3.58	3.46	2.44
Pre-Tax Profit (BDT million)	1,580.26	1,721.05	1,498.16	1,554.87
Post-Tax Profit (BDT million)	1,016.73	1,043.89	890.93	1,073.25
Post-Tax ROAE (%)	13.34	15.27	14.56	19.79
Capital Adequacy Ratio (%)	28.37	25.94	24.22	21.92

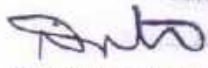
FY2019- FY2022 data extracted from Audited Financial Statements, year ended 31 December

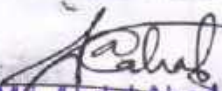

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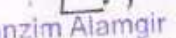
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A. BUSINESS DESCRIPTION

A.1. Company Background

DBH Finance PLC.(DBH) formerly known as Delta Brac Housing Finance Corporation Ltd. is a non-banking financial institution which specializes in Housing Finance in the private sector. DBH is one of the forerunner Housing Finance Institution in the private sector of the country. "To strengthen the society of the country by continually expanding home ownership" is the moto of this NBFI which basically gives the notion of aiding the loan intensity on housing through private sector financing. Under the Companies Act 1994 on May 11, 1996 DBH was incorporated as a public limited company and obtained the Certificate of Commencement of Business. The Company has also been granted license under the Financial Institutions Act 1993 on July 15, 1996. The Company went for public issue in 2008 and the shares of the Company are listed in Dhaka and Chittagong Stock Exchange in Bangladesh. The company's main focus is to provide loan for purchase of flats or houses or housing plots and improvement and extension of those along with different types of investment and financing products like term deposit scheme, cumulative deposit, car loans, personal, loans and so forth. Currently, the company has 14 offices (head office & thirteen branches) in the country with no overseas branch as on December 31, 2022.

In the uncertain period of lockdown as global outbreak of COVID-19 the company was closed since March until the end of May whilst DBH has took initiatives through Business Continuity Plan (BCP) to serve their clients from home office. In addition to this the company has vigorously espoused new technologies to promote the digitalization to accelerate the operation of the bank efficiently even in the shortfall economic scenario in this sector.

In recent years it has been observed that several mega projects are initiated which are required a large portion of financing facility. Consequently DBH has established its financing service within Dhaka along with some suburban regions of the country like- Chattogram, Cumilla, Khulna, Rajshahi, Rangpur and Sylhet. The company is expecting a larger regional coverage of their financing service as the connectivity of Dhaka city with other areas are increasing year on year basis.

A.2. Shareholding Structure

The shareholding position of DBH consists of four types of investors which sponsors/directors are holding 51.32% share, financial instituion & other companies 18.82%, foreign investors holding 18.23% share and individual or general public represented 11.63%. Sponsors & directors include BRAC, Delta Life Insurance Company Limited, Green Delta Insurance Company Limited who hold 18.39%, 17.63%, and 15.30% shares of the NBFI respectively. There are 194 institutional investors of DBH holding 36,696,062 number of shares and 9,223 general public holding 22,682,876 shares in number. There are 15 foreign investors are holding 35,540,093 number of shares which is higher than the percentage of shareholding of the company one year ago.

Figure 1: Shareholding Structure of DBH



A.3. Business Review

DBH had started its business as one of the pioneer house financing companies in the country. However, over the years it has expanded into various sectors. To maintain a sound banking environment the NBFI is always trying to keep its operating cost and NPLs to a lower level. With a view to increasing the finance exposure the company is concentrated on investing onto more potential clients without compromising the asset quality and financial budget.

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A.4. Market Share

As on December 31, 2022, the total deposit portfolio of the NBFIs sector was BDT 420,900.00 million and total loan/lease was BDT 688,600.00 million as per Bangladesh Bank publication. DBH had a total deposit market share of 9.53% in FY2021 which was 10.35% a year ago indicating that the FI's market position has slightly decreased. On the other hand, DBH's market share in terms of loans and advances stood at 6.47% as on December 31, 2022 which was 6.53% in the same period of previous year.



Figure 2: Market share: DBH Finance Corporation Limited

Exhibit 2: Market share: DBH Finance PLC. (DBH)

		(BDT in Millions)			
		2019	2020	2021	2022*
NBFIs	Loans & Advances	697,346.70	669,540.00	671,618.80	688,600.00
	Deposits	437,755.60	441,200.00	425,002.00	420,900.00
DBH	Loans & Advances	44,298.40	43,446.63	43,830.51	44,535.97
	Deposits	43,246.49	43,038.30	43,978.36	40,060.59

*As on December 31, 2022

Source: Department of Financial Institutions and Markets, BB.

B. INDUSTRY ANALYSIS

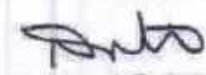
B.1. Non-Banking Financial Institutions Industry

Non-Banking Financial Institutions are financial institutions that do not have a banking license but offers a multitude of banking services. NBFIs have carved out a niche in the dynamic financial industry by offering a wider range of goods and services to meet changing consumer demands that banks cannot normally offer. The NBFIs are supervised by Bangladesh Bank (BB) through risk-based supervisory system.


The Financial Institutions Act of 1993 gives Bangladesh Bank the authority to issue licenses to NBFIs and to manage them. Financial Institution paid-up capital and reserves must meet the Bangladesh Bank's minimum ratio of risk-weighted asset.

B.1.1 NBFIs' Operational Arena

NBFIs play an important role in Bangladesh's financial market and real estate industry. NBFIs cannot accept public demand deposits and cannot provide operating account facilities like savings and current deposits, cash credits, overdrafts, etc. However, NBFIs can obtain public funds directly or indirectly by term deposits (with a minimum of three months' maturity), commercial papers (CPs), shares, and debentures.


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Exhibit 3: Trends in Structure of NBFIs

Particulars	2016	2017	2018	2019	2020	2021	2022*
No. of NBFIs	33	34	34	34	35	35	35
Government Owned	3	3	3	3	3	3	3
Joint-Venture	11	12	12	12	13	13	13
Private	19	19	19	19	19	19	19
New branches	14	30	8	11	3	1	8
Total Branches	224	254	262	273	276	277	271

*As of June 2022

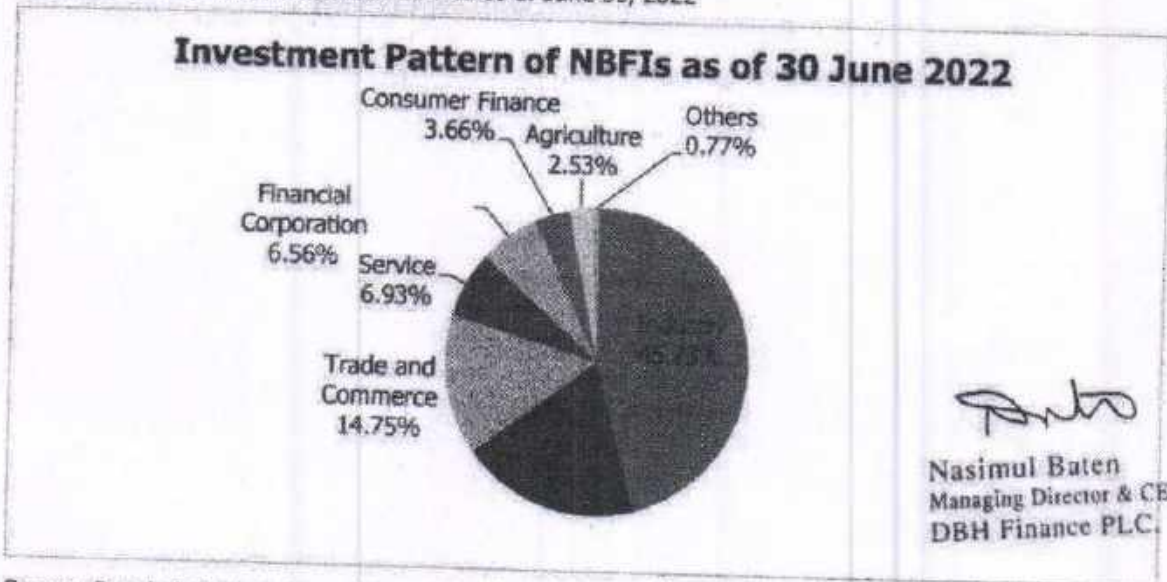
Source: Bangladesh Bank Annual Report (2021-2022)

Bangladesh currently has 35 NBFIs. 3 of the NBFIs are government-owned, 13 are joint partnerships with foreign investors, and the other 19 are privately owned. As of June 30, 2022, there were 271 NBFIs branches in service where 80 are based in Dhaka's district and the remaining 191 are spread across 36 districts of the country.

B.1.2. Sector-wise Investment of NBFIs

NBFIs of the country have invested in various sectors of the economy. However, the investments are also concentrated on a handful of sectors. The highest concentration of NBFIs investment is in industrial sector. The sector wise composition of NBFIs' investment at the end of June 2022 was in a following manner- Industry 45.73 percent, real estate 19.07 percent, Trade & Commerce 14.75 percent, Service 6.93 percent, Financial Corporation 6.56 percent, Consumer Finance 3.66 percent, agriculture 2.53 percent and others 0.77 percent. Section 16 of the Financial Institutions Act of 1993 allows NBFIs to spend up to 25% of their paid-up capital and reserve in the capital market. The total investment in the capital market by NBFIs as of 30 June 2022 was BDT 44.86 billion, which is 4.61% of the total assets of all NBFIs.

Figure 3: Sector wise investment of NBFIs as of June 30, 2022



Source: Bangladesh Bank Annual Report (2021-2022)

B.2. Performance of NBFIs

Like banks, the performance of NBFIs is evaluated through the CAMELS rating which analyses six indicators that are capital adequacy, asset quality, management efficiency, earnings, liquidity and sensitivity to market risk.

B.2.1. Capital Adequacy

NBFIs of the country are instructed to keep proper capital adequacy which intends to protect the institution and the depositors from potential shocks or losses. It helps absorbing major financial risk

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related to credit, market, interest rate etc. The Basel Accords is a set of recommendations for regulations in the banking industry. Currently NBFIs in Bangladesh is following Basel II, the second of the Basel Accords which was implemented in the NBFIs from 1 January 2012. The NBFIs are instructed to follow Basel II accord to maintain capital adequacy ratio (CAR) of not less than 10.00% of Risk Weighted Assets (RWA) with at least 5.00% in core capital of the FI.

B.2.2. Asset Quality

The total asset of NBFIs has increased by 8.55% to BDT 973.2 billion in June 2022 which was BDT 896.6 billion at the end of 2021. At the same time, total liabilities of the NBFI industry increased by a faster 12.86% growth as on June 2022 compared to 2021. As a result, the liabilities to asset ratio increased to 95.6% in 2022 from 91.9% in 2021. Additionally, the total deposits of NBFIs increased by 7.63% to BDT 478.1 billion (51.41 percent of total liabilities) at the end of June 2022 from BDT 444.2 billion (57.39 percent of total liabilities) at the end of 2021. On the other hand, total loan/lease portfolio of the NBFI industry witnessed a growth of 3.30% to BDT 693.3 billion as on June 2022 according to Bangladesh Bank data. Among the total loans/leases, BDT 159.4 billion was classified by June 2022 which was 54.30% higher than BDT 103.3 billion of the FY2021.

Exhibit 4: Assets, liabilities and deposits of NBFIs

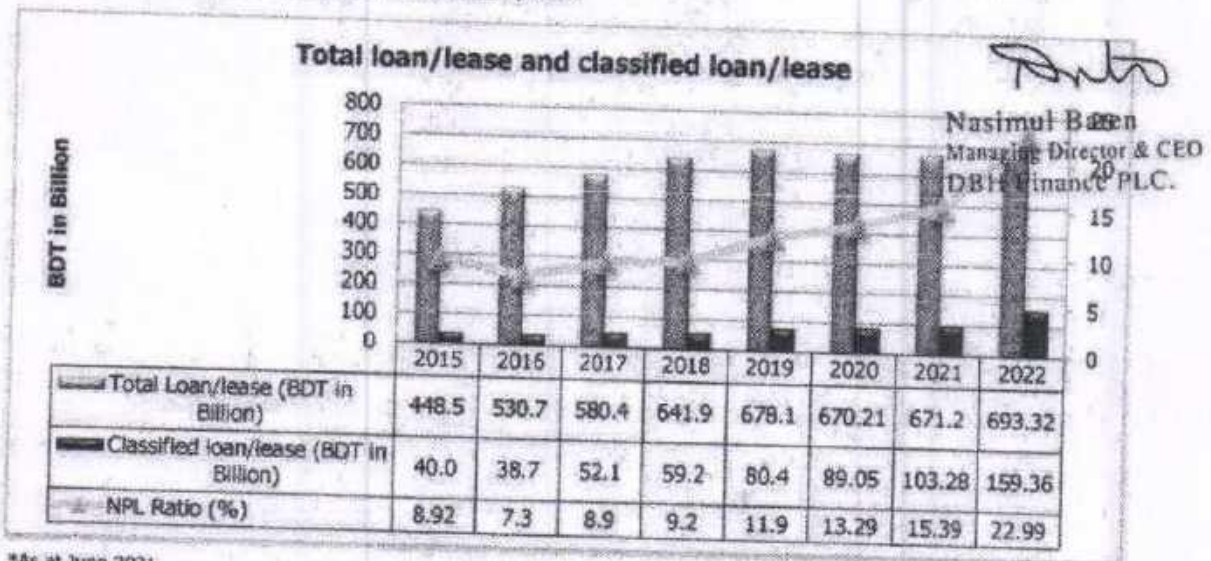
Particulars	2015	2016	2017	2018	2019	2020	2021	2022*
Total assets (BDT in Billion)	611.0	713.9	839.9	851.6	871.5	902.2	896.6	973.2
Total liabilities (BDT in Billion)	509.0	606.5	726.0	739.6	753.1	815.8	823.9	929.9
Liabilities-assets ratio (%)	83.3	84.95	86.4	86.8	86.4	90.4	91.9	95.6
Total deposit (BDT in Billion)	318.1	382.4	468.0	466.2	451.9	453.2	444.2	478.1
Deposit as % of Total liabilities	62.5	63.1	64.4	63.0	60.0	55.6	53.9	51.4
Total Loan/lease (BDT in Billion)	448.5	530.7	580.4	641.9	678.1	670.2	671.2	693.3
Classified loan/lease (BDT in Billion)	40.0	38.7	52.1	59.2	80.4	89.1	103.3	159.4
NPL Ratio (%)	8.92	7.3	8.9	9.2	11.9	13.3	15.4	22.9

*As of June 2022

Source: Bangladesh Bank Annual Report (2021-2022)

One of the most important indicators of asset quality in the loan portfolio is the ratio of gross non-performing loan/lease to total loan/lease. At the end of June 2022, the ratio of NPL for NBFIs was 22.9% whereas it was 15.4% in 2021 indicating a worsening scenario of the nonperforming loan/lease to total loan/lease. The total loan/lease did not witness a notable growth while the NPL percentage increased considerably.

Figure 4: Total loan/lease and classified loan/lease



*As at June 2021

Source: Bangladesh Bank Annual Report (2021-2022)

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NBFIs are required to maintain provision for potential losses on loans, advances, leases, investments. Assets are classified as standard, special mention accounts, sub-standards, doubtful and bad/losses where NBFIs are required to keep 1%, 5%, 20%, 50% and 100% provision respectively.

B.2.3. Earnings and Profitability

Exhibit 5: Trends of Profitability of NBFIs

Particulars	2016	2017	2018	2019	2020	2021	2022*
Return on Equity (ROE)	6.9	8.3	7.5	(25.2)	(1.9)	(2.8)	(9.9)
Return on Assets (ROA)	1.0	1.1	1.0	(2.6)	(0.2)	(0.2)	(0.4)

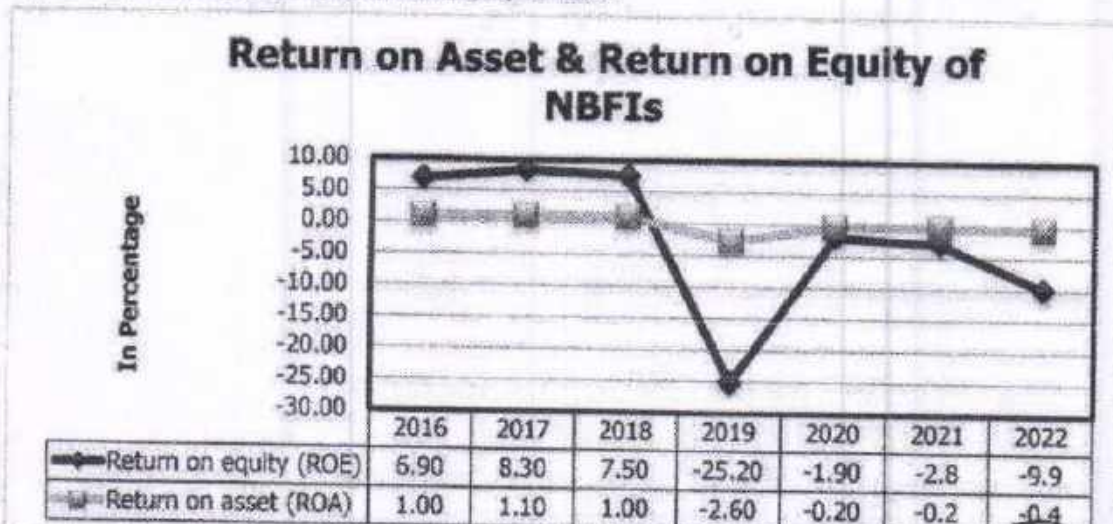
*As of June 2022

Source: Bangladesh Bank Annual Report (2021-2022)

The effort to bring down lending and deposit rates by the government in recent past has started putting pressure on overall financial sector such as banks and non-banking financial institutions (NBFIs). To comply with the directive, the non-banks have been forced to slash both lending and deposit rates. Public distrust in the NBFIs as the sector along with the banks had witnessed a series of scams and irregularities in recent years which impacted on NBFIs earnings as well as profitability.

An FI's earnings and profitability reflect its resource management efficiency and long-term viability. The highest and most commonly used metric of earnings and profitability is return on assets (ROA), which is followed by return on equity (ROE). In June 2022, the ROA and ROE of all NBFIs were (0.4) percent and (9.9) percent respectively compared to (0.2) percent and (2.8) percent in at the end of 2021. Both of the ratios on the whole NBFI industry showed deteriorating results indicating declined profitability and lower utilization of available asset and equity base in FY2022.

Figure 5: Return on Asset & Return on Equity of NBFIs



As at June 2022

Source: Bangladesh Bank Annual Report (2021-2022)

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B.2.4. Liquidity

NBFIs are subjected to statutory liquidity requirement (SLR) of 5.00% including average 2.50% (at least 2.00% in each day) cash reserve ratio (CRR) on bi-weekly basis. The SLR for the NBFIs that do not take term deposit is 2.50%. Due to the effects of the COVID-19 pandemic, the CRR was lowered from 2.50% to 1.50% on bi-weekly basis and from 2.00% to 1.00% on daily basis valid from June 2020.

B.2.5. Deposits & Advances

The total deposit increased by 7.62% to BDT 478.08 billion by the end of June 30, 2022 which was BDT 444.20 billion in the same period of previous year. At the same time, total loan portfolio of the industry had also inclined to BDT 929.90 billion at the end of June 2022 from BDT 823.96 billion at the end of same period last year. NBFI industry has been struggling to find deposits due to scams

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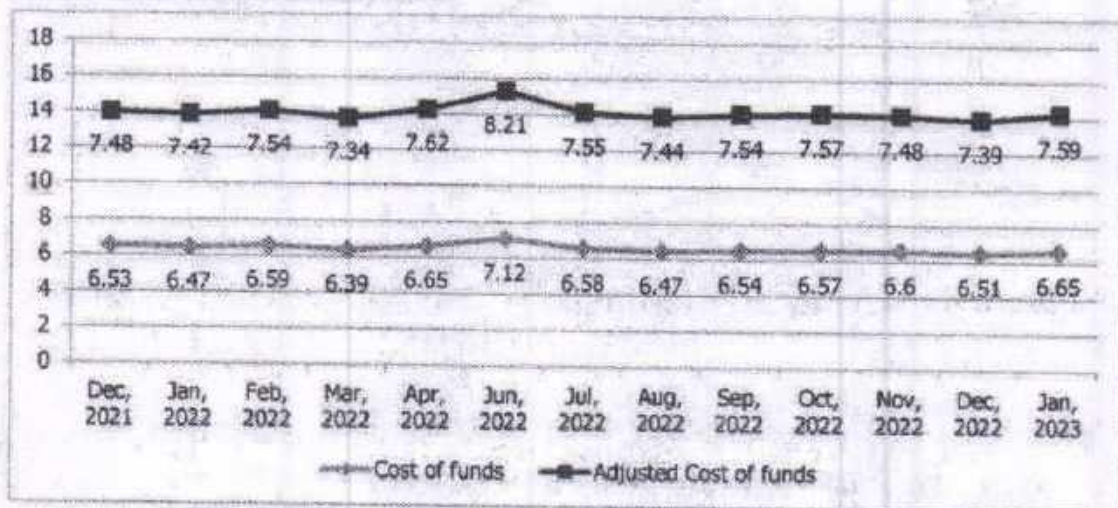
and irregularities lowering the image of the entities in recent years. Moreover, NBFIs started to cut their deposit rates amid slow lending activities contributing to de-growth in deposits and excess liquidity.

The NBFIs industry's total deposits decreased to BDT 420,900.00 million in December 2022 from BDT 426,000.00 million at the end of 2021. On the other hand, NBFIs' advances increased to BDT 688,600.00 million from BDT 667,000.00 million during the same time.

B.2.6 Cost of Funds Index of NBFIs

According to a guideline published in 2013, NBFIs are required to send monthly statements of base rate and cost of funds to BB. The weighted average interest rate on a nonbank financial institution's interest-bearing liabilities is known as the cost of funds. BB creates an aggregate cost of funds index based on these statements. As an appropriate reference rate, the cost of funds index is used. The base rate structure simplifies the process of calculating interest rates and increases transparency and accountability in NBFIs.

Figure 6: Cost of Funds Index of NBFIs



Source: Bangladesh Bank Website

In FY2022, the cost of funds index graph shows that the cost of funds for NBFIs has gradually increased during the year. This implies tough fund accessibility as there was limited liquidity in 2022 in the industry.

B.2.7 Interest Spread of NBFIs

The weighted average deposit rate and weighted average rate of advances of NBFIs was 7.74% and 8.89% consecutively as of December 2022 as per Bangladesh Banks website (Source: Statistics Department, Bangladesh Bank, Head Office). The interest spread thus stands at 1.15% considering the NBFIs industry as a whole.

C. BUSINESS RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

C.1. Impact of COVID-19

As conferred earlier, the pandemic would affect the FI in many aspects both in short term and long term. Among various risks, credit risk and liquidity risk likely to shake the FI mostly. The Non-performing Loan (NPL) of the FI is likely to rise in an unprecedented manner due to this pandemic. The credit worthiness of the existing borrower might be deteriorated which would undermine the

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possibility of repayment of investment. The financial sector of the country has been severely obstructed by the current pandemic. The government of the country at various stages lengthened various arrangements of loan moratoriums and low cost stimulus packages to help businesses stay afloat. But after receiving such loan facilities, the customers/borrowers have changed their mind to not to repay, so many good borrowers also took these loan facilities and was indifferent not to repay the loan on time which also jeopardized the overall financials sector's loan quality. This has severely affected the collection status of the financial sector. Moreover, interest cap in the financial sector also squeezed the overall banking and NBFI sector's income. Moreover, the non-performing loans might escalate in the whole financial sector after removing the moratorium periods fully. Hence, the 2023 is going to be challenging year for the financial sector.

C.2. Credit Risk

Credit risk is the loss arising from the failure of a client, its counter-party or related parties to meet their contractual obligations. Credit risk also includes those risks which create losses to the community in general or other stakeholders resulting from the failure in measuring the risk of approving credit. Thus managing credit risk for efficient management of a financial institution (FI) has become the most crucial task. Given the fast changing, dynamic global economy and the increasing pressure of globalization, liberalization, and consolidation it is essential that FIs have robust credit risk management policies and procedures those are sensitive and responsive to these changes.

Credit risk for DBH has been segregated into various categories which include default risk, credit concentration risk, recovery risk, counter - party risk, environmental risk and last but not least related- party risk. Default risk refers to the event in which companies or individuals will be unable to make the required payments on their debt obligations. Lenders and investors are exposed to default risk in virtually all forms of credit extensions. To mitigate the impact of default risk, lenders often charge rates of return that correspond the debtor's level of default risk. The higher the risk, the higher the required return, and vice versa. Recovery & counter party risk can be mitigated with the help of a rigorous credit approval procedure.

C.2.1. Credit Risk Management

To encounter and mitigate credit risk, DBH employed multilayer approval process and carries out 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, takes collateral, performs valuation and legal vetting on the proposed collateral by members of their own dedicated technical and legal department, seeks legal opinion from external lawyers for any legal issues if required, review market situation and industry exposures regularly and obtain 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.

C.2.2. Credit Administration Process

DBH has a strong risk management unit to address different types of risk including credit risk. A detailed credit administration process has been outlined by the credit risk management department through their credit policy which was approved by The Board of Directors of 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.

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. 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.

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.

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C.2.3. Credit Evaluation & Approval Process

Credit Policy acts as a guideline in every step of approval process for all concerned personnel. 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.

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. The multilayer approval system is designed depending on the size of the loan. 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. 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.

C.3. Market Risk

The risk of loss arising from changes in market variables such as interest rates, security prices, equity index levels, exchange rates, commodity prices and general credit spreads are considered to be market risks. Since DBH is a non-banking financial institution, market risks may arise in the form of interest rate risk and equity price risk mainly.

Interest Risk: Interest rate risk is the exposure of DBH's financial condition to adverse movements in interest rates arising from re-pricing and/ or maturity mismatches, changes in underlying rates and other characteristics of assets and liabilities in the normal course of business. Capital charge for interest rate risk and foreign exchange risk is not applicable for DBH as it does not have such balance sheet items.

Equity Risk: Equity risk is the exposure of changes in prices and volatility of individual equities, baskets of equities and equity indices. DBH's credit policy ensures that exposures are sufficiently diversified and within the Company's risk appetite.

At DBH, business volume risk may arise in the form of risk of falling business volumes and market share, risk of being overtaken and losing leadership position and risk of over trading which may affect profitability due to volatile revenues and reduced spread earnings, credit rating and reputation. Risk of over trading may lead to insufficient capital. This risk may also be considered to be a part of market risk.

C.3.1. Market Risk Management

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 department manages the Market risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following manner:

Interest and Equity 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 by market analysis over interest rate movements which 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.

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. Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures

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continuous monitoring of the level of assured risks. DBH minimizes the equity risks by portfolio diversification as per investment policy of the Company.

C.4. Liquidity and Funding Risk

The risk of being unable to either meet payment obligations on maturity or to borrow funds from the market at an acceptable price to fund actual or proposed commitments include the liquidity and funding risk. Due to tradeoff between liquidity and profitability as well as mismatch between demand and supply of liquid assets raises this risk. Basically liquidity is of critical importance to financial institutions. Insufficient liquidity has been the cause behind most recent failures of financial institutions.

C.4.1. Liquidity Risk Management

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.

D. FINANCIAL RISK ANALYSIS

The financial analysis process was based on both quantitative and qualitative aspects of the institution mostly are based on the company's policies in relation with the operating strategies, asset quality, composition and trend, fund management, capital adequacy, liquidity management, risk management and ultimate financial goals of the firms. For the purpose of the overall financial risk assessment of the business has been analyzed thoroughly and followed strict evaluation process in the aforementioned sections. Detailed analysis is presented below.

D.1. Asset Composition & Trends

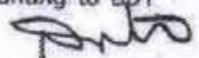
Exhibit 6: Selected Indicators of DBH

FY 31 December	2022	2021	2020	2019
Total Asset (BDT Million)	61,746.09	60,278.61	58,607.02	59,279.93
Asset Growth (%)	2.43	2.85	(1.14)	3.10
Gross Loans (BDT Million)	44,535.97	43,830.51	42,750.38	44,521.89
Gross Loans Growth (%)	1.61	2.53	(3.98)	1.54
Investments (BDT Million)	2,516.95	678.22	489.02	462.11
Investments Growth (%)	271.11	38.69	5.82	(23.97)
NPLs (BDT Million)	384.77	276.52	174.09	201.61
NPLs Growth (%)	39.15	58.83	(13.65)	51.85
Gross Loans to Total Assets (%)	72.13	72.71	72.94	75.14
NPL Ratio (%)	0.86	0.63	0.41	0.45
Net NPL Ratio (%)	(1.79)	(2.22)	(2.00)	(1.31)
Loan Loss Reserve Coverage (%)	281.66	413.01	545.44	361.04
NPLs to Equity & Loan Loss Reserve (%)	4.24	3.30	2.36	3.08

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

The quality of assets of NBFi industry has been significantly impacted by the constant rise of categorized loans relative to the stagnant growth of total loans in this sector over the past two years. The deteriorating public trust in the sector was exacerbated by multiple scams and irregularities that occurred during this period. Additionally, the ongoing Russia-Ukraine war, inflationary pressure and post pandemic recovery situation have triggered the problems in this sector.

Despite the challenging circumstances, DBH saw a slight growth in its asset portfolio during the period and finally the total asset portfolio of DBH increased by a mere 2.43%, amounting to BDT 61,746.09 million.

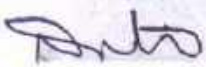


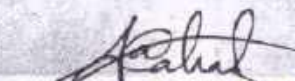
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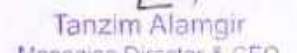
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In FY2022, the largest portion of the overall asset base of DBH was made up of gross loans and advances, accounting for 72.13% of the total assets. Other contributors to the asset base included balances with other banks/financial institutions (17.84%), money at call and on short notice (4.37%), investments (4.08%), cash (0.93%), fixed assets (0.41%), and other assets (0.24%).

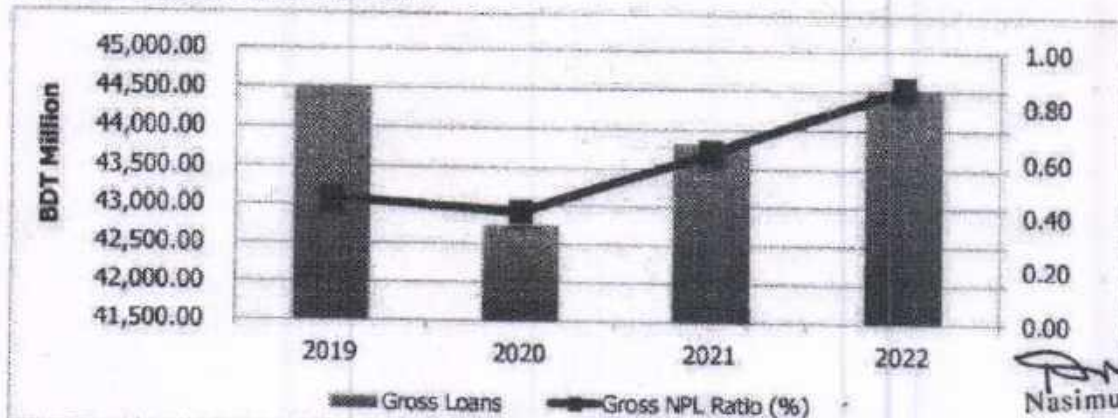
D.1.1. Asset Quality

Despite the prevailing economic challenges triggered by global events, the financial institution (FI) has demonstrated resilience in both its loan portfolio and disbursement growth. The FI strategically emphasized enhancing its loan portfolio by redirecting its efforts towards affordable housing initiatives and expanding its presence through the establishment of new branches and sales offices, thereby facilitating increased business from specific target segments. Furthermore, the financial institution (FI) experienced a slight increase of 0.5% net loan disbursement during FY2022 compared to the previous year. This growth contributed to a modest expansion of 1.61% in the FI's loan portfolio, which reached BDT 44,535.97 million in FY2022. Interestingly, the increase in the FI's asset base led to a reduction in the concentration of gross loans within the total asset portfolio. The proportion of gross loans decreased to 72.13% in FY2022, down from 72.71% in FY2021, marking the lowest level in the past four years.

In contrast, the FI has significantly increased its investment in government securities. In FY2022, the investment amount in government securities reached BDT 1,658.57 million, marking a substantial leap from BDT 8.24 million in FY2021. At the same time, the market sentiment was bullish at the beginning of the year, which prompted the FI to make the handsome amount of investment in capital market. Furthermore, from the second half of the year, the market was slow and the FI didn't increase its investment further in this segment. However, this remarkable increase resulted in a significant growth rate of 31.93% in FY2022 compared to the previous year, ultimately leading to a staggering 271.11% increase in the FI's investment segment compared to the previous year.

The non-performing loans (NPLs) of the financial institution (FI) have experienced a substantial increase primarily attributed to the non-classification of loans and leases, deferral facilities and payment holiday by the government credit levy and the central bank of Bangladesh. In FY2022, the NPLs of the FI witnessed a significant surge of 39.15%, amounting to BDT 384.77 million, compared to BDT 276.52 million in FY2021. According to the regulator's directives, the FI could not classify a large number of accounts in FY2020, but in FY2021, the classification policy was relaxed with limited deferral facility, allowing the FI to classify its loan portfolio based on its performance, which ultimately hit moderately hard to increase the FI's NPL during 2022. Furthermore, in FY2022, the financial institution (FI) did not reschedule any loans and advances, while the amount of rescheduled loans stood at BDT 61.49 million as of December 31, 2021. Notably, among the NPLs, bad/loss loans experienced a significant increase of 21.88%, amounting to BDT 306.52 million. This particular segment contributed substantially to the overall NPLs in FY2022, accounting for 79.66% of the total NPLs. This raises concerns and suggests that recovering from this segment may prove challenging in the foreseeable future. On the other hand, the concentration of sub-standard loans increased, while doubtful loans decreased in FY2022, representing 18.23% and 2.10%, respectively, of the total NPLs during that period.

Figure 7: Selected Indicators of DBH



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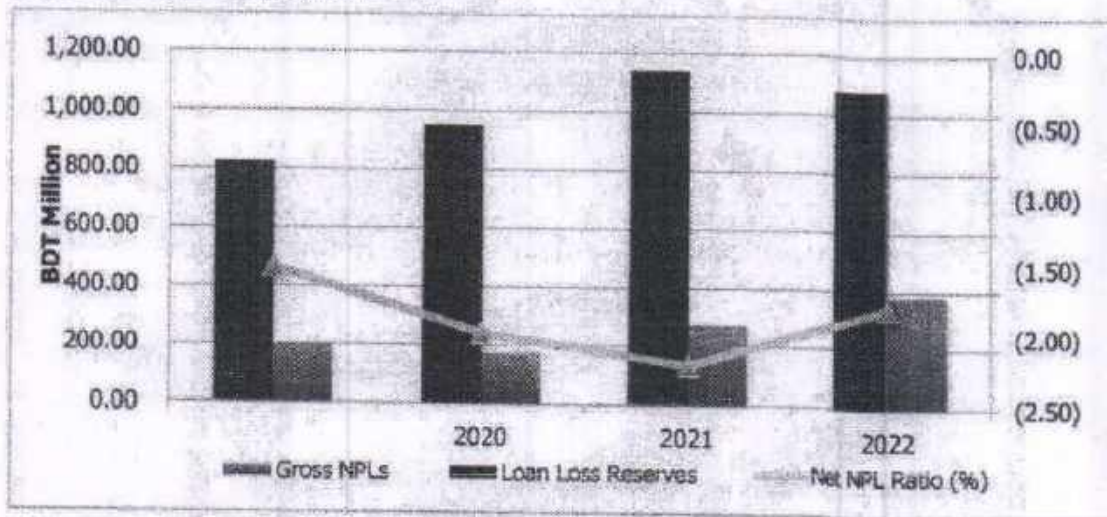
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Consequently, the Non-Performing Loan (NPL) ratio rose from 0.63% in FY2021 to 0.86% in FY2022. Nevertheless, the FI maintains one of the industry's lowest NPL ratios in the country. In FY2022, the financial institution experienced a notable increase in new Non-Performing Loans (NPL), amounting to BDT 155.19 million. This signifies that 40.33% of the NPL originated from new NPL in FY2022, while the FI had BDT 112.90 million fresh NPL during FY2021. As of December 31, 2022, the FI had BDT 111.81 million worth of loans categorized under the bad/loss loan status for over 2 years. However, in the first quarter that ended on March 31, 2023, the FI experienced a slight 0.78% decline in its loan and advances, reaching BDT 44,190.14 million compared to the data reported on December 31, 2022.

In FY2022, DBH maintained provisions totaling BDT 1,083.73 million, surpassing the required provision as per the audited financial statements by BDT 571.91 million. However, due to a significant increase in Non-Performing Loans (NPL), the loan loss reserve coverage decreased to 281.66% in FY2022 from 413.01% in FY2021. Nonetheless, this indicates that the FI has still maintained more than sufficient loan loss reserves to safeguard against any deterioration in loan quality.

Figure 8: Selected Indicators of DBH



D.1.2. Loan Diversification and Concentration

Being the leading and specialized housing finance institution, the financial institution (FI) holds a prominent position in the private sector of the country. This is evident in its sector-wise allocation of loans and advances. Specifically, in FY2022, the housing finance/real estate sector accounted for 93.21% of the total loans and advances, while consumer finance represented the remaining 6.79% during the same period. In FY2022, there was a slight reduction in the concentration of real estate finance/housing finance compared to the previous year. However, the high dependency on this sector highlights a lack of diversification in the FI's loan and advance products. This also implies that any slowdown in the real estate sector could potentially impact the FI's business performance. Additionally, the FI has a significant concentration of loans in the Dhaka division, indicating a lack of geographical diversification. This concentration exposes the FI to potential risks associated with regional economic conditions.

Geographical location wise 87.12% of the loan portfolio has been distributed in Dhaka. On the other hand 4.90%, 4.66%, 1.19%, 1.12%, 0.45%, 0.37%, 0.16% and 0.03% have been distributed in Chattogram, Gazipur, Cumilla, Narayanganj, Sylhet, Khulna, Rajshahi and Rangpur respectively in the financial year 2022.

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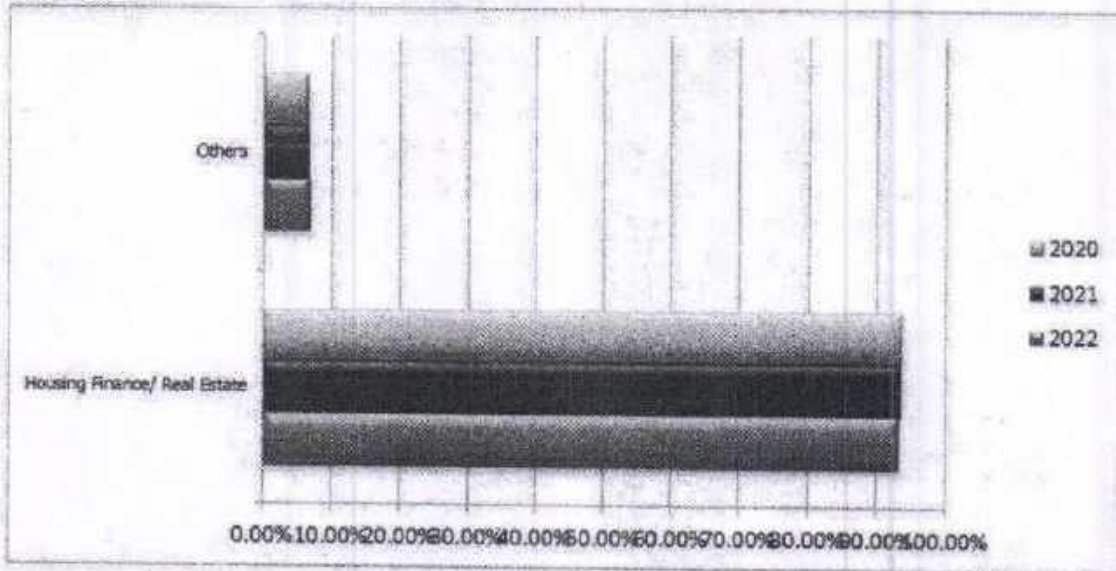
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Figure 9: Sector-wise loans & leases of DBH



D.1.3. Rescheduled and Written-off Loans

Over the years, the Financial Institution (FI) has maintained the high quality of its loans and advances. As of December 31, 2022, the FI didn't reschedule any of its loans and advances. Additionally, there have been no written off amounts in the past three years (FY2020, FY2021 and FY2022).

D.1.4. Large Loan Exposure

As of December 31, 2022, the financial institution's top 20 loans reached total funding of BDT 935.91 million, representing 2.10% of the gross loan portfolio. This percentage was slightly higher compared to the previous year's figure of 2.09%. In terms of distribution within specific categories, the top 10 loans, top 5 loans, and the largest individual loan represented 1.23%, 0.68%, and 0.17% respectively in the year of 2022. These statistics suggest that the financial institution effectively managed to consistently allocate its loan and lease portfolio, not limited to the largest 30 loans in the portfolio. Due to the financial institution's primary focus on financing funds for the purchase of flats/apartments to individual customers, the amount of exposure to a single loan borrower is relatively low compared to other financial institutions in the country. As a result, none of the outstanding loans exceeded the regulatory limit of 15.0% of the total capital. Additionally, the largest exposure to a single party did not exceed the ceiling range set by the Bangladesh Bank, which is 15% of the total capital.

D.1.5. Off-Balance Sheet Exposure

There was no off-balance sheet exposure of the FI in last two years of FY2021 and FY2022 while the off balance sheet exposure of the FI was BDT 632.26 million in FY2020.

D.2. Capital Adequacy

Exhibit 7: Selected Indicators of DBH

FYE: 31st December

	2022	2021	2020	2019
Tier-I Capital (BDT Million)	7,994.96	7,244.13	6,431.46	5,808.60
Total Capital (BDT Million)	8,302.71	7,553.62	6,732.31	6,114.36
Risk Weighted Assets (BDT Million)	29,267.75	29,116.26	27,799.01	27,897.31
Tier-I Ratio (%)	27.32	24.88	23.14	20.82
Capital Adequacy Ratio (%)	28.37	25.94	24.22	21.92

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

DBH has consistently complied with regulatory capital adequacy requirements as prescribed by the Bangladesh Bank over the review periods ranging from FY2019-FY2022. Financial institutions are

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mandated to keep a minimum Capital Adequacy Ratio of 10.00%, which DBH has successfully maintained in all the periods under review.

DBH's Tier-I or core capital took a spike of 10.36% to BDT 7,994.96 million in FY2022 from BDT 7,244.13 million in the prior year. The upsurge in Tier-I capital was primarily aided by issuance of bonus share leading to increase the paid up capital by 10.00%, 11.87% increase in statutory reserve and 15.65% increase in general reserve during the period.

Furthermore, Tier-II capital of the bank witnessed a slight decline of 0.56% during the same period mainly aided by a reduction of BDT 1.74 million in general provision. Cumulatively, the total capital (Tier-I and Tier-II) of the bank finally ended at BDT 8,302.71 million at the end of FY2022 which was BDT 7,553.62 million in the preceding financial year, recording an overall uplift of 9.92% during the period.

On the contrary, the risk weighted asset of the bank has witnessed an escalation of 0.52%, standing at BDT 29,267.75 million in FY2022 against BDT 29,116.28 million in the prior year. Since the growth rate of total eligible regulatory capital exceeded the growth rate of total risk weighted assets, it has led to a moderate improvement in the capital to risk weighted ratio (CRAR) to 28.37% in FY2022 from 25.94% in the former year, which is however well above the minimum capital requirement of 10.00%.

Figure 10: Selected Indicators



D.3. Funding and Liquidity

Exhibit 8: Selected Indicators of DBH

FY 31 December	2022	2021	2020	2019
Deposit (BDT Million)	40,060.59	43,978.36	43,826.87	43,411.28
Deposit Growth (%)	(8.91)	0.35	0.96	0.21
Loan to Deposit (%)	111.17	99.66	97.54	102.56
Net Loans to Stable Funding Base (%)	90.74	83.61	83.54	89.32
Net Loans to Customer Deposits (%)	108.27	96.88	95.25	100.78
Deposits to Total Funding (%)	64.88	72.96	74.78	73.27
Interbank Liabilities to Total Funding (%)	17.94	10.25	9.51	11.90

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

D.3.1. Fund Management

Although the deposit base of DBH has experienced slight positive growth in last financial year, it witnessed a significant 8.91% decline in its deposit base in the latest period under review here. The FI's total funding base stood at BDT 61,746.09 million at the end of FY2022 as opposed to BDT 60,278.61 million in the previous year. The lion share of DBH's funding base originated from its deposit base followed by interbank liabilities, equity and other liabilities. According to the financials,

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deposits make up 64.88% of DBH's total funding base at the end of FY2022; with interbank liabilities accounting for 17.94%, followed by equity (12.95%) and other liabilities (4.23%).

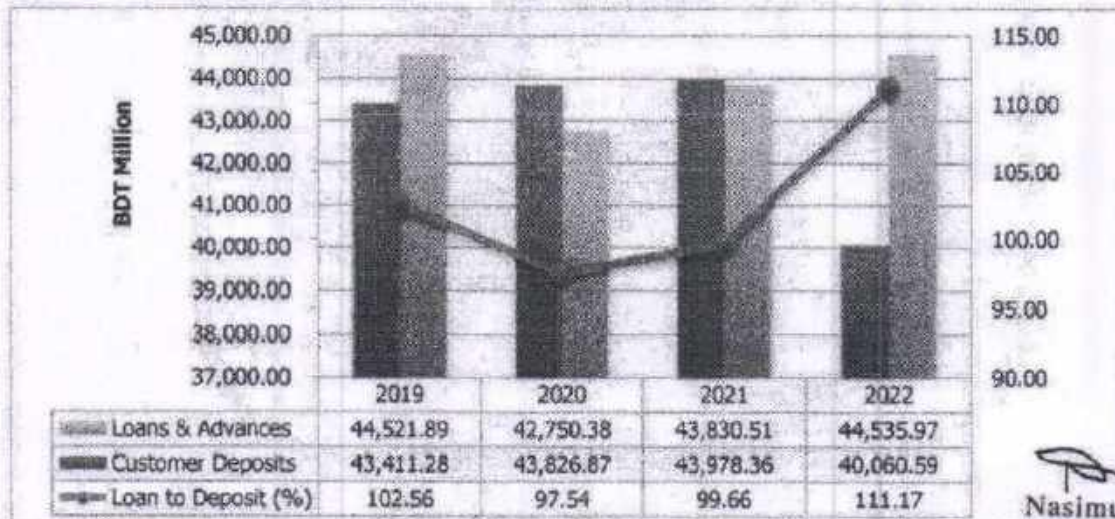
The deposit base of the FI ended at BDT 40,060.59 million in FY2022, exhibiting a reduction of 8.91% compared to a slight rise of 0.35% in the preceding year mainly due to a fall in bank deposits by 5,650.00 million in FY2022. Due to rise of the costs of bank deposits in second half of the year and introducing new rate cap for the NBFIs, the FI reduced bank deposits portfolio to maintain profitability as well as ensure regulatory compliance. As a result, the deposits declined by 8.91% in FY2022 even though the public deposit basket (Individual, Govt & Others Institution) has increased in the same year.

In the recent year, the dependency on interbank liabilities has significantly increased which incorporated 17.94% of the total funding base compared to 10.25% in the prior year. It has been observed that the lion's share of the interbank liabilities is comprised of unsecured short-term loans and which experienced a massive 276.92% surge at the end of FY2022 compared to the previous year.

Total funding base of DBH climbed by 2.43% and stood at BDT 61,746.09 million at the end of FY2022 whereas the Interbank liabilities witnessed a notable 79.42% uplift during the same period. Since the growth rate of interbank liabilities surpassed the growth rate of total funding base, it has led to a moderate upswing in the interbank liabilities to total funding ratio to 17.94% in FY2022 compared to 10.25% in the prior year.

The loan base of the FI experienced a surge of 1.61% whereas a considerable 8.91% decline in the deposit portfolio has been observed at the end of FY2022. As a consequence, it has resulted in a significant escalation in the loan-to-deposit ratio which stood at 111.17% in FY2022 against 99.66% in the previous year.

Figure 11: Selected Indicators of DBH



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D.3.2. Liquidity Management

According to the Bangladesh Bank's regulatory requirement, statutory liquidity reserve (SLR) of 5.00% and cash reserve requirement (CRR) of 1.50% on bi-weekly basis are to be maintained by NBFIs operating in Bangladesh. DBH has been keeping its CRR and SLR in accordance with the standards set by the Bangladesh Bank. At the end of 2022, DBH was required to maintain BDT 541.62 million and BDT 2,003.21 million in CRR and SLR respectively, while the FI kept BDT 568.86 million and BDT 7,816.86 million as CRR and SLR during the period. Consequently, CRR and SLR both had overall surpluses of BDT 27.24 million and BDT 5,813.66 million respectively in FY2022.

According to the FI's liquidity statement, the assets and liabilities of DBH are appropriately spread throughout several time horizons. The FI's various maturity buckets did not have any liquidity gaps except for the assets and liabilities in 3 to 12 months bucket and above 5 years bucket which demonstrates that DBH has a strong capacity to fulfill its liquidity needs without encountering several



obstacles. Moreover, there was an overall liquidity surplus of BDT 7,994.96 million at the end of FY2022.

D.4. Earning Trends and Profitability

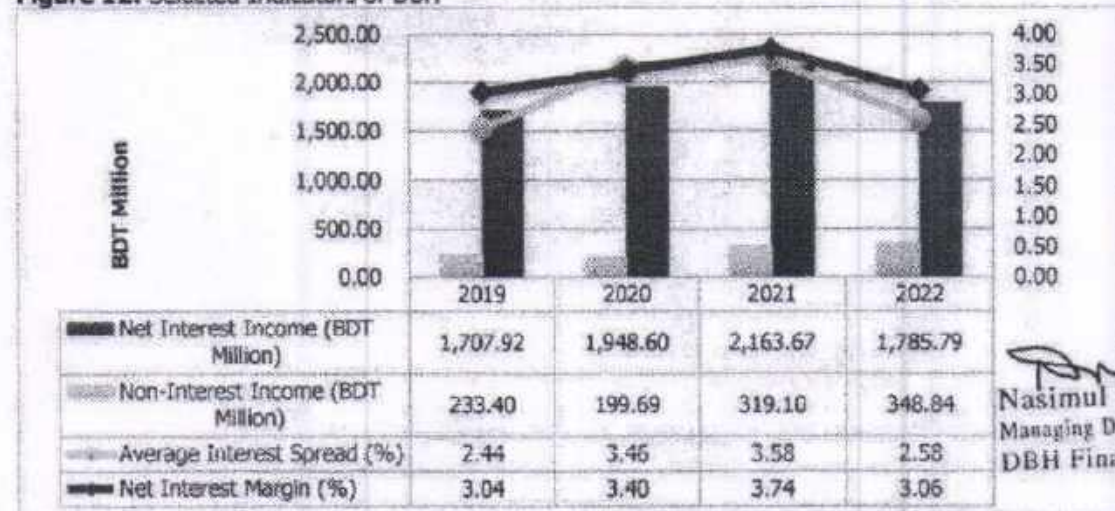
Exhibit 9: Selected Indicators of DBH

FY 31 December	2022	2021	2020	2019
Net Interest Income (BDT Million)	1,785.79	2,163.67	1,948.60	1,707.92
Net Interest Income Growth (%)	(17.47)	11.04	14.09	(4.73)
Non-Interest Income (BDT Million)	348.84	319.10	199.69	233.40
Non-Interest Income Growth (%)	9.32	59.80	(14.44)	14.83
Pre-Provision Profit (BDT Million)	1,524.17	1,917.65	1,624.87	1,417.66
Pre-Tax Profit (BDT Million)	1,580.26	1,721.05	1,498.16	1,554.87
Post-Tax Profit (BDT Million)	1,016.73	1,043.89	890.93	1,073.25
Post - Tax ROAE (%)	13.34	15.27	14.56	19.79
Average Interest Spread (%)	2.58	3.58	3.46	2.44
Net Interest Margin (%)	3.06	3.74	3.40	3.04
Cost to Income Ratio (%)	28.60	22.76	24.36	26.97

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

DBH has experienced a fluctuating trend in the net interest income over the previous four-year period from FY2019 to FY2022. Interest income of the FI saw 4.40% fall in FY2022, standing at BDT 4,831.16 million as opposed to BDT 5,053.57 million in the former year. In contrast, the interest expense experienced an escalation of 5.38%, ultimately reaching BDT 3,045.38 million in FY2022 compared to the previous year. Since DBH witnessed a surge in interest expense compared to interest income in FY2022, it has resulted in a deteriorate result in net interest income during the period from BDT 2,163.67 million in FY2021 to BDT 1,785.79 million in F2022.

Figure 12: Selected Indicators of DBH



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Conversely, there has been an uplift of 9.32% in the non-interest income which eventually reached BDT 348.84 million at the end of FY2022. This rise in non-interest income can primarily be attributed to 16.07% surge in income derived from investments, 3.02% increase in commission, exchange and brokerage fees and 25.90% increase in other operating income during the aforementioned period.

However, the total operating income stood at BDT 2,134.63 million, showcasing a fall of 14.02% in FY2022, whereas 15.57% uplift in the total operating income was recorded in the previous year. Analyzing the composition of the total operating income, it consisted of 83.66% net interest income, 8.57% commission, exchange, and brokerage fees, 6.80% investments income and the remaining 0.97% other operating income.

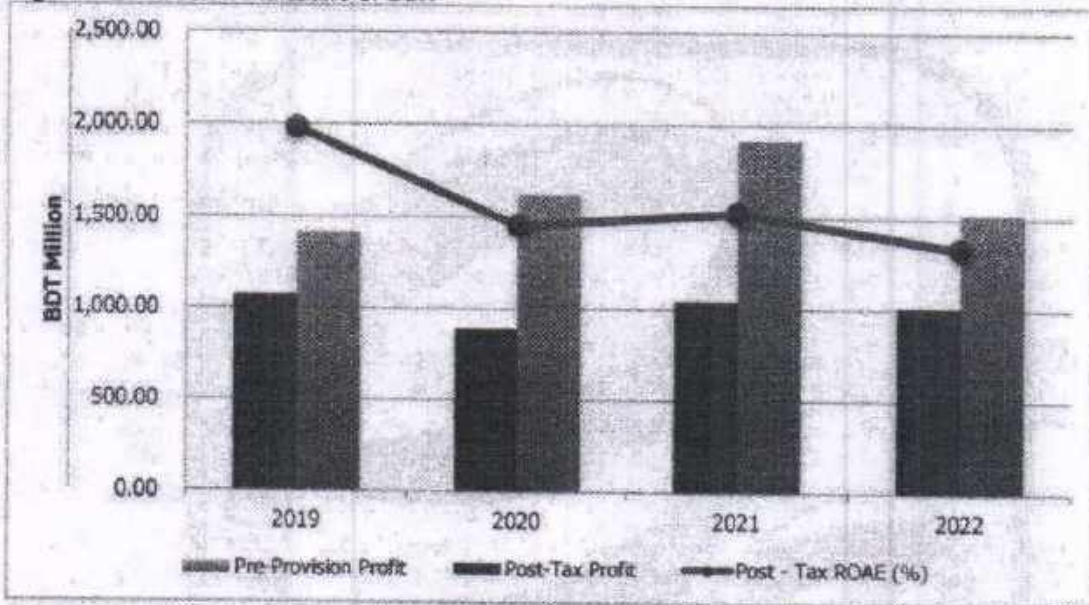
In contrast, the total operating costs of the FI took off moderately, experiencing an upsurge of 8.02%, ultimately reaching BDT 610.46 million in FY2022. Consequently, it has resulted in a



moderate rise in the cost-to-income ratio, which stood at 28.60% for the year, indicating a deterioration compared to 22.76% ratio recorded in the previous year. The heightened growth in operating costs ultimately led to a substantial decline of 20.52% in pre-provision profit, which concluded at BDT 1,524.17 million in FY2022 compared to BDT 1,917.65 million in FY2021. Furthermore, the post-tax profit witnessed a marginal reduction of 2.60%, resulting in a post-tax profit of BDT 1,016.73 million at the end of FY2022. This marks a notable decrease compared to the significant 17.17% upswing in post-tax profit observed in the previous year.

Moreover, the average interest spread of DBH experienced a slight decrease, concluding at 2.58% in FY2022, as opposed to the 3.58% recorded in the preceding year. The net interest margin slightly deteriorated to 3.06% from 3.74% in the previous year meaning lower profit generation compared to interest earning assets.

Figure 13: Selected Indicators of DBH



E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

DBH has a strong institutional framework to meet the regulatory requirement of Corporate Affairs. DBH's experienced Board maintains an overview on the Company through the Supervisory Committees. In addition to bringing valuable perspective to the Board, DBH's Independent directors contribute meaningfully through their roles within the committees. DBH understands sound corporate governance and its importance in retaining and enhancing investors trust. It adheres to the core values of credibility and accountability to serve its stakeholders with passion and commitment. Its values and transparent processes act as a catalyst in growth.

DBH promotes accountability of its management and the Board of Directors acknowledges its responsibilities towards its stakeholders for creation and safeguarding their wealth. DBH practices trustworthy, transparent, moral and ethical conduct, both internally and externally, and are committed towards maintaining the highest standards of Corporate Governance practices in the best interest of all its stakeholders. DBH strives that all its stakeholders have an access to clear, adequate and factual information relating to the Company.

E.1.1. Board of Directors

The Board of DBH has an optimum combination of Executive Director and Independent Directors. The Board comprises of total ten (10) members, out of which seven (6) are Non-Executive Directors, Chairman, vice-chairman and two (2) are Independent Directors. The Managing Director is an Executive and ex-officio Director of the Board. The Board of Directors is responsible for proper

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Managing Director & CEO
DBH Finance PLC.

Md. Abdul Ahad, FCA
EVP & Chief Financial Officer
DBH Finance PLC.

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Managing Director & CEO
UCB Investment Limited

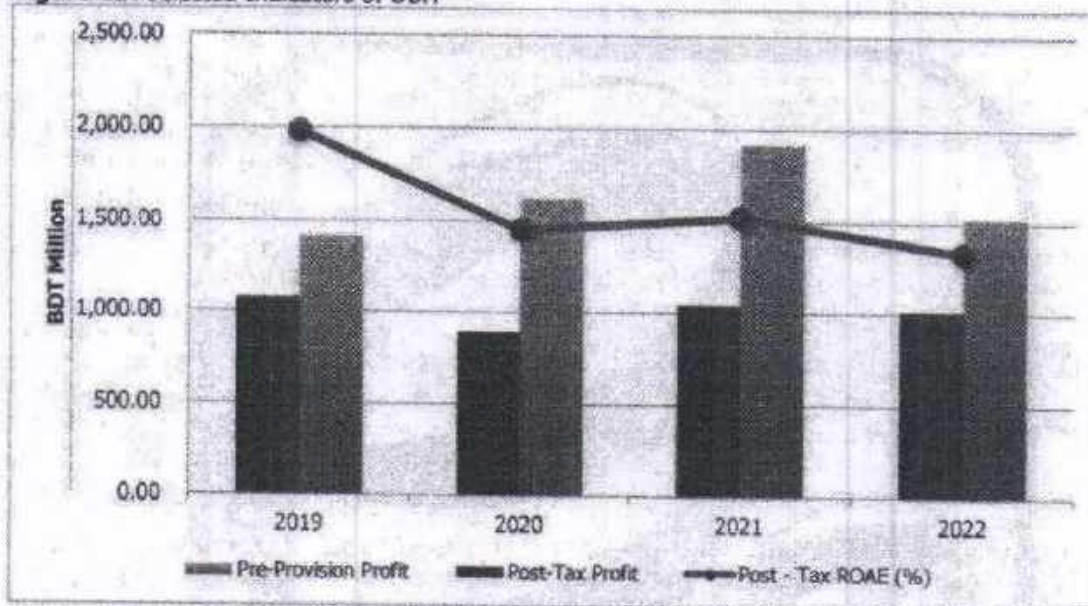
Nasimul Baten
Managing Director & CEO
DBH Finance PLC.



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UCB Investment Limited



governance, which includes setting out company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively accountable to the company's shareholders for good governance to facilitate efficient and effective management in order to deliver shareholder value over the long term, within appropriately established risk parameters.

The Board of Directors of DBH is chaired by Mr. Nasir A. Choudhury, Mr. Choudhury is acting as Advisor of Green Delta Insurance Company Limited (GDIC). He is in the insurance profession for over the last 50 years and was the Founding Managing Director of GDIC until his retirement in May 2013. He is also the Chairman of Green Delta Securities Limited, Green Delta Capital Limited & GD Assist Ltd. Mr. Choudhury is an executive committee member of the Federation of Afro-Asian Insurers & Reinsurers (FAIR). He was the Honorable Insurance Advisor of Bangladesh Biman and Bangladesh Shipping Corporation for decades. He was the Chairman of Bangladesh Insurance Association, the official body of all the private sector insurance companies of the country from 2001 to 2005. He was honored with "Lifetime Achievement Award" by The DHL-Daily Star in April 2010 for his outstanding contribution towards the development of the insurance industry in Bangladesh. His other notable awards include: Lifetime Achievement Award by Asia Insurance Review as the first Bangladeshi Insurer, Mother Teresa International Award for contributions as a Social Worker, Honesty Award by Campus and Golden Award by Jalalabad Association.

E.1.2. Board Meetings

The Board meets at least four (4) times a year, once in every 3 (three) months, inter-alia, to discuss and review the financial results, business policies, strategies etc. The maximum interval between two Board meetings is not more than 3 months. Additional Board Meetings are held by the Company as and when the Company needs merit oversight and guidance. However, in case of business exigency or an urgent matter, approval of the Board is sought through resolution by circulation, which is noted in the subsequent Board Meeting. The Company circulates the Board/Committee Meeting agenda and related notes/documents well in advance which provides for quick and easy accessibility. During 2022, a total of nine (09) Board meetings were held.

E.1.3. Board of Directors Committees

The Board of Directors have constituted two committees namely – Audit Committee and Executive Committee which enables the Board to deal with specific areas or activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities. The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expeditiously. Minutes of the Committee Meetings are circulated and placed before the Board of Directors in the subsequent Board Meeting for their noting. The Company Secretary acts as a Secretary to all the Committees of the Board.

Executive Committee (EC):


The Executive Committee of the Board is authorized to review all the proposals of loans and advances above authority delegated to the Managing Director & CEO with an upper limit of BDT 20.00 million. The Executive Committee was last reconstituted December 2, 2022 and the members are: Ms. Mehreen Hassan as its Chairperson, Dr. A M R Chowdhury, Mr. Nazir Rahim Chowdhury and Mr. Nasimul Baten, Managing Director & CEO. A total of 07 (seven) meetings of the Executive Committee were held in FY2022.

Audit Committee (AC):

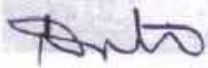
The Audit Committee consist of 5 (five) members: Major General Syeed Ahmed, BP, awc, psc (Retd.) as the Chairman, followed by Mr. Syed Moinuddin Ahmed, Ms. Rasheda K. Choudhury, Mr. Mohammad Anisur Rahman and Mr. Khandkar Manwarul Islam. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives. The Company Secretary acts as the Secretary of the Audit Committee. The Head of Internal Audit concurrently reports to the Managing Director & CEO as well as to the Audit Committee. The Committee normally meets quarterly, but an emergency meeting of the Committee may be called, if required. During the period under review, 4 (four) meetings were held by the Audit Committee.

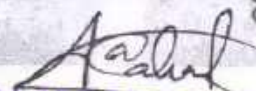

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Md. Abdul Ahad, FCA
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DBH Finance PLC.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



E.2. Senior Management

The strategic management activities and overall business operations of DBH used to be monitored by the Managing Director & CEO, Mr. Nasimul Baten. He is the home-grown Managing Director of the company where he served for 24 years before taking the lead role. He was previously working 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 extensive finance and corporate management experience, primarily in the housing finance and real estate sector, with prior work experiences in Bangladesh Bank, World Bank, IFC, ADB, FMO and other reputed local and international organizations. He is spearheading the Executive Management team for DBH's next phase of growth as the company solidified its position as country's largest home loan provider. He joined DBH in early 1998 and since then he managed almost all functional areas covering business, operations, risk management, distribution, sales, treasury and branch network during his prolonged association with the company. He is a member of the Old Faujian Association (OFA), IBA Alumni Association (IBAAA) and Cadet College Club Limited (CCCL).

E.2.1. Management Committees

Apart from functional departments, Several Management committees have been formed to handle the banking operation and identify and manage the risk associated with the business. There are 2 main committees under the management committee that aids in operating their day to day operation smoothly and ensure that the individual units run in accordance with the corporate strategic objective.

Asset Liability Committee (ALCO): One of the integral committees of DBH is the Asset Liability Management Committee (ALCO) which assesses financial market activities, manages liquidity, the changes in interest rate, market condition, carries out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. Five (05) members comprise of the ALCO of DBH that includes the Managing Director & CEO as chairperson as well as Head of Credit, Head of Deposit and Affordable Housing Loans, Head of Treasury and Head of Finance.

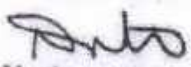
Risk Management Committee (RMC): One of the prime responsibilities of the Board is to oversee the quality of the risk management processes and systems through the Risk Management Committee. The committee also assists the Board with the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, verify the adequacy of the risk management function including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines and the quality of the risk management processes and systems.

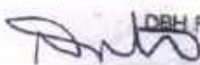
E.3. Human Resource Management

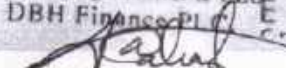
Human Resource Management involves accounting for the company's management and employees as human capital that provides future benefits. Human Resource Accounting is the process of identifying and measuring data about human resources and communicating with the employees. DBH believes that its best investment is in the human resources, as the Company trusts 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. Presently, the total numbers of regular employees of the FI are 344 including 295 are male and 49 are female employees. During 2022, DBH recruited 96 new regular employees and 101 employees has been promoted, and 66 employees resigned from the FI.

E.4. Information Technology

DBH has invested a great deal on information & communication technology in order to ensure smooth operation and efficient service which is in line with the growing customer base, business growth as well as introduction of diverse product range. In DBH, ICT infrastructure and software systems are being governed, closely monitored and upgraded with the changes of technology trends and business needs as well as for the improvement of operational efficiency.


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In FY 2017, IT department has successfully implemented several new modules in the existing centralized software system, some of which are "Central file processing Hub", "Post sanction approvals management", "Collateral database" and "Document scanning management" etc. Moreover some modules like Prepayment, Easy Deposits, Legal, ROI change, EFTN etc. has been re-engineered for better performance.

ICT Infrastructure has also been upgraded. Implemented Real time active-active DR site is with both data and Instance redundancy which includes Active Directory, Mail Server, File system and Database. DBH's DR site has been enhanced with new SSD storage. Central Patch management system for all workstations has also been implemented. DBH considers Cyber security as a big risk and so have appropriate control system for Cyber security & risk management which is regularly monitored. ICT security policy has also been updated as per regulator's guideline.

CORPORATE INFORMATION (AS ON DECEMBER 31, 2022)

Board of Directors

Mr. Nasir A. Choudhury
Dr. A M R Chowdhury
Ms. Mehreen Hassan, Bar-at-Law
Mr. Syed Molnuddin Ahmed
Mr. Mohammad Anisur Rahman
Mr. Khandkar Manwarul Islam
Mr. Nazir Rahim Chowdhury
Ms. Rasheda K. Choudhury
Major General Syeed Ahmed, BP, awc, psc (Retd.)
Mr. Nasimul Baten

Status

Chairman
Vice-Chairman
Director
Director
Director
Director
Director
Independent Director
Independent Director
Managing Director & CEO

Shareholders

Sponsor/Directors
General Public
Financial institution & other companies
Foreign Investors

Shareholding Percentage

51.32%
11.63%
18.82%
18.23%

Auditors

ACNABIN

Chartered Accountants

BDBL Bhaban (Level-13),
12, Kawran Bazar C/A,
Dhaka-1215.


Corporate Office

Landmark Building (9th floor)
12-14 Gulshan North C/A,
Gulshan-2, Dhaka- 1212
PABX : 09612 334455, (02) 9842374
Fax: +880 (2) 9882110
Email: dbh@deltabrac.com
Website: www.deltabrac.com


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



FINANCIAL INSTITUTIONS RATING SYMBOL

LONG-TERM RATINGS

Financial Institutions ratings are applied to commercial and investment banks, finance companies and discount houses.

AAA	An institution rated AAA has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse developments in the economy, and in business and other external conditions. These institutions typically possess a strong balance sheet and superior earnings record.
AA	An institution rated AA has a very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.
A	An institution rated A has a strong capacity to meet its financial commitments but is somewhat more susceptible to adverse developments in the economy, and to business and other external conditions than institutions in higher-rated categories. Some minor weaknesses may exist, but these are moderated by other positive factors.
BBB	An institution rated BBB has adequate capacity to meet its financial commitments. While some shortcomings are apparent, the institution is generally in a position to resolve these within an acceptable time frame. However, adverse developments in the economy and in business and other external conditions are likely to weaken its capacity to meet its financial commitments.
BB	An institution rated BB exhibits some obvious weaknesses in its operating practices and key financial indicators. The institution's financial performance has typically fallen below peer group standards. Although currently able to meet its financial commitments, the institution's financial capacity over the medium and longer terms is vulnerable to adverse developments in the economy, and in business and other external conditions.
B	An institution rated B exhibits fundamental weaknesses in its operating practices and key financial indicators. Although currently able to meet its financial commitments, the institution's future financial capacity is regarded as weak and more vulnerable to adverse developments in the economy, and in business and other external conditions than that of institutions rated BB.
C	An institution rated C has several immediate problems of a serious nature. The institution's ability to arrest further deterioration in its overall condition is doubtful and its capacity to meet its financial commitments is uncertain, without some form of strong external support.
D	An institution rated D requires sustained external support without which its continued viability is in doubt. The rating indicates that the institution is likely to default on its financial commitments or that a default may have already occurred.

Notes: Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories

SHORT-TERM RATINGS

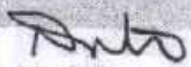
ECRL's Short-Term Ratings reflect the institution's capacity to meet its financial commitments due within one year.

ST-1	An institution rated ST-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse developments in the economy and in business and other external conditions are likely to have a negligible impact on the institution's capacity to meet its financial obligations.
ST-2	An institution rated ST-2 has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.
ST-3	An institution rated ST-3 has an adequate capacity to meet its financial commitments in a timely manner. However, the institution's capacity to meet its financial obligations is more likely to be weakened by adverse changes in the economy, and in business and other external conditions than higher-rated institutions.
ST-4	An institution rated ST-4 has an inadequate capacity to meet its financial commitments in a timely manner. The rating indicates that the institution is likely to default on its financial commitments, without some form of strong external support. A default may have already occurred.
ST-5	An institution rated ST-5 has high likelihood of default, with little capacity to address further adverse changes in financial circumstances.
ST-6	Payment in default.

Rating Outlook

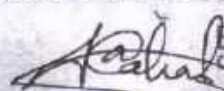
ECRL's Rating Outlook assesses the potential direction of the Financial Institutions Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be:


POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.


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 UCB Investment Limited



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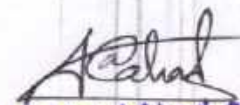
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Tanzim Alamgir
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Managing Director & CEO
UCB Investment Limited

Credit Rating Report
Of
DBH Affordable Housing Bond


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Credit Rating Ltd

DBH Affordable Housing Bond

Corporate Bond Rating (Agreement No: 2023-09-17-75758)

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
September 26, 2023	September 25, 2024	Initial	AAA _B	Stable

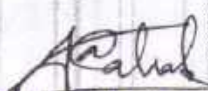
* B denotes bond


Date of Incorporation : May 11, 1996
Managing Director & CEO : Mr. Nasimul Baten
Issue : Non-Convertible Redeemable Fixed Coupon Senior Bond up to BDT 3,500.00 million in Face Value
Program Tenure : 5 years
Issuer : DBH Finance PLC.
Arranger : DBH Finance PLC.
Trustee : UCB Investment Limited
Contact Analysts : **Nur Hosen**
nur.hosen@emergingrating.com
Md. Harun Chowdhury
harun@emergingrating.com

Credit
Analysis


Arifur Rahman FCA, FCA, CSAA
Chief Executive Officer
Emerging Credit Rating Limited


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Managing Director & CEO
UCB Investment Limited

2023 Initial Review

DBH Affordable Housing Bond

Major Rating Factors

- Strengths**
- The issue is assured by credit enhancement
 - NPL that ranks among the lowest in the NBFI sector of the country at 0.86% despite increasing in the latest year
 - Strong capital base resulting into healthy Capital Adequacy Ratio (CAR)
 - Good clientele base
 - Experienced and well-organized management team.
- Challenge/Risks**
- Negative aspects of housing sector will impose detrimental effect on the FI's asset quality
 - Minimal growth in loans and advances
 - Fall of net interest income

Rationale Emerging Credit Rating Limited (ECRL) has assigned **AAA_B** (Pronounced as Triple A Bond) long term credit rating to DBH Finance PLC.'s (From here on referred to as 'DBH' or 'the FI') DBH Affordable Housing Bond (hereinafter referred to as "The Bond" or "The Issue") issuance up to BDT 3,500.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of financial institutions and bond rating. ECRL considered financial performance, capital base, asset composition, asset quality, liquidity management, earning trends, management experience and prospect of the industry while assigning the standalone rating and the possibility of likely default of the bond while assigning the bond rating.

The DBH Affordable Housing Bond (From here on referred to as 'DBH' or 'the FI'), rating reflects issuer's rating of AAA enhanced by first priority Bangladesh law hypothecation over all assets of the Issuer to be shared pari passu with other secured creditors of the Issuer.

The ratings reflect the strengths of the FI which is backed by good corporate governance, experienced management, one of the lowest Non-Performing Loans (NPL) in the NBFI industry, good retail clientele base, strong capital base, leading position in the home loan finance and prominent board of directors having long tenure experiences in the diversified fields. However, ECRL is concerned about the FI's sole concentration in housing finance indicating lack of diversification, minimal growth in credit and decline in net interest income.

The feature of the Issue is Non-Convertible Redeemable Fixed Coupon Senior Bond of DBH Finance PLC where DBH Finance PLC is acting as the arranger and UCB Investment Limited is performing as the Trustee. The FI has intended to issue the DBH Affordable Housing Bond to provide housing financing facility, including affordable housing to lower and middle income group. The total face value of the bond is up to BDT 3,500.00 million and the proceeds have been raised in multiple tranches. The rate of return of the bond is expected to be 8.50% p.a. and, the coupon rate of the bonds shall be subject to the consent of the subscriber but not exceeding 8.50%. In line with this, The FI will raise the fund through subscribing to the Selective International investors, Banks, Corporate Houses, Insurance Companies, NBFI's, Asset Management Firms, Mutual Funds, Merchant Banks, Non-

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Managing Director & CEO
UCB Investment Limited



resident Bangladeshis and Individuals and High Net Worth Individuals etc. through multiple tranches.

DBH Finance PLC strategically emphasized enhancing its loan portfolio by redirecting its efforts towards affordable housing initiatives and expanding its presence through the establishment of new branches and sales offices, thereby facilitating increased business from specific target segments. This effort resulted in a slight increase of 0.50% in net loan disbursement during the period which contributed to a modest expansion of 1.61% in the FI's loan portfolio reaching BDT 44,535.97 million in FY2022. However, in the second quarter that ended on June 30, 2023, the FI experienced a slight 0.35% decline in its loan and advances reaching BDT 44,381.34 million indicating still cautious stance regarding the decision to reduce the decline in the balance sheet. It has been observed that the real estate sector of the country witnessed a slump in the second half of FY2022 due to price hike in raw materials, implementation of new Detailed Area Plan (DAP), shortage of dollar and inflationary pressure. However, DBH has expanded branch offices outside Dhaka like in Khulna, Rajshahi, Rangpur and also sales offices around Dhaka city in Tongi, Bostla, Jatrabari, Baipall where implication of DAP is not there which will help the FI to reduce the impacts of the DAP.

In FY2022, the NPLs of the FI witnessed an increase of 39.15%, amounting to BDT 384.77 million, compared to BDT 276.52 million in FY2021 even though NPL percentage is still the lowest in the NBFi industry i.e., 0.86%. According to the regulator's directives, the FI could not classify a large number of accounts in FY2020, but in FY2021, the classification policy was relaxed with limited deferral facility, allowing the FI to classify its loan portfolio based on its performance, which ultimately hit moderately to increase the FI's NPL during the period. Consequently, the Non-Performing Loan (NPL) ratio moderately increased to 0.86% in FY2022 from 0.63% in FY2021. Nevertheless, the FI maintains one of the industry's lowest NPL ratios in the country indicating the good quality of loan portfolio. In FY2022, DBH maintained provisions totaling BDT 1,083.73 million, surpassing the required provision as per the audited financial statements by BDT 571.91 million. This indicates that the FI has still maintained more than sufficient loan loss reserves to safeguard against any deterioration in loan quality. In FY2022, the FI didn't reschedule or written off any of its loans and advances.

Being the leading and specialized housing finance institution, the financial institution (FI) holds a prominent position in the private sector of the country. This is evident in its sector-wise allocation of loans and advances. Specifically, in FY2022, the housing finance/real estate sector accounted for 93.21% of the total loans and advances, while consumer finance represented the remaining 6.79% during the same period. This high dependency on this sector highlights a lack of diversification in the FI's loan and advance products. This also implies that any slowdown in the real estate sector could potentially impact the FI's business performance.

The FI experienced a notable increase in investments, with a substantial growth of 271.11% and the investments reached BDT 2,516.95 million in FY2022. The rise in investments was primarily driven by increased investments in government and marketable securities during the period under review. In the first six months of FY2023, the investments portfolio was again increased by 0.76% from the end of FY2022.

In FY2022, the financial institution (FI) had a total capital (Tier-I and Tier-II) of BDT 8,302.71 million, indicating an overall increase of 9.92% compared to the previous year. On the other hand, the FI's Risk Weighted Assets (RWA) amounted to BDT 29,267.75 million in FY2022, up from BDT 29,116.28 million in the previous year. The FI comfortably met the capital adequacy requirement and achieved a capital adequacy ratio of 28.37% in FY2022. By the end of first half of 2023, the total capital of the FI reached to BDT 8,511.11 million showing a slight decrease compared to its position at the end of the year of 2022. The Capital Adequacy Ratio (CAR) stood at



28.20% in half year period of FY2023 slightly lowering from 28.37% in FY2022 and the risk weighted assets in the first half of FY2023 increased slightly compared to FY2022.


In FY2022, DBH witnessed a significant 8.91% decline in its deposit base contrasting with a 0.35% increase in the preceding year mainly due to release of excess liquidity to save cost of fund. This decrease amount of deposits was mostly bank deposits. However, the FI focused on maintaining of strong deposit base and effective management of liquidity position. In line with this, the FI has introduced Islamic Financing Wing (IFW) to diversify the deposit base and got approval from Bangladesh Bank in this year.

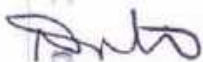
Interest income of the FI saw 4.40% fall in FY2022, standing at BDT 4,831.16 million as opposed to BDT 5,053.57 million in the former year. The implementation of an interest rate cap for Non-Bank Financial Institutions (NBFIs) impeded the interest spread of the NBFIs sector in the country. Hence the FI witnessed a surge in interest expense compared to interest income in FY2022 which resulted in a significant 17.47% decline in net interest income during the period from BDT 2,163.67 million in FY2021 to BDT 1,785.79 million in FY2022. Additionally, the overarching circumstance of economy and excessive demand in deposits has increased the interest expenses which ultimately hit the net interest income this year.

The income from investment moderately increased by 16.07% to BDT 145.22 million in FY2022, increasing from BDT 125.11 million in FY2021 which is due to increase in income from treasury bonds. As a result, there has been an uplift of 9.32% in the non-interest income which eventually reached BDT 348.84 million at the end of FY2022. The FI the total operating income stood at BDT 2,134.63 million in FY2022 a fall of 14.02% compared to the previous year due to the increase total operating costs by 8.02% in the same year. Consequently, it has resulted in a moderate rise in the cost-to-income ratio, which stood at 28.60% for the year, indicating a deterioration compared to 22.75% ratio recorded in the previous year. The growth in operating costs ultimately led to a substantial decline of 20.52% in pre-provision profit, which concluded at BDT 1,524.17 million in FY2022 compared to BDT 1,917.65 million in FY2021. Furthermore, the post-tax profit witnessed a marginal reduction of 2.60%, resulting in a post-tax profit of BDT 1,016.73 million at the end of FY2022.


Notably, the FI has earned BDT 902.09 million net interest income in the first half of 2023 compared to the BDT 934.25 million in the same time previous year (Q2 2022). However, at the same time the non-interest income of the FI improved from BDT 144.09 million in Q2 2022 to BDT 166.08 million in Q2 2023. The post-tax profit is much lower at BDT 490.03 million in Q2 2023 from BDT 548.87 million of same time period last year.


ECRL views DBH's outlook as **Stable** due to its significant presence in housing finance with good retail customer base along with minimal NPLs, risk management procedure, experienced management, satisfactory profitability indicators, strong capital base and good asset quality compared to the industry.


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Chief Executive Officer
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Managing Director & CEO
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Managing Director & CEO
UCB Investment Limited

**Exhibit 1: Financial Highlights: DBH Finance PLC. (DBH)**

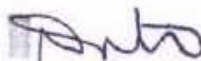
FY 31 December	2023*	2022	2021	2020	2019
Total Assets (BDT million)	71,736.32	61,746.09	60,278.61	58,607.02	59,279.93
Asset Growth (%)	16.18	2.43	2.85	(1.14)	3.10
Gross Loans (BDT Million)	44,381.34	44,535.97	43,830.51	42,750.38	44,521.89
Gross Loans Growth (%)	(0.35)	1.61	2.53	(3.98)	1.54
Deposits (BDT Million)	44,976.40	40,066.59	43,978.36	43,826.87	43,411.28
Deposit Growth (%)	12.27	(8.91)	0.35	0.96	0.21
NPL Ratio (%)	0.88	0.96	0.63	0.41	0.45
Loan/Deposit Ratio (%)	98.68	111.17	99.66	97.54	102.56
Net Interest Income (BDT Million)	902.99	1,785.29	2,163.67	1,948.60	1,707.92
Net Interest Income Growth (%)	**0.01	(17.47)	11.04	14.09	(4.73)
Non-Interest Income (BDT Million)	166.08	348.84	319.10	199.69	233.40
Non-Interest Income Growth (%)	**(-4.78)	9.32	59.80	(14.44)	14.83
Average Interest Spread (%)	1.58	2.58	3.58	3.46	2.44
Pre-Tax Profit (BDT million)	763.81	1,580.26	1,721.05	1,498.16	1,554.87
Post-Tax Profit (BDT million)	480.03	1,016.73	1,043.89	890.93	1,073.25
Post-Tax ROAE (%)	6.05	13.34	15.27	14.56	19.79
Capital Adequacy Ratio (%)	28.20	28.37	25.94	24.22	21.92

FY2019- FY2022 data extracted from Audited Financial Statements, year ended 31 December

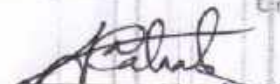
*FY2023 Data Extracted from first six months Unaudited Financial Statements

**Annualized figure


 Arthur Rahman FCS, FCA, CSAA
 Chief Executive Officer
 Emerging Credit Rating Limited



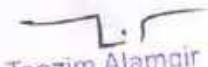
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 Managing Director & CEO
 DBH Finance PLC.



Md. Abdul Ahad, FCA
 EVP & Chief Financial Officer
 DBH Finance PLC.



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 Company Secretary
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Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited



A. BUSINESS DESCRIPTION

A.1. Company Background

DBH Finance PLC. (DBH) formerly known as Delta Brac Housing Finance Corporation Ltd. is a non-banking financial institution which specializes in Housing Finance in the private sector. DBH is one of the forerunner Housing Finance Institution in the private sector of the country. "To strengthen the society of the country by continually expanding home ownership" is the moto of this NBFi which basically gives the notion of aiding the loan intensity on housing through private sector financing. Under the Companies Act 1994 on May 11, 1996 DBH was incorporated as a public limited company and obtained the Certificate of Commencement of Business. The Company has also been granted license under the Financial Institutions Act 1993 on July 15, 1996. The Company went for public issue in 2008 and the shares of the Company are listed in Dhaka and Chittagong Stock Exchange in Bangladesh. The company's main focus is to provide loan for purchase of flats or houses or housing plots and improvement and extension of those along with different types of investment and financing products like term deposit scheme, cumulative deposit, car loans, personal, loans and so forth. Currently, the company has 14 offices (head office & thirteen branches) in the country with no overseas branch as on December 31, 2022.

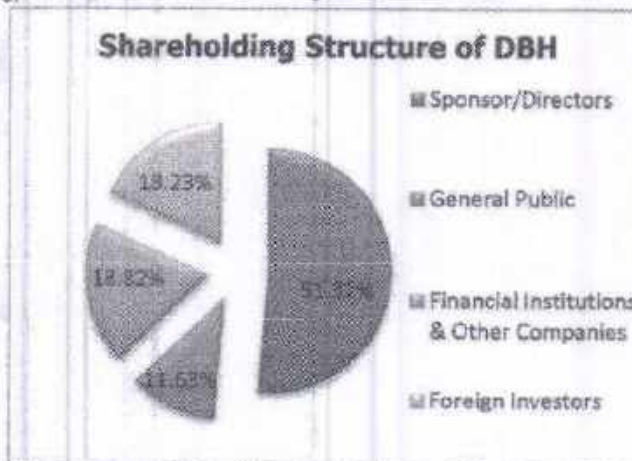
In the uncertain period of lockdown as global outbreak of COVID-19 the company was closed since March until the end of May whilst DBH has took initiatives through Business Continuity Plan (BCP) to serve their clients from home office. In addition to this the company has vigorously espoused new technologies to promote the digitalization to accelerate the operation of the bank efficiently even in the shortfall economic scenario in this sector.

In recent years it has been observed that several mega projects are initiated which are required a large portion of financing facility. Consequently, DBH has established its financing service within Dhaka along with some suburban regions of the country like Chattogram, Cumilla, Khulna, Rajshahi, Rangpur and Sylhet. The company is expecting a larger regional coverage of their financing service as the connectivity of Dhaka city with other areas are increasing year on year basis.

A.2. Shareholding Structure

The shareholding position of DBH consists of four types of investors which sponsors/directors are holding 51.32% share, financial institution & other companies 18.82%, foreign investors holding 18.23% share and individual or general public represented 11.63%. Sponsors & directors include BRAC, Delta Life Insurance Company Limited, Green Delta Insurance Company Limited who hold 18.39%, 17.63%, and 15.30% shares of the NBFi respectively. There are 194 institutional investors of DBH holding 36,696,062 number of shares and 9,223 general public holding 22,682,876 shares in number. There are 15 foreign investors are holding 35,540,093 number of shares which is higher than the percentage of shareholding of the company one year ago.

Figure 1: Shareholding Structure of DBH



A.3. Business Review

DBH had started its business as one of the pioneer house financing companies in the country. However, over the years it has expanded into various sectors. To maintain a sound banking environment the NBFi is always trying to keep its operating cost and NPLs to a lower level. With a view to increasing the finance exposure the company is concentrated on investing onto more potential clients without compromising the asset quality and financial budget.

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A.4. Market Share

As on December 31, 2022, the total deposit portfolio of the NBFIs sector was BDT 420,900.00 million and total loan/advance was BDT 688,600.00 million as per Bangladesh Bank publication. DBH had a total deposit market share of 9.53% in FY2022 which was 10.35% a year ago indicating that the FI's market position has slightly decreased. On the other hand, DBH's market share in terms of loans and advances stood at 6.47% as on December 31, 2022 which was 6.53% in the same period of previous year.

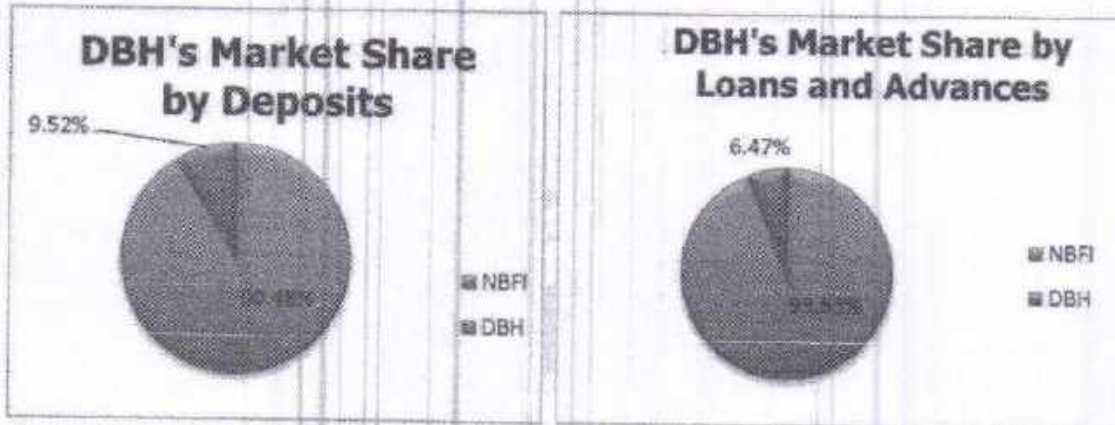


Figure 2: Market share: DBH Finance Corporation Limited

Exhibit 2: Market share: DBH Finance PLC. (DBH)

(BDT in Millions)

		2019	2020	2021	2022*
NBFI	Loans & Advances	697,346.70	669,540.00	671,618.80	688,600.00
	Deposits	437,755.60	441,200.00	425,002.00	420,900.00
DBH	Loans & Advances	44,298.40	43,446.63	43,830.51	44,535.97
	Deposits	43,246.49	43,038.30	43,978.36	40,060.59

*As on December 31, 2022

Source: Department of Financial Institutions and Markets, BB.

A.5. Non-Convertible Redeemable Fixed Coupon Senior Bond Issuance Objective

The issuer plans to raise BDT 3,500,000,000.00 through issuance of coupon bearing bonds to provide affordable housing finance to the middle income and facility and utilize the proceeds as hereunder:

The issuer will utilize the BDT equivalent of USD 30,000,000.00 (such amount being approximately up to BDT 3,500,000,000) through issuance of the coupon bonds to provide housing financing facility, including affordable finance facility to lower and middle income groups, as set out in Section 2.01 of the Subscription Agreement.

A.6. Structure of the Issue and Terms

Exhibit 3: Structure of DBH Affordable Housing Bond

Issuer	DBH Finance PLC (DBH)
Name of the Issue	DBH Affordable Housing Bond
The Issue	Non-Convertible Redeemable Fixed Coupon Senior Bond of DBH Finance PLC
Investor	International Investor
Arrangement Basis	Best Efforts / Strictly Non-Underwritten
Purpose	To provide the issuer with funding to be used exclusively for financing its lending operations in the affordable housing finance space by way of Affordable Housing Loans
Currency	Bangladeshi Taka (BDT)
Face Value of each bond	BDT 1,000,000.00
No. of Bonds in Each Lot	1

DBH Affordable Housing Bond

EMERGING
Credit Rating



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Number of tranches	1								
Denomination:	Denomination of each lot of bond is indicated at BDT 1,000,000.00 Face Value								
Total no. of Lots	Up to 3,500								
Mode of Placement:	Private Placement								
Maturity:	Up to 5 years from the Issue/Subscription date for the relevant tranche								
Governing Law:	English Law (other than any clauses of the Trust Deed relating to the creation of trust under the Trust Deed as required under Bangladesh law which shall be governed accordingly); SIAC arbitration seated in Singapore								
Credit Enhancement:	A first priority Bangladesh law hypothecation over all assets of the Issuer to be shared pari passu with other secured creditors of the Issuer								
Form:	Registered								
Listing:	To be listed in Alternative Trading Board (ATB) or as required by BSEC								
Documentation / Transaction Documents	<ul style="list-style-type: none"> • Trust deed • Subscription Agreement • Information Memorandum • Terms and Conditions • Any other instrument(s) relating to such transaction 								
Conditions Precedent:	As more particularly detailed in Subscription Agreement, including without limitation: (i) applicable authorizations being obtained by the Issuer, (ii) receipt by relevant subscriber of appropriate legal opinions from external counsel, (iii) required insurance policies being entered into, (iv) compliance with environmental and social action plan, and other environmental and social requirements and (v) agreement on parameters of certain on-going financial covenants.								
Trustee	Trustee: UCB Investment Limited Agent: UCB Investment Limited								
Legal Counsel	Lex Juris								
Coupon Rate	Fixed rate of [to be agreed with subscriber but not exceeding 8.50%] p.a.								
Coupon Frequency	Semi-annual								
Transferability /Liquidity	Freely transferable in accordance with the provisions of the trust deeds.								
Prepayment, Call, Refunding, Conversion features	No voluntary prepayment/call option or conversion.								
Late Redemption	The Issuer shall pay a late payment penalty of 2% (two per cent) above the coupon rate on any late redemption amount (including principal, coupon or fees) and be payable on the amount not paid on the due date up until the date of actual payment, unless otherwise provided in the Subscription Agreement.								
Credit Rating Trigger	In the event the credit rating of the Bond is downgraded below the rating trigger under surveillance rating (as defined in the Debt Securities Rules) (the "Rating Downgrade") from the rating applicable at the date of issuance of the same bonds in accordance with the Subscription Agreement, the coupon rate of the Bonds shall be subject to a risk premium set out in the below table (in addition to the Coupon Rate) with respect to any coupon payable following the date of the Rating Downgrade: <table border="1" data-bbox="635 1686 1236 1904"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.25%</td> </tr> <tr> <td>B</td> <td>0.50%</td> </tr> <tr> <td>C</td> <td>0.75%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.25%	B	0.50%	C	0.75%
Issue Rating	Risk Premium to be Added								
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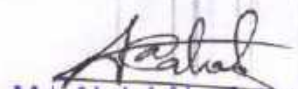
DBH Affordable Housing Bond

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	D	1.00%
Tax Features	As per applicable law and transaction documents with respect to the Bonds	
Aggregate Cost related to the issue of the Bond	Total of Arrangement fee, "Trustee, Paying Agent, Registrar, Transfer Agent fee," (for 5 years), Bond Rating fee & Legal Counsel Fee, Other fees: BDT 37,783,300 (approx.) Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the total face value	
Enforcement of Charges over securities	UCB Investment Limited in its capacity as Trustee for the Bonds may at its discretion take proceedings against the Issuer to enforce the obligations of the Issuer under the Trust Deed with respect to the Bonds, provided that the Trustee shall not be under any obligation to do any of the foregoing unless it shall have been so requested in writing by the Bondholders (except for matters expressly stated as requiring a Resolution in the Trust Deed) or shall have been so directed by a Resolution (as further set out in the Trust Deed). Bondholders will hold the securities created in its own name and in case of default Bondholders may enforce the security by itself against the Issuer.	

A.7. Subscribers and Repayment Schedule

Redemption of the Non-Convertible Redeemable Fixed Coupon Senior Bond of DBH Finance PLC will be starting on month 18 from the date of subscription of the relevant Bond tranche considering Coupon rate of 8.50% and, the coupon rate of the bonds shall be subject to the consent of the subscriber but not exceeding 8.50%. Thereafter, the redemption will be made semi-annually over the course of 4 years in 8 strips. The repayment schedule is depicted below:

Exhibit 4: Repayment Schedule: DBH Affordable Housing Bond

Month	Principal Outstanding	Interest	Principal Redemption	Outstanding	Total Payable
6 th Month	3,500,000,000	149,157,534	-	5,500,000,000	149,157,534
12 th Month	3,500,000,000	148,342,466	-	5,500,000,000	148,342,466
18 th Month	3,500,000,000	149,157,534	437,500,000	3,062,500,000	586,657,534
24 th Month	3,062,500,000	129,799,658	437,500,000	2,625,000,000	567,299,658
30 th Month	2,625,000,000	111,868,151	437,500,000	2,187,500,000	549,368,151
36 th Month	2,187,500,000	92,714,041	437,500,000	1,750,000,000	530,214,041
42 nd Month	1,750,000,000	74,578,767	437,500,000	1,312,500,000	512,078,767
48 th Month	1,312,500,000	55,934,075	437,500,000	875,000,000	493,434,075
54 th Month	875,000,000	37,289,384	437,500,000	437,500,000	474,789,384
60 th Month	437,500,000	18,542,808	437,500,000	0	456,042,808
	Total	967,384,418	3,500,000,000	-	4,467,384,418



B. FINANCIAL RISK ANALYSIS

The financial analysis process was based on both quantitative and qualitative aspects of the institution mostly are based on the company's policies in relation with the operating strategies, asset quality, composition and trend, fund management, capital adequacy, liquidity management, risk management and ultimate financial goals of the firms. For the purpose of the overall financial risk assessment of the business has been analyzed thoroughly and followed strict evaluation process in the aforementioned sections. Detailed analysis is presented below.

B.1. Capital Adequacy

Exhibit 5: Selected Indicators of DBH

FYE: 31st December

	*2023	2022	2021	2020	2019
Tier-I Capital (BDT Million)	8,192.50	7,994.96	7,244.13	6,431.46	5,808.60
Total Capital (BDT Million)	8,511.11	8,302.71	7,553.62	6,732.31	6,114.36
Risk Weighted Assets (BDT Million)	30,181.53	29,267.75	29,116.28	27,799.01	27,897.31
Tier-I Ratio (%)	27.14	27.32	24.88	23.14	20.82
Capital Adequacy Ratio (%)	28.20	28.37	25.94	24.22	21.92

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

*FY2023 Data Extracted from first six months Unaudited Financial Statements

DBH has consistently complied with regulatory capital adequacy requirements as prescribed by the Bangladesh Bank over the review periods ranging from FY2019-FY2022. Financial institutions are mandated to keep a minimum Capital Adequacy Ratio of 10.00%, which DBH has successfully maintained in all the periods under review.

DBH's Tier-I or core capital took a spike of 10.36% to BDT 7,994.96 million in FY2022 from BDT 7,244.13 million in the prior year. The upsurge in Tier-I capital was primarily aided by issuance of bonus share leading to increase the paid up capital by 10.00%, 11.87% increase in statutory reserve and 15.65% increase in general reserve during the period.

Furthermore, Tier-II capital of the FI witnessed a slight decline of 0.56% during the same period mainly aided by a reduction of BDT 1.74 million in general provision. Cumulatively, the total capital (Tier-I and Tier-II) of the FI finally ended at BDT 8,302.71 million at the end of FY2022 which was BDT 7,553.62 million in the preceding financial year, recording an overall uplift of 9.92% during the period.

On the contrary, the risk weighted asset of the FI has witnessed an escalation of 0.52%, standing at BDT 29,267.75 million in FY2022 against BDT 29,116.28 million in the prior year. Since the growth rate of total eligible regulatory capital exceeded the growth rate of total risk weighted assets, it has led to a moderate improvement in the capital to risk weighted ratio (CRAR) to 28.37% in FY2022 from 25.94% in the former year, which is however well above the minimum capital requirement of 10.00%.

By the end of first half of 2023, the total capital of the FI reached to BDT 8,511.11 million showing a slight decrease compared to its position at the end of the year of 2022 despite the tier-I capital increasing moderately during the time. The CAR stood at 28.20% in half year period of FY2023 slightly lowering from 28.37% in FY2022 and the risk weighted assets in the first half of FY2023 increased slightly compared to FY2022.



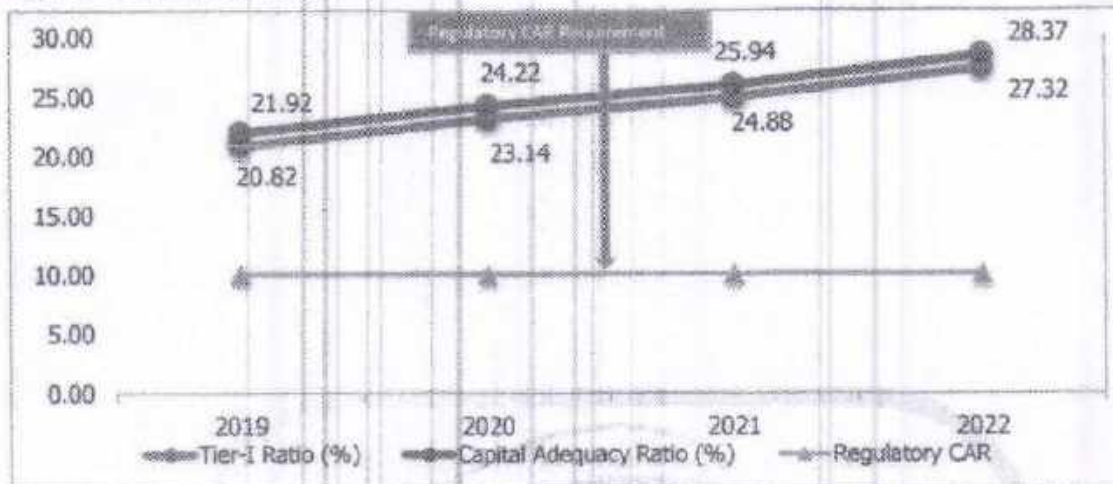
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Figure 3: Selected Indicators



B.2. Asset Composition & Trends

Exhibit 6: Selected Indicators of DBH

FY 31 December	*2023	2022	2021	2020	2019
Total Asset (BDT Million)	71,736.32	61,746.09	60,278.61	58,607.02	59,279.93
Asset Growth (%)	16.18	2.43	2.85	(1.14)	3.10
Gross Loans (BDT Million)	44,381.34	44,535.97	43,830.51	42,750.38	44,521.89
Gross Loans Growth (%)	(0.35)	1.61	2.53	(3.98)	1.54
Investments (BDT Million)	2,536.06	2,516.95	678.22	489.02	462.11
Investments Growth (%)	0.76	271.11	38.69	5.82	(23.97)
NPLs (BDT Million)	389.16	384.77	276.52	174.09	201.61
NPLs Growth (%)	1.14	39.15	58.83	(13.65)	51.85
Gross Loans to Total Assets (%)	61.87	72.13	72.71	72.94	75.14
NPL Ratio (%)	0.88	0.86	0.63	0.41	0.45
Net NPL Ratio (%)	(1.70)	(1.79)	(2.22)	(2.00)	(1.31)
Loan Loss Reserve Coverage (%)	270.28	281.66	413.01	545.44	361.04
NPLs to Equity & Loan Loss Reserve (%)	4.21	4.24	3.30	2.36	3.08

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.
*FY2023 Data Extracted from first six months Unaudited Financial Statements

The quality of assets of NBFIs industry has been significantly impacted by the constant rise of categorized loans relative to the stagnant growth of total loans in this sector over the past two years. The deteriorating public trust in the sector was exacerbated by multiple scams and irregularities that occurred during this period. Additionally, the ongoing Russia-Ukraine war, inflationary pressure and post pandemic recovery situation have triggered the problems in this sector.

Despite the challenging circumstances, DBH saw a slight growth in its asset portfolio during the period and finally the total asset portfolio of DBH increased by a mere 2.43%, amounting to BDT 61,746.09 million.

In FY2022, the largest portion of the overall asset base of DBH was made up of gross loans and advances, accounting for 72.13% of the total assets. Other contributors to the asset base included balances with other banks/financial institutions (17.84%), money at call and on short notice (4.37%), investments (4.08%), cash (0.93%), fixed assets (0.41%), and other assets (0.24%).

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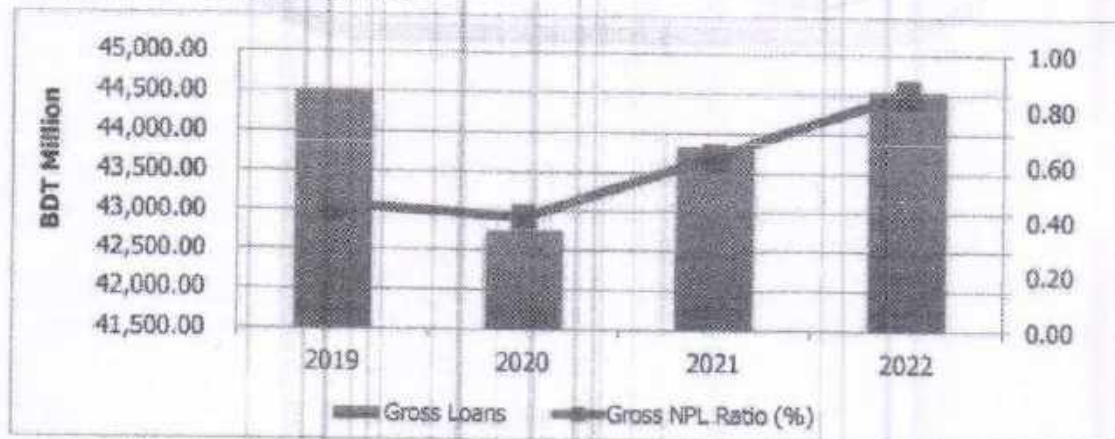
D.1.1. Asset Quality

Despite the prevailing economic challenges triggered by global events, the financial institution (FI) has demonstrated resilience in both its loan portfolio and disbursement growth. The FI strategically emphasized enhancing its loan portfolio by redirecting its efforts towards affordable housing initiatives and expanding its presence through the establishment of new branches and sales offices, thereby facilitating increased business from specific target segments. Furthermore, the financial institution (FI) experienced a slight increase of 0.5% net loan disbursement during FY2022 compared to the previous year. This growth contributed to a modest expansion of 1.61% in the FI's loan portfolio, which reached BDT 44,535.97 million in FY2022. Interestingly, the increase in the FI's asset base led to a reduction in the concentration of gross loans within the total asset portfolio. The proportion of gross loans decreased to 72.13% in FY2022, down from 72.71% in FY2021, marking the lowest level in the past four years. In the first six months of FY2023, the gross loans portfolio exhibited 0.35% decline from the end of FY2022 while the investments portfolio was again increased by 0.76% in the half year period of FY2023 from the end of FY2022.


In contrast, the FI has significantly increased its investment in government securities. In FY2022, the investment amount in government securities reached BDT 1,658.57 million, marking a substantial leap from BDT 8.24 million in FY2021. At the same time, the market sentiment was bullish at the beginning of the year, which prompted the FI to make the handsome amount of investment in capital market. Furthermore, from the second half of the year, the market was slow and the FI didn't increase its investment further in this segment. However, this remarkable increase resulted in a significant growth rate of 31.93% in FY2022 compared to the previous year, ultimately leading to a staggering 271.11% increase in the FI's investment segment compared to the previous year.

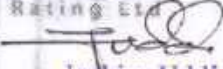
The non-performing loans (NPLs) of the financial institution (FI) have experienced a substantial increase primarily attributed to the non-classification of loans and leases, deferral facilities and payment holiday by the government credit levy and the central bank of Bangladesh. In FY2022, the NPLs of the FI witnessed a significant surge of 39.15%, amounting to BDT 384.77 million, compared to BDT 276.52 million in FY2021. According to the regulator's directives, the FI could not classify a large number of accounts in FY2020, but in FY2021, the classification policy was relaxed with limited deferral facility, allowing the FI to classify its loan portfolio based on its performance, which ultimately hit moderately hard to increase the FI's NPL during 2022. Furthermore, in FY2022, the financial institution (FI) did not reschedule any loans and advances, while the amount of rescheduled loans stood at BDT 61.49 million as of December 31, 2021. Notably, among the NPLs, bad/loss loans experienced a significant increase of 21.88%, amounting to BDT 306.52 million. This particular segment contributed substantially to the overall NPLs in FY2022, accounting for 79.65% of the total NPLs. This raises concerns and suggests that recovering from this segment may prove challenging in the foreseeable future. On the other hand, the concentration of sub-standard loans increased, while doubtful loans decreased in FY2022, representing 18.23% and 2.10%, respectively, of the total NPLs during that period.

Figure 4: Selected Indicators of DBH

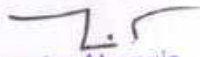



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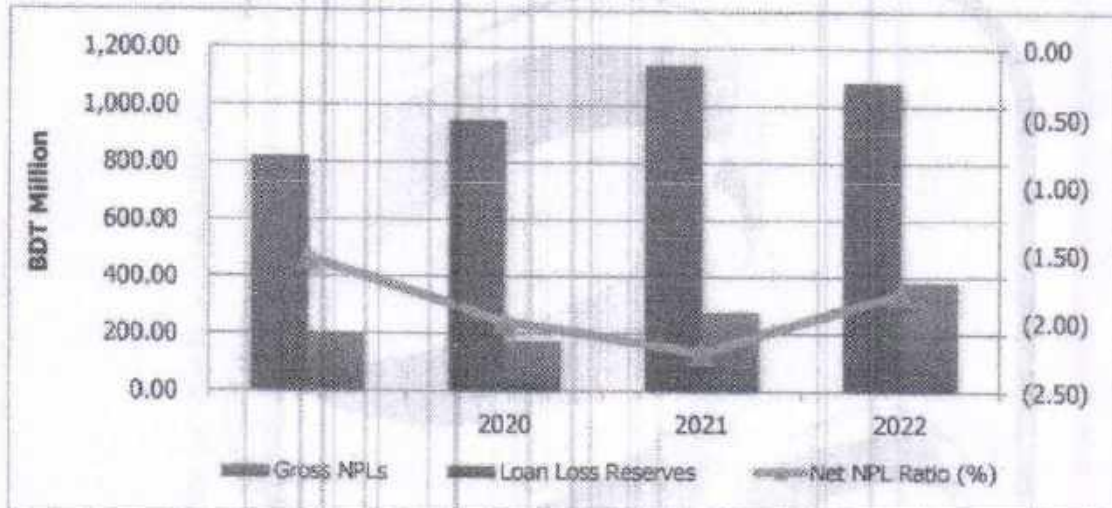

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Consequently, the Non-Performing Loan (NPL) ratio rose from 0.63% in FY2021 to 0.86% in FY2022. Nevertheless, the FI maintains one of the industry's lowest NPL ratios in the country. In FY2022, the financial institution experienced a notable increase in new Non-Performing Loans (NPL), amounting to BDT 155.19 million. This signifies that 40.33% of the NPL originated from new NPL in FY2022, while the FI had BDT 112.90 million fresh NPL during FY2021. As of December 31, 2022, the FI had BDT 111.81 million worth of loans categorized under the bad/loss loan status for over 2 years. However, in the first quarter that ended on March 31, 2023, the FI experienced a slight 0.78% decline in its loan and advances, reaching BDT 44,190.14 million compared to the data reported on December 31, 2022.

In FY2022, DBH maintained provisions totaling BDT 1,083.73 million, surpassing the required provision as per the audited financial statements by BDT 571.91 million. However, due to a significant increase in Non-Performing Loans (NPL), the loan loss reserve coverage decreased to 281.65% in FY2022 from 413.01% in FY2021. Nonetheless, this indicates that the FI has still maintained more than sufficient loan loss reserves to safeguard against any deterioration in loan quality.

Figure 5: Selected Indicators of DBH



D.1.2. Loan Diversification and Concentration

Being the leading and specialized housing finance institution, the financial institution (FI) holds a prominent position in the private sector of the country. This is evident in its sector-wise allocation of loans and advances. Specifically, in FY2022, the housing finance/real estate sector accounted for 93.21% of the total loans and advances, while consumer finance represented the remaining 6.79% during the same period. In FY2022, there was a slight reduction in the concentration of real estate finance/housing finance compared to the previous year. However, the high dependency on this sector highlights a lack of diversification in the FI's loan and advance products. This also implies that any slowdown in the real estate sector could potentially impact the FI's business performance. Additionally, the FI has a significant concentration of loans in the Dhaka division, indicating a lack of geographical diversification. This concentration exposes the FI to potential risks associated with regional economic conditions.

Geographical location wise 87.12% of the loan portfolio has been distributed in Dhaka. On the other hand 4.90%, 4.66%, 1.19%, 1.12%, 0.45%, 0.37%, 0.16% and 0.03% have been distributed in Chattogram, Gazipur, Cumilla, Narayanganj, Sylhet, Khulna, Rajshahi and Rangpur respectively in the financial year 2022.



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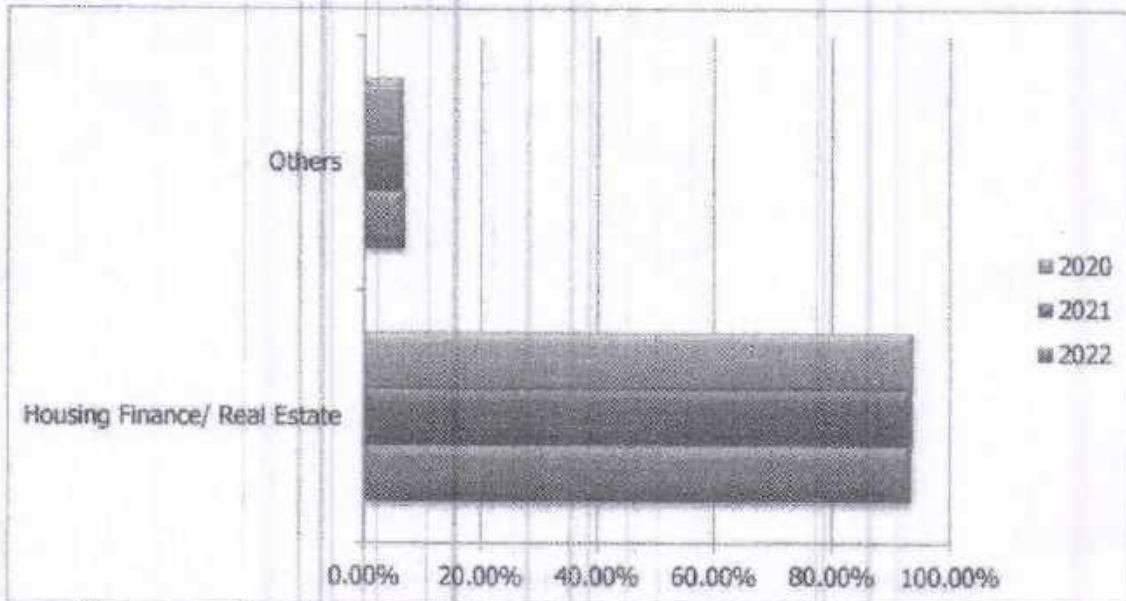
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Figure 6: Sector-wise loans & leases of DBH



D.1.3. Rescheduled and Written-off Loans

Over the years, the Financial Institution (FI) has maintained the high quality of its loans and advances. As of December 31, 2022, the FI didn't reschedule any of its loans and advances. Additionally, there have been no written off amounts in the past three years (FY2020, FY2021 and FY2022).

D.1.4. Large Loan Exposure

As of December 31, 2022, the financial institution's top 20 loans reached total funding of BDT 935.91 million, representing 2.10% of the gross loan portfolio. This percentage was slightly higher compared to the previous year's figure of 2.09%. In terms of distribution within specific categories, the top 10 loans, top 5 loans, and the largest individual loan represented 1.23%, 0.68%, and 0.17% respectively in the year of 2022. These statistics suggest that the financial institution effectively managed to consistently allocate its loan and lease portfolio, not limited to the largest 30 loans in the portfolio. Due to the financial institution's primary focus on financing funds for the purchase of flats/apartments to individual customers, the amount of exposure to a single loan borrower is relatively low compared to other financial institutions in the country. As a result, none of the outstanding loans exceeded the regulatory limit of 15.0% of the total capital. Additionally, the largest exposure to a single party did not exceed the ceiling range set by the Bangladesh Bank, which is 15% of the total capital.

D.1.5. Off-Balance Sheet Exposure

There was no off-balance sheet exposure of the FI in last two years of FY2021 and FY2022 while the off balance sheet exposure of the FI was BDT 632.26 million in FY2020.

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B.3. Funding and Liquidity

Exhibit 7: Selected Indicators of DBH

FY 31 December	*2023	2022	2021	2020	2019
Deposit (BDT Million)	44,976.40	40,060.59	43,978.36	43,828.87	43,411.28
Deposit Growth (%)	12.27	(8.91)	0.35	0.96	0.21
Loan to Deposit (%)	98.68	111.17	99.66	97.54	102.56
Net Loans to Stable Funding Base (%)	81.81	90.74			
			83.61	83.54	89.32
Net Loans to Customer Deposits (%)	96.17	108.27	96.88	95.25	100.78
Deposits to Total Funding (%)	62.70	64.88	72.96	74.78	73.27
Interbank Liabilities to Total Funding (%)	22.42	17.94	10.25	9.51	11.90

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

*FY2023 Data Extracted from first six months Unaudited Financial Statements

D.3.1. Fund Management

Although the deposit base of DBH has experienced slight positive growth in last financial year, it witnessed a significant 8.91% decline in its deposit base in the latest period under review here. The FI's total funding base stood at BDT 61,746.09 million at the end of FY2022 as opposed to BDT 60,278.61 million in the previous year. The lion share of DBH's funding base originated from its deposit base followed by interbank liabilities, equity and other liabilities. According to the financials, deposits make up 64.88% of DBH's total funding base at the end of FY2022; with interbank liabilities accounting for 17.94%, followed by equity (12.95%) and other liabilities (4.23%). On the other six months unaudited financials ended on June 30, 2023, the deposit portfolio of the FI reached BDT 44,976.40 million, witnessing a decent 12.27% growth compared to FY 2023.

The deposit base of the FI ended at BDT 40,060.59 million in FY2022, exhibiting a reduction of 8.91% compared to a slight rise of 0.35% in the preceding year mainly due to a fall in bank deposits by 5,650.00 million in FY2022. Due to rise of the costs of bank deposits in second half of the year and introducing new rate cap for the NBFIs, the FI reduced bank deposits portfolio to maintain profitability as well as ensure regulatory compliance. As a result, the deposits declined by 8.91% in FY2022 even though the public deposit basket (Individual, Govt & Others Institution) has increased in the same year.

In the recent year, the dependency on interbank liabilities has significantly increased which incorporated 17.94% of the total funding base compared to 10.25% in the prior year. It has been observed that the lion's share of the interbank liabilities is comprised of unsecured short-term loans and which experienced a massive 276.92% surge at the end of FY2022 compared to the previous year.

Total funding base of DBH climbed by 2.43% and stood at BDT 61,746.09 million at the end of FY2022 whereas the interbank liabilities witnessed a notable 79.42% uplift during the same period. Since the growth rate of interbank liabilities surpassed the growth rate of total funding base, it has led to a moderate upswing in the interbank liabilities to total funding ratio to 17.94% in FY2022 compared to 10.25% in the prior year.

The loan base of the FI experienced a surge of 1.61% whereas a considerable 8.91% decline in the deposit portfolio has been observed at the end of FY2022. As a consequence, it has resulted in a significant escalation in the loan-to-deposit ratio which stood at 111.17% in FY2022 against 99.66% in the previous year.



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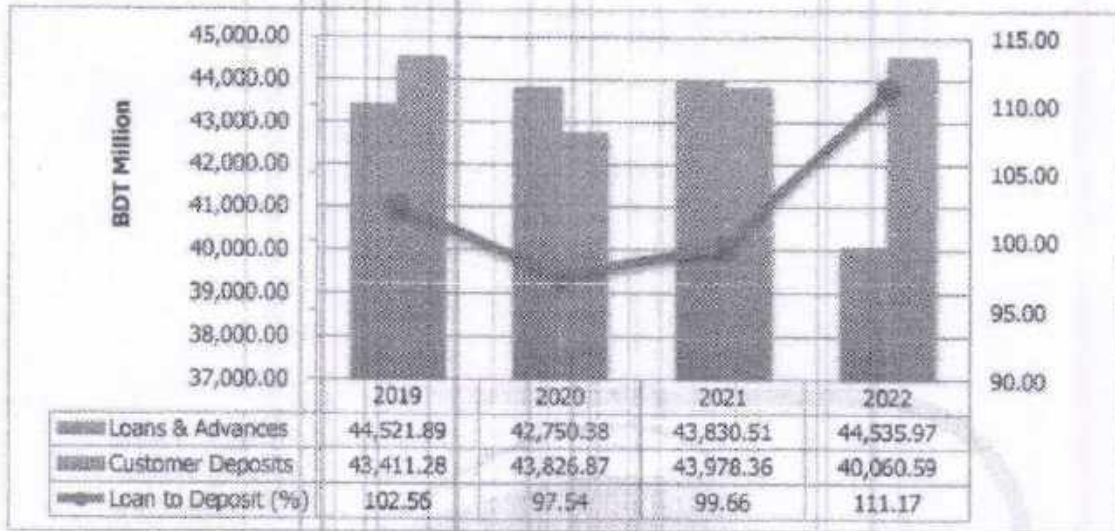
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Figure 7: Selected Indicators of DBH



D.3.2. Liquidity Management

According to the Bangladesh Bank's regulatory requirement, statutory liquidity reserve (SLR) of 5.00% and cash reserve requirement (CRR) of 1.50% on bi-weekly basis are to be maintained by NBFIs operating in Bangladesh. DBH has been keeping its CRR and SLR in accordance with the standards set by the Bangladesh Bank. At the end of 2022, DBH was required to maintain BDT 541.62 million and BDT 2,003.21 million in CRR and SLR respectively, while the FI kept BDT 568.86 million and BDT 7,816.86 million as CRR and SLR during the period. Consequently, CRR and SLR both had overall surpluses of BDT 27.24 million and BDT 5,813.66 million respectively in FY2022.

According to the FI's liquidity statement, the assets and liabilities of DBH are appropriately spread throughout several time horizons. The FI's various maturity buckets did not have any liquidity gaps except for the assets and liabilities in 3 to 12 months bucket and above 5 years bucket which demonstrates that DBH has a strong capacity to fulfill its liquidity needs without encountering several obstacles. Moreover, there was an overall liquidity surplus of BDT 7,994.96 million at the end of FY2022.

B.4. Earning Trends and Profitability

Exhibit 8: Selected Indicators of DBH

FY 31 December	*2023	2022	2021	2020	2019
Net Interest Income (BDT Million)	902.99	1,785.79	2,163.67	1,948.60	1,707.92
Net Interest Income Growth (%)	**1.13	(17.47)	11.04	14.09	(4.73)
Non-Interest Income (BDT Million)	166.08	348.84	319.10	199.69	233.40
Non-Interest Income Growth (%)	**(-4.78)	9.32	59.80	(14.44)	14.83
Pre-Provision Profit (BDT Million)	732.21	1,524.17	1,917.65	1,624.87	1,417.66
Pre-Tax Profit (BDT Million)	763.81	1,580.26	1,721.05	1,498.16	1,554.87
Post-Tax Profit (BDT Million)	490.03	1,016.73	1,043.89	890.93	1,073.25
Post - Tax ROAE (%)	6.05	13.34	15.27	14.56	19.79
Average Interest Spread (%)	1.58	2.58	3.58	3.46	2.44
Net Interest Margin (%)	1.55	3.06	3.74	3.40	3.04
Cost to Income Ratio (%)	31.51	28.60	22.76	24.36	26.97

FY2019-FY2022 data extracted from Audited Financial Statements, year ended 31 December.

*FY2023 Data Extracted from first six months Unaudited Financial Statements

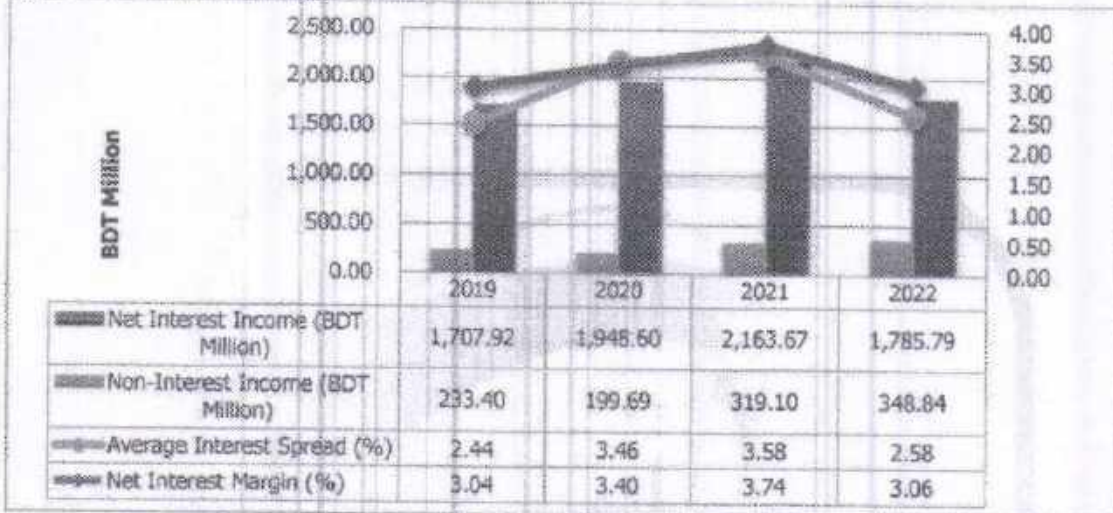
**Annualized figure





DBH has experienced a fluctuating trend in the net interest income over the previous four-year period from FY2019 to FY2022. Interest income of the FI saw 4.40% fall in FY2022, standing at BDT 4,831.16 million as opposed to BDT 5,053.57 million in the former year. In contrast, the interest expense experienced an escalation of 5.38%, ultimately reaching BDT 3,045.38 million in FY2022 compared to the previous year. Since DBH witnessed a surge in interest expense compared to interest income in FY2022, it has resulted in a deteriorate result in net interest income during the period from BDT 2,163.67 million in FY2021 to BDT 1,785.79 million in F2022.

Figure 8: Selected Indicators of DBH



Conversely, there has been an uplift of 9.32% in the non-interest income which eventually reached BDT 348.84 million at the end of FY2022. This rise in non-interest income can primarily be attributed to 16.07% surge in income derived from investments, 3.02% increase in commission, exchange and brokerage fees and 25.90% increase in other operating income during the aforementioned period.

However, the total operating income stood at BDT 2,134.63 million, showcasing a fall of 14.02% in FY2022, whereas 15.57% uplift in the total operating income was recorded in the previous year. Analyzing the composition of the total operating income, it consisted of 83.66% net interest income, 8.57% commission, exchange, and brokerage fees, 6.80% investments income and the remaining 0.97% other operating income.

In contrast, the total operating costs of the FI took off moderately, experiencing an upsurge of 8.02%, ultimately reaching BDT 610.46 million in FY2022. Consequently, it has resulted in a moderate rise in the cost-to-income ratio, which stood at 28.60% for the year, indicating a deterioration compared to 22.76% ratio recorded in the previous year. The heightened growth in operating costs ultimately led to a substantial decline of 20.52% in pre-provision profit, which concluded at BDT 1,524.17 million in FY2022 compared to BDT 1,917.65 million in FY2021. Furthermore, the post-tax profit witnessed a marginal reduction of 2.60%, resulting in a post-tax profit of BDT 1,016.73 million at the end of FY2022. This marks a notable decrease compared to the significant 17.17% upswing in post-tax profit observed in the previous year.

Moreover, the average interest spread of DBH experienced a slight decrease, concluding at 2.58% in FY2022, as opposed to the 3.58% recorded in the preceding year. The net interest margin slightly deteriorated to 3.06% from 3.74% in the previous year meaning lower profit generation compared to interest earning assets.

The FI has earned BDT 902.99 million net interest income in the first half of 2023 compared to the BDT 934.26 million in the same time previous year (Q2 2022). However, at the same time the non-interest income of the FI improved from BDT 144.09 million in Q2 2022 to BDT 166.08 million in Q2 2023. The post-tax profit is much lower at BDT 490.03 million in Q2 2023 from BDT 548.87 million of same time period last year.

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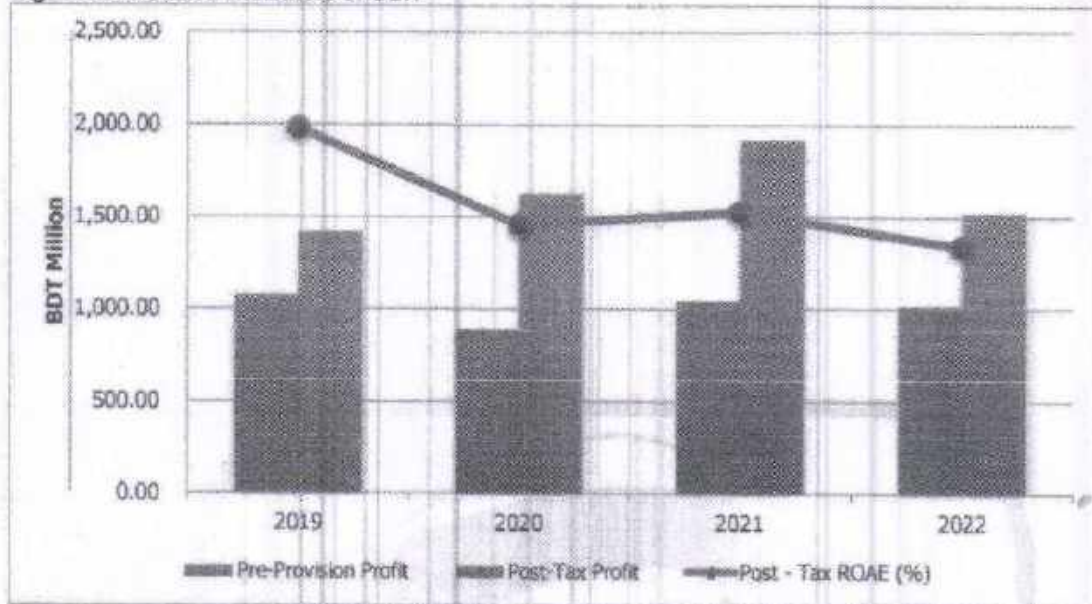
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Figure 9: Selected Indicators of DBH



C. MARKET RISK ANALYSIS

Market risk refers to the risk of losses in on and off-balance sheet positions arising from movements in market prices. It arises due to change in different market variables like interest rate, exchange rate, availability of liquidity with the lenders/ depositors, prices of securities in the stock exchange. But the major market risks in the financial institution industry arise due to interest rate risk, equity and commodity financing risk and foreign exchange risk.

But market risks of a Non-Convertible Redeemable Fixed Coupon Senior Bond of DBH Finance PLC may arise due to uncertainty related to the redemption risk, interest rate risk and pricing risk of the bond. Moreover, bond by nature are exposed to many sources of risk. The term structure of the interest rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However, the bond market is still a new concept to the Bangladesh economy as the conventional bond market is underdeveloped.

The debt instrument being offered by DBH is relatively insensitive to fluctuations in both market and company-specific risks due to its fixed coupon rate. Nevertheless, financial institutions (FIs) may experience greater interest losses if market interest rates decline below the predetermined interest rate in the debt instrument. Conversely, FIs stand to gain interest benefits if market interest rates surpass the pre-established rate in the bond.

The entity in discussion wishes to issue Non-Convertible Fixed Coupon Senior Bond to provide the Issuer with funding to be used by the Issuer exclusively for financing its lending operations to Individual Borrowers in the affordable housing finance space by way of Affordable Housing Loans. DBH Finance PLC is acting as the arranger and will sell the bonds whereas UCB Investment Limited is acting as the trustee. To evaluate the proper pricing and coupon rate structure offered for the instruments ECRL considered the following risk analysis related to the both market and instrument specific risk.

C.1. Interest Rate Risk

The rate of return to be offered by DBH Finance PLC. is expected to be 8.50% p.a. and, the coupon rate of the bonds shall be subject to the consent of the subscriber but not exceeding 8.50% p.a.

However, fixed rate of the bond might expose to higher interest rate in future if the market interest rate goes down than the rate to be offered by the FI. But in this regard, offered rate of return might be the lowest in future years which might sustain for the next couple of years as a result; such fixed rate of the bond will not expose the higher interest rate in present condition. Since, the bond is not

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intended to be publicly traded and will be distributed through private placement; the interest rate volatility of the issue is expected to be minimal.

C.2. Pricing Risk

Pricing risk in Bonds is that bond prices are inversely related to market interest rate. When market interest rate goes up bond prices goes down, and vice versa. A maturity profile of bonds also affects the bond price. There are two primary reasons why long-term bonds are subject to greater pricing risk than short term bonds. Firstly, there is greater probability that interest rates will change in the long term, thus negatively affecting a bond's market price, within a longer time period than within a shorter time period. As a result, investors who buy long term bonds but attempt to sell them before maturity may be faced with a deeply discounted market price when they want to sell their bonds. With short term bonds, the risk is not as significant because profit rates are less likely to substantially change in the short term. Short term bonds are also easier to hold until maturity, thereby, alleviating an investor's concern about the effect of interest rate driven changes in the price of bonds. Secondly, long term bonds have greater maturity than short term bonds. Because of this, a given interest rate change will have greater effect on long term bonds than short term bonds.

C.3. Counterparty Risk

The issue under consideration has several relevant parties apart from the investor whose credentials and backgrounds add to the credit worthiness of the issue Non-Convertible Redeemable Fixed Coupon Senior Bond.

C.3.1. Issuer

The company has intended to issue Non-Convertible Redeemable Fixed Coupon Senior Bond of DBH Finance PLC following laws of the people's republic of Bangladesh, the maturity of the bond will be 5 years from issue date. As an entity DBH has good track record to meet all kinds of financial commitments previously on a timely manner indicating that the issuer has the capability to redeem fixed coupon senior Bond of DBH Finance PLC's principal and interest payment to its subscribers.

C.3.2. Arranger

DBH Finance PLC is acting as the arranger for the bond issuance by DBH. It is carrying out the issue on a best efforts basis through private placement to selective International investors, Banks, Corporate Houses, Insurance Companies, NBFI's, Asset Management Firms, Mutual Funds, Merchant Banks, Non-resident Bangladeshis and individuals and High Net Worth Individuals etc. through multiple tranches

C.3.3. Trustee

UCB Investment Limited is acting as the trustee to the issue who is to perform the custodial role in this regard. The trustee is expected to abide by the terms and conditions laid in the trust deed which covers topics ranging from specifying its duties to covenants of repayment as well as course of action in the event of default.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. As a prudent and responsible financial institution, the Company attaches top priority to ensuring safety and security of the finances that are being extended.

D.1. Credit Risk

Credit risk is the loss arising from the failure of a client, its counter-party or related parties to meet their contractual obligations. Credit risk also includes those risks which create losses to the community in general or other stakeholders resulting from the failure in measuring the risk of approving credit. Thus managing credit risk for efficient management of a financial institution (FI) has become the most crucial task. Given the fast changing, dynamic global economy and the increasing





pressure of globalization, liberalization, and consolidation it is essential that FIs have robust credit risk management policies and procedures those are sensitive and responsive to these changes.

Credit risk for DBH has been segregated into various categories which include default risk, credit concentration risk, recovery risk, counter – party risk, environmental risk and last but not least related- party risk. Default risk refers to the event in which companies or individuals will be unable to make the required payments on their debt obligations. Lenders and investors are exposed to default risk in virtually all forms of credit extensions. To mitigate the impact of default risk, lenders often charge rates of return that correspond the debtor's level of default risk. The higher the risk, the higher the required return, and vice versa. Recovery & counter party risk can be mitigated with the help of a rigorous credit approval procedure.

D.1.1. Credit Risk Management

To encounter and mitigate credit risk, DBH employed multilayer approval process and carries out 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, takes collateral, performs valuation and legal vetting on the proposed collateral by members of their own dedicated technical and legal department, seeks legal opinion from external lawyers for any legal issues if required, review market situation and industry exposures regularly and obtain 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.

D.1.2. Credit Administration Process

DBH has a strong risk management unit to address different types of risk including credit risk. A detailed credit administration process has been outlined by the credit risk management department through their credit policy which was approved by The Board of Directors of 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.

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. 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.

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.

D.1.3. Credit Evaluation & Approval Process

Credit Policy acts as a guideline in every step of approval process for all concerned personnel. 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.

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. The multilayer approval system is designed depending on the size of the loan. 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. 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.



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D.2. Market Risk

The risk of loss arising from changes in market variables such as interest rates, security prices, equity index levels, exchange rates, commodity prices and general credit spreads are considered to be market risks. Since DBH is a non-banking financial institution, market risks may arise in the form of interest rate risk and equity price risk mainly.

Interest Risk: Interest rate risk is the exposure of DBH's financial condition to adverse movements in interest rates arising from re-pricing and/ or maturity mismatches, changes in underlying rates and other characteristics of assets and liabilities in the normal course of business. Capital charge for interest rate risk and foreign exchange risk is not applicable for DBH as it does not have such balance sheet items.

Equity Risk: Equity risk is the exposure of changes in prices and volatility of individual equities, baskets of equities and equity indices. DBH's credit policy ensures that exposures are sufficiently diversified and within the Company's risk appetite.

At DBH, business volume risk may arise in the form of risk of falling business volumes and market share, risk of being overtaken and losing leadership position and risk of over trading which may affect profitability due to volatile revenues and reduced spread earnings, credit rating and reputation. Risk of over trading may lead to insufficient capital. This risk may also be considered to be a part of market risk.

D.2.1. Market Risk Management

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 department manages the Market risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following manner:

Interest and Equity 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 by market analysis over interest rate movements which 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.

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. Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assured risks. DBH minimizes the equity risks by portfolio diversification as per investment policy of the Company.

D.3. Liquidity and Funding Risk

The risk of being unable to either meet payment obligations on maturity or to borrow funds from the market at an acceptable price to fund actual or proposed commitments include the liquidity and funding risk. Due to tradeoff between liquidity and profitability as well as mismatch between demand and supply of liquid assets raises this risk. Basically liquidity is of critical importance to financial institutions. Insufficient liquidity has been the cause behind most recent failures of financial institutions.



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D.3.1. Liquidity Risk Management

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.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

DBH has a strong institutional framework to meet the regulatory requirement of Corporate Affairs. DBH's experienced Board maintains an overview on the Company through the Supervisory Committees. In addition to bringing valuable perspective to the Board, DBH's independent directors contribute meaningfully through their roles within the committees. DBH understands sound corporate governance and its importance in retaining and enhancing investors trust. It adheres to the core values of credibility and accountability to serve its stakeholders with passion and commitment. Its values and transparent processes act as a catalyst in growth.

DBH promotes accountability of its management and the Board of Directors acknowledges its responsibilities towards its stakeholders for creation and safeguarding their wealth. DBH practices trustworthy, transparent, moral and ethical conduct, both internally and externally, and are committed towards maintaining the highest standards of Corporate Governance practices in the best interest of all its stakeholders. DBH strives that all its stakeholders have an access to clear, adequate and factual information relating to the Company.

E.1.1. Board of Directors

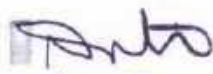
The Board of DBH has an optimum combination of Executive Director and Independent Directors. The Board comprises of total ten (10) members, out of which seven (6) are Non-Executive Directors, Chairman, vice-chairman and two (2) are Independent Directors. The Managing Director is an Executive and ex-officio Director of the Board. The Board of Directors is responsible for proper governance, which includes setting out company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively accountable to the company's shareholders for good governance to facilitate efficient and effective management in order to deliver shareholder value over the long term, within appropriately established risk parameters.

The Board of Directors of DBH is chaired by Mr. Nasir A. Choudhury, Mr. Choudhury is acting as Advisor of Green Delta Insurance Company Limited (GDIC). He is in the insurance profession for over the last 50 years and was the Founding Managing Director of GDIC until his retirement in May 2013. He is also the Chairman of Green Delta Securities Limited, Green Delta Capital Limited & GD Assist Ltd. Mr. Choudhury is an executive committee member of the Federation of Afro-Asian Insurers & Reinsurers (FAIR). He was the Honorable Insurance Advisor of Bangladesh Biman and Bangladesh Shipping Corporation for decades. He was the Chairman of Bangladesh Insurance Association, the official body of all the private sector insurance companies of the country from 2001 to 2005. He was honored with "Lifetime Achievement Award" by The DHL-Daily Star in April 2010 for his outstanding contribution towards the development of the insurance industry in Bangladesh. His other notable awards include: Lifetime Achievement Award by Asia Insurance Review as the first Bangladeshi Insurer, Mother Teresa International Award for contributions as a Social Worker, Honesty Award by Campus and Golden Award by Jalalabad Association.

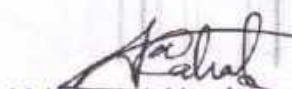
E.1.2. Board Meetings

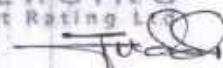
The Board meets at least four (4) times a year, once in every 3 (three) months, inter-alia, to discuss and review the financial results, business policies, strategies etc. The maximum interval between two Board meetings is not more than 3 months. Additional Board Meetings are held by the Company as and when the Company needs merit oversight and guidance. However, in case of business exigency or an urgent matter, approval of the Board is sought through resolution by circulation, which is noted in the subsequent Board Meeting. The Company circulates the Board/Committee Meeting agenda and





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related notes/documents well in advance which provides for quick and easy accessibility. During 2022, a total of nine (09) Board meetings were held.

E.1.3. Board of Directors Committees

The Board of Directors have constituted two committees namely – Audit Committee and Executive Committee which enables the Board to deal with specific areas or activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities. The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. Minutes of the Committee Meetings are circulated and placed before the Board of Directors in the subsequent Board Meeting for their noting. The Company Secretary acts as a Secretary to all the Committees of the Board.

Executive Committee (EC):

The Executive Committee of the Board is authorized to review all the proposals of loans and advances above authority delegated to the Managing Director & CEO with an upper limit of BDT 20.00 million. The Executive Committee was last reconstituted December 2, 2022 and the members are: Ms. Mehreen Hassan as its Chairperson, Dr. A M R Chowdhury, Mr. Nazir Rahim Chowdhury and Mr. Nasimul Baten, Managing Director & CEO. A total of 07 (seven) meetings of the Executive Committee were held in FY2022.

Audit Committee (AC):

The Audit Committee consist of 5 (five) members: Major General Syeed Ahmed, BP, awc, psc (Retd.) as the Chairman, followed by Mr. Syed Moynuddin Ahmed, Ms. Rasheda K. Choudhury, Mr. Mohammad Anisur Rahman and Mr. Khandkar Marwarul Islam. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives. The Company Secretary acts as the Secretary of the Audit Committee. The Head of Internal Audit concurrently reports to the Managing Director & CEO as well as to the Audit Committee. The Committee normally meets quarterly, but an emergency meeting of the Committee may be called, if required. During the period under review, 4 (four) meetings were held by the Audit Committee.

E.2. Senior Management

The strategic management activities and overall business operations of DBH used to be monitored by the Managing Director & CEO, Mr. Nasimul Baten. He is the home-grown Managing Director of the company where he served for 24 years before taking the lead role. He was previously working 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 extensive finance and corporate management experience, primarily in the housing finance and real estate sector, with prior work experiences in Bangladesh Bank, World Bank, IFC, ADB, FMO and other reputed local and international organizations. He is spearheading the Executive Management team for DBH's next phase of growth as the company solidified its position as country's largest home loan provider. He joined DBH in early 1998 and since then he managed almost all functional areas covering business, operations, risk management, distribution, sales, treasury and branch network during his prolonged association with the company. He is a member of the Old Faujian Association (OFA), IBA Alumni Association (IBAAA) and Cadet College Club Limited (CCCL).

E.2.1. Management Committees


Apart from functional departments, Several Management committees have been formed to handle the banking operation and identify and manage the risk associated with the business. There are 2 main committees under the management committee that aids in operating their day to day operation smoothly and ensure that the individual units run in accordance with the corporate strategic objective.

Asset Liability Committee (ALCO): One of the integral committees of DBH is the Asset Liability Management Committee (ALCO) which assesses financial market activities, manages liquidity, the




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changes in interest rate, market condition, carries out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. Five (05) members comprise of the ALCO of DBH that includes the Managing Director & CEO as chairperson as well as Head of Credit, Head of Deposit and Affordable Housing Loans, Head of Treasury and Head of Finance.

Risk Management Committee (RMC): One of the prime responsibilities of the Board is to oversee the quality of the risk management processes and systems through the Risk Management Committee. The committee also assists the Board with the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, verify the adequacy of the risk management function including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines and the quality of the risk management processes and systems.

E.3. Human Resource Management

Human Resource Management involves accounting for the company's management and employees as human capital that provides future benefits. Human Resource Accounting is the process of identifying and measuring data about human resources and communicating with the employees. DBH believes that its best investment is in the human resources, as the Company trusts 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. Presently, the total numbers of regular employees of the FI are 344 including 295 are male and 49 are female employees. During 2022, DBH recruited 96 new regular employees and 101 employees has been promoted, and 66 employees resigned from the FI.

E.4. Information Technology

DBH has invested a great deal on information & communication technology in order to ensure smooth operation and efficient service which is line with the growing customer base, business growth as well as introduction of diverse product range. In DBH, ICT infrastructure and software systems are being governed, closely monitored and upgraded with the changes of technology trends and business needs as well as for the improvement of operational efficiency.

In FY 2017, IT department has successfully implemented several new modules in the existing centralized software system, some of which are "Central file processing Hub", "Post sanction approvals management", "Collateral database" and "Document scanning management" etc. Moreover some modules like Prepayment, Easy Deposits, Legal, ROI change, EFTN etc. has been re-engineered for better performance.

ICT Infrastructure has also been upgraded. Implemented Real time active-active DR site is with both data and instance redundancy which includes Active Directory, Mail Server, File system and Database. DBH's DR site has been enhanced with new SSD storage. Central Patch management system for all workstations has also been implemented. DBH considers Cyber security as a big risk and so have appropriate control system for Cyber security & risk management which is regularly monitored. ICT security policy has also been updated as per regulator's guideline.

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CORPORATE INFORMATION (AS ON DECEMBER 31, 2022)

Board of Directors

Mr. Nasir A. Choudhury
 Dr. A M R Chowdhury
 Ms. Mehreen Hassan, Dar-at-Law
 Mr. Syed Moinuddin Ahmed
 Mr. Mohammad Anisur Rahman
 Mr. Khandkar Manwarul Islam
 Mr. Nazir Rahim Chowdhury
 Ms. Rasheda K. Choudhury
 Major General Syeed Ahmed, BP, awc, psc (Retd.)
 Mr. Nasimul Baten

Status

Chairman
 Vice-Chairman
 Director
 Director
 Director
 Director
 Director
 Independent Director
 Independent Director
 Managing Director & CEO

Shareholders

Sponsor/Directors
 General Public
 Financial institution & other companies
 Foreign Investors

Shareholding Percentage

51.32%
 11.63%
 18.82%
 18.23%

Auditors

ACNABIN

Chartered Accountants

BDBL Bhaban (Level-13),
 12, Kawran Bazar C/A,
 Dhaka-1215.

Corporate Office

Landmark Building (9th floor)
 12-14 Gulshan North C/A,
 Gulshan-2, Dhaka- 1212
 PABX : 09612 334455, (02) 9842374
 Fax: +880 (2) 9882110
 Email: dbh@dbhfinance.com
 Website: www.dbhfinance.com

DBH Affordable Housing Bond

EMERGING
Credit Rating



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BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayments of principal and payment of interest over the term to maturity of such debts.

RATING	DESCRIPTION
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg). Issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the financial institution's Rating over the intermediate term (typically over a one to two year period). The Rating Outlook may either be:

POSITIVE	Which indicates that a rating may be raised;
NEGATIVE	Which indicates that a rating may be lowered;
STABLE	Which indicates that a rating is likely to remain unchanged; or
LEVEL OFF	Which indicates that a rating may be raised, lowered or remain unchanged.

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DBH Affordable Housing Bond

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