

# ANNUAL REPORT 2015



**National Housing**  
Finance and Investments Limited

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# **National Housing Finance And Investments Limited**

**Registered Office :** National Plaza (7th & 8th Floor) 109, Bir Uttam C.R. Datta Road, Dhaka-1205

## **NOTICE OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 17th Annual General Meeting of National Housing Finance And Investments Limited will be held at Lakeshore Hotel, Road: 41, House: 46, Gulshan 2, Dhaka-1212 on Sunday, 22nd May, 2016 at 11.00 a.m. to transact the following business:

### **Agenda**

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31 December, 2015 together with reports of the Auditors.
2. Declaration of dividend for the year ended 31 December, 2015
3. To elect Directors in accordance with the relevant provisions of the Articles of Association of the Company.
4. To appoint Auditors and fix their remuneration for the year 2016.
5. To approve the re- appointment of Independent Director.

By order of the Board

**(Md. Sarwar Kamal, FCS)**  
Company Secretary

Dated: April 10, 2016

### **Notes:**

- i) The record date will be 03 May, 2016 to determine the rights of Shareholders to current dividend and to attend & vote at the meeting.
- ii) Pursuant to Section 85 of the Companies Act, 1994, the Company gives notice that only the shareholders whose names are entered on the Register or Depository Register of Shareholders on record date will be entitled to attend and vote at the meeting and at any adjournment thereof.
- iii) A shareholder may, as per Article 98 of the Articles of Association of the Company, appoint Proxy to attend and on a pool, to vote instead of him/her. The instrument appointing a proxy and the Power of Attorney, where applicable, must be deposited at the Corporate Office at least 48 hours before the time of holding the meeting. The Proxy Form must be affixed with revenue stamps of Tk. 20.00.
- iv) Members are requested to notify change of address, if any, through their respective Depository Participants well in time.
- v) The members are requested to update their respective BO Accounts with 12 digits e-TIN number before the Record Date. If any shareholder fails to update his/her BO Account with e-TIN disbursement of his/her dividend will be subject to deduction of Advance Income Tax (AIT) 15% instead of 10% (for individual) as per Section 54 of the amended Income Tax Ordinance, 1984.
- vi) For convenience, the Shareholders/Proxy is requested to record their entry at the entrance of the AGM on 22 May, 2016 in between 9.00 a.m. to 11.00 a.m.

**N.B: In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no Gift/Gift Coupon/Food Box shall be distributed at the AGM.**

# CORPORATE INFORMATION & KEY MILESTONES

Registered Name	: <b>National Housing Finance and Investments Limited</b>
Legal Form	: Public Limited Company under Companies Act, 1994
Incorporated on	: August 18, 1998
Registration Number	: C-36097(397)/98
Authorized Capital	: BDT 2,000 Million
Paid-up Capital	: BDT 1,063.92 Million
Certificate of Commencement	: August 18, 1998
Date of Bangladesh Bank License	: December 29, 1998
First Mortgage Loan	: June 16, 1999
Opening of Motijheel Branch	: August 18, 2001
First Lease Finance	: February 22, 2004
Opening of Chittagong Branch	: April 06, 2004
Opening of Gulshan Branch	: June 01, 2004
Date of Listing:-	
Dhaka Stock Exchange	: December 23, 2008
Chittagong Stock Exchange	: November 11, 2008
Opening of Bogra Branch	: April 19, 2009
Opening of Rangpur Branch	: October 16, 2014

## **Registered office:**

National Plaza (7th Floor), 109, Bir Uttam C.R Datta Road (Ex-Sanargaon Road), Dhaka-1205

Tel: 9670612-4, 9677181-2, 9669800 Fax: 9671016

Web: [www.nationalhousingbd.com](http://www.nationalhousingbd.com)

E-mail: [info@nationalhousingbd.com](mailto:info@nationalhousingbd.com)

## **Auditors:**

Howlader Yunus & Co.

Chartered Accountants

House: 14 (14th Floor) Road: 16/A, Gulshan-1, Dhaka-1212

## **Governance Compliance Auditor**

SA Rashid & Associates

Chartered Secretary in Practice

Noakhali Tower (10th Floor, 11-F), 55/B Purana Paltan, Dhaka-1000

## **Legal Advisor:**

Barrister Masudur Rahman, (Masudur Rahman & Associates), Barrister ASM Abdur Razzaque, (Abdur Razzaque & Associates), Barrister Monzur Alam Khan (Legal Professional), Barrister Nuruzzaman (Justiciars), Advocate Abdul Kuddus, (Law and Remedy)

## **Tax Advisor:**

Syful Shamsul Alam & Co., Chartered Accountants and Tuheen & Associates

## **Membership:**

Bangladesh Leasing & Finance Companies Association (BLFCA)

Metropolitan Chamber of Commerce & Industry (MCCI)

International Chamber of Commerce- Bangladesh (ICC- Bangladesh)

Bangladesh Association of Publicly Listed Companies (BAPLC)



### **Our Vision**

Become the role-model financial institution with a keen sense of corporate social responsibility through maintaining the highest standards of business ethics. In doing so, the Company would add value to the wealth of the customers, employees, shareholders and society as a whole.



### **Our Goal**

Build up excellent client relationship and thereby add long-term value to the shareholders.



## Our Mission

Be equal Housing Lender to all, irrespective of caste, creed and sex. Provide quality services with care and sophisticated technology. Create innovative products to cater to the requirement of the competitive marker. Build a high quality employee team by providing job satisfaction and prospect of outstanding career development. Maximize steady return on shareholders' equity by quality investment of funds.



## Our Core Values

- ◆ Protect national interest and be part of national growth and prosperity.
- ◆ Create good leaders rather than typed managers.
- ◆ Give high priority on honoring trust, fairness, confidentiality, rules and regulations, objectivity, transparency, integrity, and corporate, individual and social responsibility.
- ◆ Always keep pace with state of the art technology and innovative ideas.

# OUR OBJECTIVES

Maximize shareholders' value through development of stringent investment strategy and control procedures

Create balanced portfolio in Potential Sectors for enhancement of corporate strength

Provide diversified products and uninterrupted services to the valued clients.

Pursue ways to reduce cost and apply extremely vigilant terms monitor to risks and to operate most efficiently

Maintain highest standards of transparency and strengthen good corporate governance practices.

# CODE OF CONDUCT & ETHICAL PRINCIPLES

- Maintain strict professional integrity, proficiency, decency and self-esteem with the customers and related parties.
- Comply with all applicable laws, rules and regulations.
- National Housing Finance is always straightforward in disclosing and resolving conflict of interest.
- Maintain stringent confidentiality of customer's information unless otherwise directed by competent regulatory authority.
- Courtesy and co-operation to the client is our manifesto. Encourage employees to act in a professional and ethical manner so as to create a good impression of National Housing Finance and its employees. Trustworthy commitment to customers to build long-term relationship.
- Apply professional judgment and high quality care in all cases.
- Apply own corporate policies and appropriate technical and professional standards for rendering services to the client.
- Encourage and act against falsification, dishonesty, fraud, trickery and forgery.
- Uphold the Company's good name and integrity.





# CORPORATE SOCIAL RESPONSIBILITY



The business and economic environments have undergone dramatic changes all over the world. Escalation of poverty and climate changes have become great hurdles for economic growth of the world. Considering these, the concept of Corporate Social Responsibility (CSR) is the demand of the current era. CSR has become a concept that frequently overlaps similar approaches, such as corporate sustainability, corporate sustainable development and corporate responsibility.

To meet CSR, the sponsors of National Housing Finance And Investments Limited formed a Public Limited Company under the Companies Act, 1994 and licensed by Bangladesh Bank under the Financial Institutions Act, 1993 to meet the most important basic need of housing of urban people. National Housing Finance is a socially responsible organization and always keento promote the interest of customers, employees, shareholders and communities as a whole. National Housing Finance has upheld its CSR in the following ways,

- National Housing Finance has provided 5,087 Home Mortgage Loans over the years at comparatively low interest rate on reasonable terms, and for long durations.
- A good number of clients got waiver of interest due to their inability to pay the loan because of permanent disability or through death. Furthermore, their loans are rescheduled for reasonable durations with installments commensurate with their ability to pay their loans.
- National Housing Finance is always strict on principle about not providing any lease/loan facilities for any environmentally hazardous or child labor oriented company.

# PRODUCTS & SERVICES

## **Home Mortgage Loan**

- Self construction of own home
- Purchase of apartment or house
- Renovation of existing house/apartment
- Housing plots purchase
- Group Home Mortgage Loan
- Commercial space and chamber of professionals

## **Project Mortgage Loan**

- Project mortgage loan for Property development

## **Lease Finance**

- Acquisition of industrial machineries, equipment, generator, power plant etc.
- Car purchase
- Medical/Hospital equipments

## **Term Loan for Industries**

- Work order finance
- Factoring

## **SME Finance**

- Agro based processing industrial loan
- Women Entrepreneur Loan
- Cluster financing

## **Deposit Schemes With Attractive Return**

- Term Deposit Account
- Double Money Account
- Income Account
- Monthly Savings Scheme (MSS)
- Millionaire Savings Account

## OUR DEPARTMENTS



# SHAREHOLDING STRUCTURE

<b>Sponsor Shareholders</b>	<b>82.23%</b>
<b>Banks</b>	<b>14.15%</b>
IFIC Bank Limited	
National Bank Limited	
United Commercial Bank Limited	
<b>Insurance Companies</b>	<b>33.15%</b>
Eastern Insurance Company Limited	
Eastland Insurance Company Limited	
Jiban Bima Corporation.	
National Life Insurance Company Limited	
Pragati Insurance Limited	
Reliance Insurance Limited	
Sadharan Bima Corporation	
<b>Local Corporate/Business Group</b>	<b>27.63%</b>
Bangladesh Lamps Limited	
Borak Travels (Pvt.) Limited	
HRC Bangladesh Limited	
Shaw Wallace Bangladesh Limited	
Square Pharmaceuticals Limited	
Unicorn Equities Limited	
<b>Non-Resident Bangladesh Investors</b>	<b>7.30%</b>
Overseas Investors Forum (UK)	
Overseas Investors Forum (Zambia)	
<b>General Shareholders</b>	<b>17.77%</b>

## DIRECTOR'S PROFILE



### **Latifur Rahman**

Chairman

Representing Bangladesh Lamps Limited

Mr Latifur Rahman is the Chairman and CEO of Transcom Group, with annual turnover of over Taka 40 billion, employing around 14,000 people. The business originated with tea plantations in 1885.

Group companies dealing with pharmaceuticals, beverages, electronics, fast food, snacks and breakfast cereals, distributions, print media and tea include, Eskayef Bangladesh, Transcom Beverages, Transcom Electronics, Transcom Foods, Transcom Distribution Company, Transcom Consumer Products, Media-star, Mediaworld and Tea Holdings.

Transcom is a major stakeholder in Reliance Insurance Limited, National Housing Finance and Investments Limited, IDLC Finance Limited and Pubali Bank Limited.

He is also Chairman of Nestlé Bangladesh and Holcim Cement (Bangladesh) Limited. He is a member of the Governing Body of BRAC, world's largest NGO.

Mr. Latifur Rahman is currently the Vice President of ICC – Bangladesh. Mr. Rahman has also been elected as a Member of the Executive Board of International Chamber of Commerce, Paris for a 3-year term w.e.f 1st July 2014.

He is a former President of Metropolitan Chamber of Commerce, the position he held for seven terms and also a former President of Bangladesh Employers' Federation (two terms).

Mr Rahman was Chairman, Tradebody Reforms Committee, Member – Bangladesh Better Business Forum, Advisory Committee on WTO. He was Member of the Executive Board of Bangladesh Bank (Central Bank).

Mr Rahman is an Honouree of "Oslo Business for Peace Award 2012" and was awarded Business Executive of the Year 2001 by American Chamber in Bangladesh.



## Mr. Mahbubur Rahman

Director

Representing Eastland Insurance Co. Ltd.

Mr. MAHBUBUR RAHMAN (1942) is the President of International Chamber of Commerce (ICC) – Bangladesh, *The world business organization* (Estd. in Paris ; 1919) having its presence in 130 countries around the world.

Mr. Rahman is the Chairman & CEO of ETBL Holdings Limited (Estd. 1962)- a conglomerate of 7 (Seven) wholly owned commercial & industrial affiliates and stake holder of 4 (Four) PLCs. He is the Founder Chairman of Eastland Insurance Co. Ltd.(plc) (Estd. 1986), Bangladesh International Arbitration Centre (BIAC) – *The Institution for Alternative Dispute Resolution* (2004) and International Publications Limited (Publishers of The Financial Express – *The National English Financial Daily*).

Currently, Mr. Rahman is a Founder Member of Business Advisory Council (EBAC) of UN-ESCAP (United Nations Economic & Social Commission for Asia & the Pacific); Vice Chairman of Bangladesh Foreign Trade Institute (BFTI), Member of the Board of Governors of Institute of Business Administration (IBA) of the University of Dhaka, Founder Member of the Independent University Bangladesh (IUB) and a Board Director of Karnaphuli Fertilizer Co. Ltd. (KAFCO).

Mr. Rahman was the President of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) -- *The Apex National Chamber of Bangladesh* (1992-1994), The Dhaka Chamber of Commerce & Industry (DCCI) -- *The Premier Chamber of the country* (1985-86 and 1991-92), Founder Vice President (1993-95) of 8-Nation SAARC Chamber of Commerce and Vice President (West Asia) of 57-nation Islamic Chamber of Commerce in 1993-95.

During 1972-79, Mr. Rahman represented Government of Sri Lanka in Bangladesh before Colombo setup its Diplomatic Mission in Dhaka. He was a Founder Director and Chairman of National Bank Limited (plc), (Estd. 1983) Former Board Member of BIMAN-Bangladesh Airlines (National Carrier of Bangladesh), The Dhaka Stock Exchange and Member of the Board of Governors of Bangladesh Open University (BOU).

Mr. Rahman was awarded **The Lifetime Achievement Award** in 2012, by the “DHL-The Daily Star” sponsored most prestigious ‘Bangladesh Business Award’.

Mr. Rahman was honoured as a “**Presidential Friend of Indonesia**” in 2012 at its 67th Independence Day in Jakarta by the President His Excellency Mr. Susilo Bambang Yodiono of Indonesia.

Mr. Rahman has been honoured by The Daily Star as eminent personalities for **Lifetime Contribution to Nation-Building in 2016**.

He hosted several International Business & Economic Events in Dhaka attended by Heads of many multi-lateral Agencies as well as Heads of Governments & led many Trade & Investment Delegations to a number of overseas destinations including heading a few Business Delegations as entourages of the President/Prime Minister of Bangladesh.



## Mr. Azmal Hossain

Director

Representing Eastern Insurance Co. Ltd.

Mr. Azmal Hossain, Director of National Housing Finance and Investments Limited and Vice Chairman of Eastern Insurance Co. Ltd. He is also Managing Director of Hashem Paper Mills Ltd. He has been involved in manufacturing of electric goods, paper, housing beside insurance.



### **Mr. M Nurul Alam**

Director

Representing Shaw Wallace Bangladesh Ltd.

Mr. M Nurul Alam is the Managing Director of Shaw Wallace Bangladesh Ltd and Nominated Director of Shaw Wallace Bangladesh Limited in the Board of National Housing Finance And Investments Ltd. and International Leasing And Financial Services Limited. He is also Managing Director of SW Shipping Ltd. and Director of SW Multimedia Ltd.

Mr. Alam had previously served various foreign and multinational companies including James Finlay PLC, P&O Nedlloyd Bangladesh Limited and Maersk Bangladesh Limited before joining Shaw Wallace in February 2008.

Mr. Alam took his Honours and Masters degrees in Economics from Chittagong University and later did MBA (major in Finance) from Institute of Business Administration, Dhaka University.



### **Mr. Md. Kabir Reza FCMA**

Director

Representing Square Pharmaceuticals Ltd.

Md. Kabir Reza is the group Finance Director of Square Pharmaceuticals Ltd and Managing Director of United Financial Trading Company Limited. He is a Fellow member of Institute of Cost and Management Accountant. He obtained B.Com (Hons.) M. Com. from Rajshahi University. A man of strong personality and unbendable principle, his long business and private service career are decorated with unmatched success.

Mr. Reza started his career with Rafkhat Group of companies as an Assistant Manager (Accounts) from 1991 to 1993. Then he took the responsibility of chief accountant of Bangladesh Engineering & Technological Services limited during the period from 1993 to 1995. At the height of his professional career, he became the director of Accounts and Finance of Square Pharmaceuticals Limited on the year 2000. In addition to that he is a Director of Strategic Equity Management Limited (Asset Mgt. Company), Eastern Logistic Services Limited.



### **Mr. Jowher Rizvi**

Director

Mr. Jowher Rizvi, Director and Chairman Executive Committee of NHFIL completed his MBA degree in International Finance and Accounting from Indiana University, USA. He also earned MA in Economics with Honors from Dhaka University.

Mr. Rizvi started his professional career with Bank of Credit and Commerce International (BCCI) in 1977 and at the same time was engaged with Institute of Business Administration (IBA) as a part time (Honorary) Lecturer. From 1991 to 1997, he served Union Bank Zambia Ltd., Zambia as its founder Managing Director. Returning to Bangladesh he established Alliance Holdings Limited (AHL) and started his journey as an entrepreneur. In 1997, along with his friend Mr. Muhammed Aziz Khan of Summit Group, he entered the Off-Dock business where Mr. Rizvi has since served as the Managing Director of Ocean Containers Limited (later on merged with Summit Alliance Port Limited). Subsequently in 2003, the two sponsors jointly made another valuable addition to the expanding Off-Dock industry of the Country by establishing Summit Alliance Port Limited (SAPL). SAPL is listed with the two major bourses of the country.

Mr. Rizvi, through AHL has substantial investments in Off-Docks, Textile, Garments, Prefabricated Steel Building Manufacturing, Real Estate Development, Financial Institutions, Lubricant Blending and Telecommunications etc. In spite of his busy schedule, he still finds time to pursue his favorite passion and teaches on part time (Honorary) basis at different educational institutions of the country including Chittagong Port Authority (CPA) Training Institute and National Defense College (NDC).



### **Mr. Muminul Haque Chowdhury**

Director

Representing Borak Travels (Pvt.) Limited

Mr. Muminul Haque Chowdhury holds an M.S. in Economics from University of Darmstadt of New York. He also holds a Post Graduate Diploma in Energy Management from the State University of New York.

His area of specialization includes Business Administration, Negotiation, Financial and Economic Analysis, Monitoring and overall Management. Mr. Chowdhury is also an Advisor of Unique Group of Companies Limited. He has actively participated in many professional seminars at home and abroad.





### **Mr. Akhtar Ahmed**

Director  
Representing Reliance Insurance Ltd

After completing B.A. (Honors) and M.A. from Dhaka University in 1970, Mr. Akhtar Ahmed joined Eastern Federal Union Insurance Company, the largest insurance company in the then Pakistan, as an Executive Officer. Following the nationalization of insurance industry in Bangladesh in 1972, his services were absorbed in Sadharan Bima Corporation.

In 1981 he joined Asian Reinsurance Corporation and served there in various Managerial position till 1989. In 1989 he joined Arab Insurance Group, the largest insurance organization of the Middle East and served for 14 years in various positions as Chief Manager, Regional General Manager and Chief Executive of its Far East operations, based in Hong Kong and Kuala Lumpur.

Mr. Ahmed returned back home in 2003 and served as Managing Director of Sadharan Bima Corporation till February 2004. In 2005 he completed an assignment as Consultant to KPMG, Abu Dhabi, on a project for setting up a large reinsurance company in the Middle East. Mr. Ahmed is Advisor of Reliance Insurance Ltd.

Mr. Ahmed is an Associate of Chartered Insurance Institute, UK.



### **Mr. Md. Manirul Islam**

Director  
Representing Pragati Insurance Ltd

Mr. Md. Manirul Islam is working with Pragati Insurance Limited as Managing Director and CEO since 1st October, 2012. He obtained B.Com (Honors) and M.Com from Dhaka University in 1976, Mr. Islam joined Sadharan Bima Corporation in May 1981 as a Trainee Officer and after successful completion of the probation period he was absorbed as 'Deputy Manager'. He also obtained BIA Diploma from Bangladesh Insurance Academy in the year 1985. He retired voluntarily from Sadharan Bima Corporation on 30th September, 2012 as General Manager.

Mr. Islam is associated with various social organizations. He was a councilor of Bangladesh Football Federation (BFF). He was also a councilor and Member of the Finance Committee of Bangladesh Cricket Board (BCB).



### **Syed Tanveer Hussain**

Independent Director

Syed Tanveer Hussain is a retired senior bureaucrat with more than 35 years experience in Government. After retiring, he now heads "Climate Change Company", a climate and environmental services company.

Mr. Hussain has held the post of Secretary in several key ministries such as Housing and Public Works Ministry, Textile, Planning, the last being as Secretary, Ministry of Environment and Forests.

In 2001, Mr. Hussain was the National Censes Commissioner and conducted the national census for that year. Prior to his being Secretary Mr. Hussain was the Chief Controller of Insurance.



### **Professor Imran Rahman**

Independent Director

Professor Imran Rahman Director and Chairman, Audit Committee of National Housing Finance is the Vice Chancellor of the University of Liberal Arts Bangladesh (ULAB). He has twenty-nine years of teaching experience, including twenty-two years at the Institute of Business Administration (IBA) as a teacher of investments, capital markets and corporate finance, in the MBA and BBA Programs.

He ran a merchant bank for six years in the 1990s, and has twenty five years of corporate consulting experience at home and in the UK. Professor Rahman was a doctoral researcher in finance at the Manchester Business School in the mid eighties. He has a MBA from IBA and a B.Sc. in Economics from the London School of Economics and Political Science.



### **Mr. Imtiaz Mahmood**

Independent Director

Mr. Imtiaz Mahmood is a reputed Lawyer of Bangladesh Supreme Court. He has expertise in Company Law matters. He obtained his LL.B (Hon's) from University of London UK in 1993.

He started his legal career as an Associate of House of Law, Barrister, Solicitors, Advocate and Tax consultant. Later he worked as an Associate, in Dr. Kamal Hossain & Associates from September 1996 to May 2000. At present he is a partner of Mahmood Jabbar Khan, Barrister & Advocates, Dhaka.

Mr. Mahmood has experience in handling Legal matters of Direct Foreign Investment, Petroleum, Mineral Resources, Power, Telecommunication and in Commercial Arbitration both Foreign and Local including ICC.



### **Mr. Md. Khalilur Rahman**

Managing Director

Mr. Md. Khalilur Rahman joined as Managing Director of National Housing Finance And Investments Ltd. (NHFIL) in February 2015. Prior to join as Managing Director he was Additional Managing Director of NHFIL from October 2013.

Mr. Rahman has more than 35 years experience in various Banks & NBFIs at home and abroad. He started his career with Bangladesh Shilpa Bank as Senior Officer (Financial Analyst) in the year 1979. He also worked with IFIC Bank as Senior AVP, Southeast Bank as VP, IIDFC as AMD and BIFC as MD. He has been successfully discharging his assignments while posted at various capacities of his career at home and abroad.

Mr. Rahman completed his MBA from IBA, University of Dhaka.

## BANKERS

- Bank Al-Falah Limited
- Bank Asia Limited
- Eastern Bank Limited
- Islami Bank Bangladesh Limited
- Jamuna Bank Limited
- Mercantile Bank Limited
- National Bank Limited
- One Bank Limited
- Prime Bank Limited
- Pubali Bank Limited
- Shahjalal Islami Bank Limited
- The Premier Bank Limited
- The Trust Bank Limited
- United Commercial Bank Limited

## MANAGEMENT TEAM



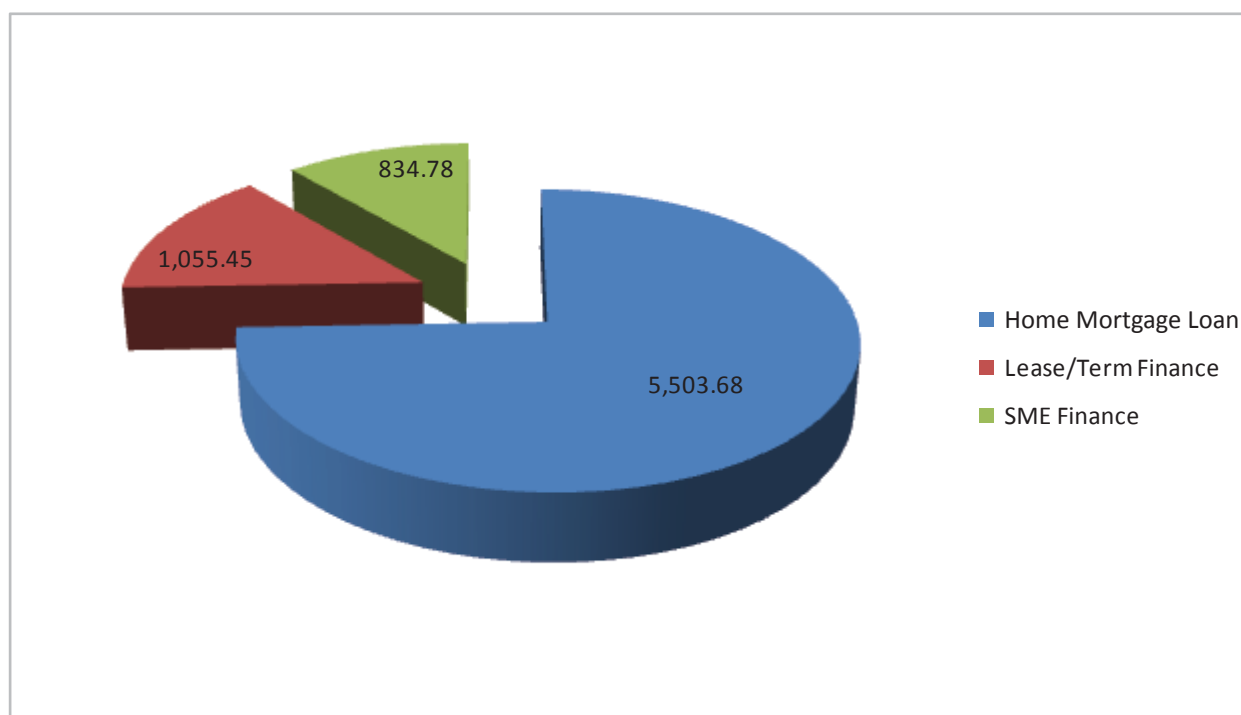
<b>Managing Director</b>
Md. Khalilur Rahman
<b>Senior Vice President</b>
Md. Kamal Pasha
Shital Chandra Saha
<b>Vice President</b>
Md. Nazrul Islam
Md. Abdul Baten
<b>Assistant Vice President</b>
Abu Naser Md. Ahad Sarker
Sayed Ahmed, FCMA
Md. Sarwar Kamal, FCS
Mahbubur Rashid Al Amin
<b>First Assistant Vice President</b>
Md. Ziaul Karim
Md. Jahedul Islam
<b>Manager</b>
Ruhul Amin
Shibbir Ahmed
Israt Jahan
Rajib Ahasan Khan
Sharmin Zahan
Md. Mezanur Rahman
Kabir Hossain
Md. Abdul Al Sumon
Mohammad Qumrul Hassan
A.M. Enayet Karim
Md. Mashiur Rahman
Nayan Malakar
Dilip Chandra Roy

Deputy Manager	
Md. Azizur Rahman	
Md. Anowar Hossain	
Masbha Uddin	
Ibrahim Khalil	
Probir Shel	
Sirajul Islam	
Mohammad Shahjahan	
Purna Chandra Deb Sharma	
Rumana Amin	
Tanvir Ahmed	
Md. Abu Faysal Rony	
Assistant Manager	
Abdullah Al Kafi	
Md. Moaychan Ali	
Sheikh Farid	
Md. Monirul Hasan	
Kh. Sayful Islam Rana	
Suraiya Yeasmin	
Md. Mostafizur Rahman	
Syed Sharif Ahmed Sumon	
Md. Junayed Abedin	
Reza Karim Md. Khaled	
Md. Humayun Ahmed	
Tania Afrose	
Abu Jafar Md. Abdullah	
Mohammad Mazharul Islam, ACS	
Md. Alimul Islam	
Chief Financial Officer	
Sayed Ahmed, FCMA	
Company Secretary	
Md. Sarwar Kamal, FCS	
Branch In-Charge	
Abu Naser Md. Ahad Sarker	Bogra Branch
Md. Jahedul Islam	Rangpur Branch
A.M. Enayet Karim	Motijheel Branch
Rajib Ahasan Khan	Gulshan Branch
Mohammad Qumrul Hassan	Chittagong Branch

# OUTSTANDING PORTFOLIO

(Figure in million)

Particulars	Amount	(%)
Home Mortgage Loan	5,503.68	74.44%
Lease/Term Finance	1,055.45	14.27%
SME Finance	834.78	11.29%
<b>Total Portfolio</b>	<b>7,393.91</b>	<b>100.00%</b>



# FINANCIAL HIGHLIGHTS

## Business Environment and Its Likely Impact on the Financial Performance of NHFIL

These statements involve uncertainties and actual achievements may differ from plans and expectations due to changes in the business environment. Following are some major factors that may affect the business environment:

- Change in the country's general economic conditions.
- Natural calamities and political disturbances.
- Changes in commodity price levels.
- Further volatility in interest rates.
- Changes in government policies
- Changes in corporate income tax rate and VAT.
- Changes in Monetary policies of the Bangladesh Bank.
  - Increase in provisioning requirements.
  - Increase in statutory liquidity reserves and cash reserve requirements by the Bangladesh Bank.
  - Change in the Bangladesh Bank's re-financing scheme.

## Key Operating and Financial Highlights

(Figures in Million Taka except ratios and per share data)

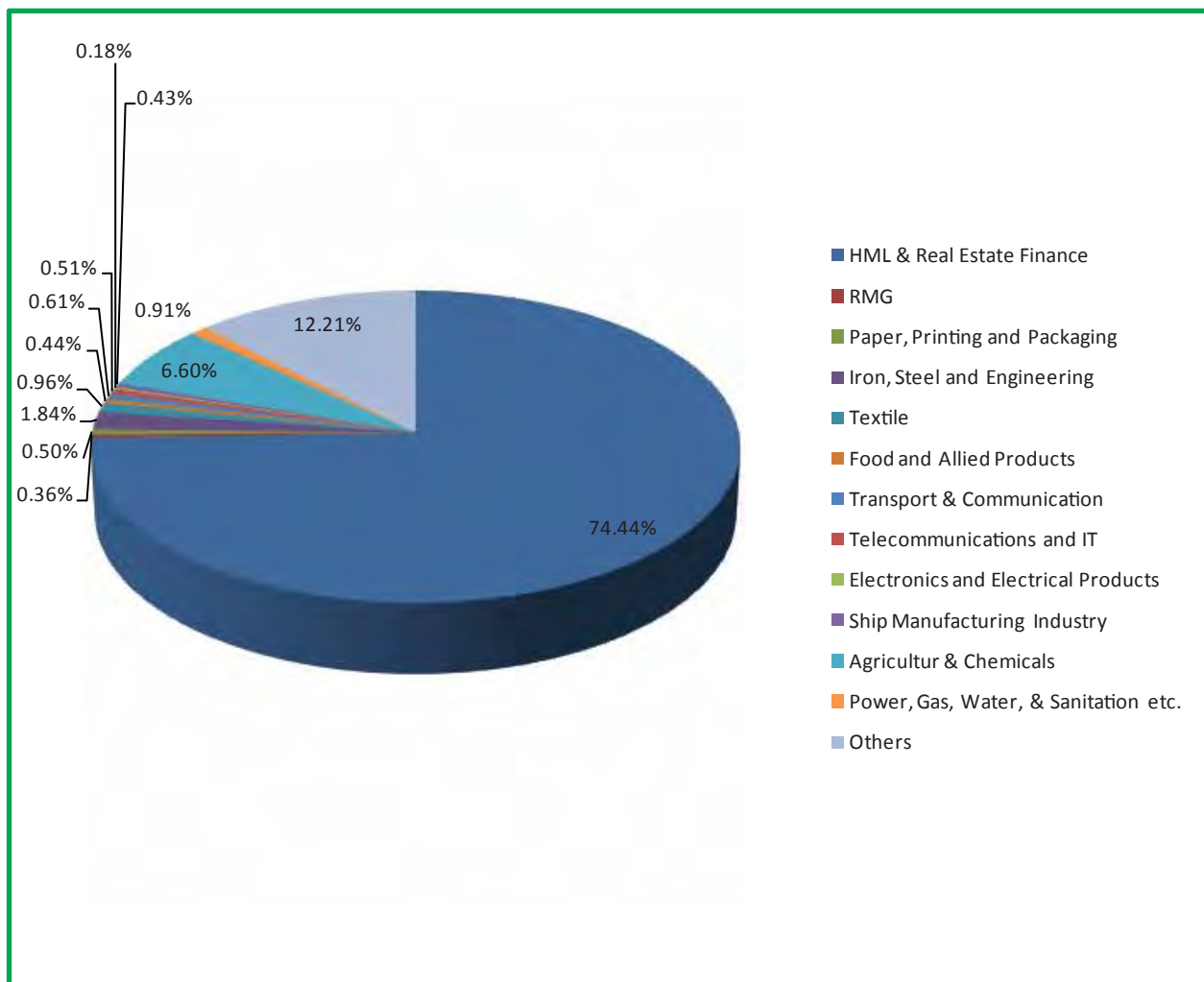
Particulars	2015	2014	2013	2012	2011
<b>Operational Highlights</b>					
Home Mortgage loan sanction	2,769.70	1,552.64	907.50	280.70	401.50
Lease, Term and SME loans sanction	372.15	518.41	629.60	788.50	971.58
Home Mortgage loan disbursed	2,299.52	1,126.72	836.35	183.77	350.36
Lease, Term and SME loans disbursed	403.01	554.17	555.88	738.32	667.73
Cumulative Home Mortgage loan disbursed	9,781.08	7,481.56	6,354.84	5,518.49	4,984.36
Cumulative lease, Term and SME loans disbursed	7,136.36	6,733.35	6,179.18	5,623.30	4,217.24
Cumulative Home Mortgage loan sanction	11,500.24	8,730.54	7,177.89	6,270.39	5,588.19
Cumulative lease, Term and SME loans sanction	7,433.45	7,061.30	6,542.89	5,913.29	4,153.21
<b>Financial Highlights</b>					
Operational income	553.27	436.00	368.22	248.95	278.20
Operational expenses	100.59	87.39	74.56	68.52	65.74
Financial expenses	517.58	469.13	524.72	480.62	476.46
Administrative Expenses	88.49	75.59	59.65	55.80	52.26
Profit before tax	399.56	337.40	233.92	80.01	217.71
Provision for taxes	168.60	127.80	66.45	38.57	101.45
Net profit after tax	230.96	209.60	167.47	41.44	116.26
Shareholders' fund	1,574.06	1,502.69	1,426.08	915.41	873.97
Total deposit	5,551.86	3,826.43	3,288.67	2,739.72	2,187.41
Total borrowing	879.03	967.21	1,007.38	1,193.26	1,471.02
Total loan portfolio	7,393.31	5,567.60	4,865.37	4,476.36	4,325.95
Total balance sheet size	8,824.10	6,857.11	6,266.52	5,466.81	5,088.52
NPL ratio (%)	5.55%	5.71%	6.47%	10.10%	6.42%
<b>Financial ratios</b>					
Earnings per share	2.17	1.97	1.57	0.39	1.09
Dividend per share	17.00%	15.00%	12.50%	*5.00%	*20.00%
Net asset value per share	14.79	14.12	13.40	8.60	8.21
Financial expenses coverage (times)	1.77	1.72	1.45	1.17	1.46
Profit margin (before tax)	37.31%	37.28%	26.20%	10.97%	28.85%
Profit margin (after tax)	21.57%	23.16%	18.76%	5.68%	15.41%
Return on equity	15.01%	14.31%	14.30%	4.63%	13.81%
Debt equity ratio	4.47	3.45	3.25	4.68	4.59

\* Stock Dividend



## SECTORAL PORTFOLIO(%)

HML & Real Estate Finance	74.44%
RMG	0.36%
Paper, Printing and Packaging	0.50%
Iron, Steel and Engineering	1.84%
Textile	0.96%
Food and Allied Products	0.44%
Transport & Communication	0.61%
Telecommunications and IT	0.51%
Electronics and Electrical Products	0.18%
Ship Manufacturing Industry	0.43%
Agricultur & Chemicals	6.60%
Power, Gas, Water, & Sanitation etc.	0.91%
Others	12.21%
<b>Total Portfolio</b>	<b>100.00%</b>



# VALUE ADDED STATEMENT

For the year ended December 31, 2015

The value added statement represents the value created by National Housing Finance And Investments Limited through operational activities and shows the total worth created and how the same was distributed to meet various obligations and reward those responsibilities for its creation. A portion of added value has also been retained in the company for continued operation and expansion of NHFIL.

(Figures in BDT except %)

Particulars	31-Dec-15		31-Dec-14	
	Amount	%	Amount	%
<b>Value added</b>				
Net interest income	509,690,407	113.45%	412,217,723	104.23%
Fees earned	139,650	0.03%	151,200	0.04%
Investment income	9,588,036	2.13%	(162,337)	-0.04%
Other income	33,851,545	7.53%	23,787,273	6.01%
Operating expenses excluding staff cost and depreciation	(50,874,398)	-11.32%	(29,281,858)	-7.40%
Provision for loan, advances & investments	(53,127,501)	-11.83%	(11,219,880)	-2.84%
<b>Total value added by the company</b>	<b>449,267,739</b>	<b>100%</b>	<b>395,492,121</b>	<b>100%</b>
<b>Distribution of value addition</b>				
Employees as remuneration	56,110,316	12.49%	54,145,682	13.69%
Dividend to ordinary shareholders	180,866,400	40.26%	159,588,000	40.35%
Income tax	168,595,570	37.53%	127,800,197	32.31%
	<b>405,572,286</b>	<b>90.27%</b>	<b>341,533,879</b>	<b>86.36%</b>
<b>Retained for expansion and future growth</b>				
Value retained in the business	40,093,716	8.92%	49,998,461	12.64%
Depreciation	3,601,737	0.80%	3,959,782	1.00%
<b>Amount distributed</b>	<b>449,267,739</b>	<b>100%</b>	<b>395,492,121</b>	<b>100%</b>

Number of employees at the end of the year

129

101

**Value created per employee (BDT)**

**3,482,696**

**3,915,764**

Number of shares

106,392,000

106,392,000

**Value created per share (BDT)**

**4.22**

**3.72**

# ECONOMIC VALUE ADDED (EVA) STATEMENT

For the year ended December 31, 2015

Economic value added is value-based financial performance measures which reflects the absolute amount of shareholders' value created or destroyed during each year. It provides a measurement of a company's economic success or failure over a period of time. Such a yardstick is useful to investors who wish to place confidence with the company to retain their fund for better earnings as compared to other similar companies or similar industry. Economic value added is calculated by taking a company's net operating profit after tax subtracting from its cost of average equity.

EVA has been calculated by the following formula:

$EVA = \text{Net operating profit after tax} - (\text{Capital employed} \times \text{Cost of equity})$

NOPAT

NOPAT is the net operating profit after tax which is calculated by deducting the income tax expense from operating profit

(Figures in BDT)

Particulars	31-Dec-15	31-Dec-14
	Amount	Amount
Net operating profit	452,683,187	348,617,674
Provision for taxes	168,595,570	127,800,197
<b>Net operating profit after tax (NOPAT)</b>	<b>284,087,617</b>	<b>220,817,477</b>
<b>Charges for capital</b>		
Capital employed	1,661,416,313	1,573,553,746
Cost of equity (%)	8.00%	11.60%
Capital charge	132,913,305	182,532,235
Economic value added	151,174,312	38,285,243
Number of shares	106,392,000	106,392,000
<b>Economic Value Added Per Share</b>	<b>1.42</b>	<b>0.36</b>

## Cost of equity

Cost of equity reflects shareholders' expected return. Eventually this is the opportunity cost for shareholders for investing their funds in the company. Interest on 5 (five) years Government Treasury Bond plus a standard risk premium has been assumed to be the cost of equity.

Interest rate on 5 (five) years Government Treasury Bond on December 31	6.00%	9.60%
Standard Risk Premium	2.00%	2.00%
Cost of equity	8.00%	11.60%

## Capital employed as on December 31

Shareholder's equity	1,574,057,203	1,502,685,087
Accumulated provision for doubtful accounts and future losses	146,512,765	99,577,571
Total capital employed	1,720,569,968	1,602,262,658
<b>Average capital employed</b>	<b>1,661,416,313</b>	<b>1,573,553,746</b>

# Market Value Added (MVA) Statement

For the year ended December 31, 2015

Market Value Added represents the confidence that the market places on the future stream of EVAs. Market Value Added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the company. This statement depicts the difference between the market value of a company and the capital contributed by the investors.

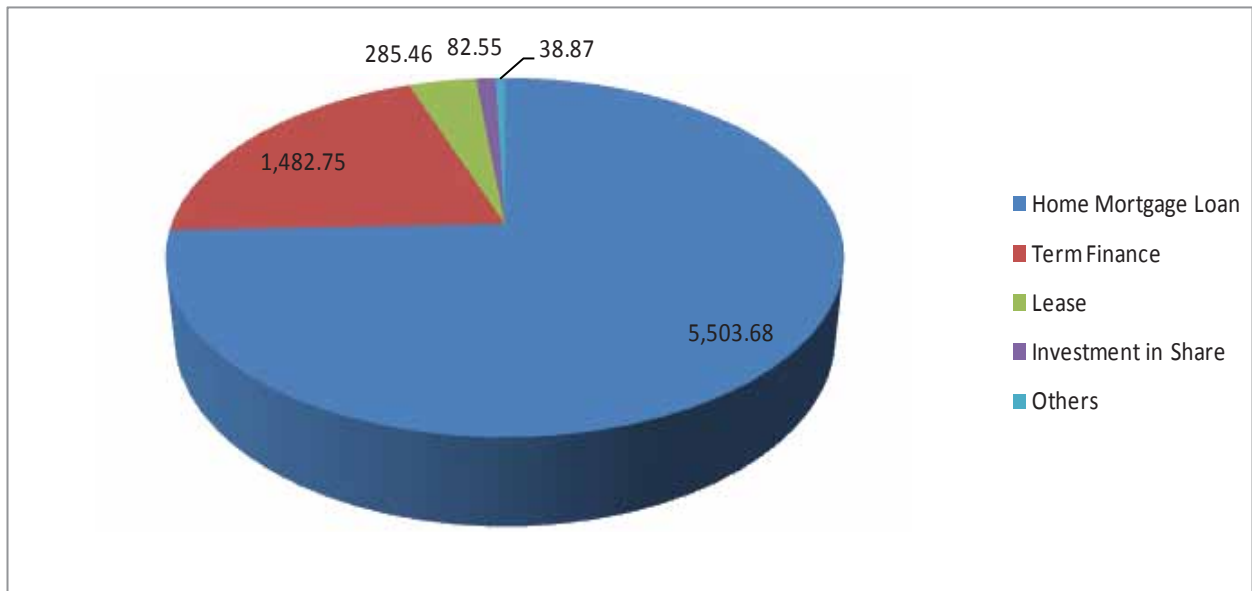
Higher MVA is better for the company. A high MVA indicates that company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value contributed to the company by the capital market. The following statement shows how MVA has been arrived at for the year ended December 31, 2015 and 2014.

(Figures in BDT)

Particulars	31-Dec-15 Amount	31-Dec-14 Amount
Market value of shares outstanding	3,691,802,400	3,010,893,600
Book value of share outstanding	1,063,920,000	1,063,920,000
<b>Market value added</b>	<b>2,627,882,400</b>	<b>1,946,973,600</b>

## PORTFOLIO MIX

Home Mortgage Loan	5,503.68
Term Finance	1,482.75
Lease	285.46
Investment in Share	82.55
Others	38.87
<b>Total</b>	<b>7,393.31</b>





From the desk of Chairman

Dear Shareholders, Respected Guests, Ladies and Gentlemen,

I feel privileged to be able to welcome you at this august gathering, the 17th AGM of your Company, to-day, the 22nd of May, 2016. My dear colleagues, as owners of this special-purpose company that is engaged in meeting one of the components of the basic needs of a human being - shelter under the sky - fondly called, "home, sweet home", you deserve special tributes, particularly for your understanding of this noble cause and your unbridled support to and cooperation with what we do at National Housing Finance and Investment Limited. I humbly solicit you to believe that your hand serves as a great source of strength and spirit in the pursuit of our efforts for the progress of the Company.

Bangladesh is, perhaps, going to take the shape over time akin to a city state like Singapore or Hongkong considered in terms of the large size of her population and the small size of her land mass. Her population density is 1015 persons per square kilometer, one of the highest densities in the world. She has a great number of children while an acutely narrow space for accommodation of them. This leads to a serious scarcity of dwelling houses both in rural and urban areas.

On the other hand, villages are pushing people to cities and townships under allurements of better amenities and greater prospects of life; conversely, urban centers are pulling in rural people to have them do, mostly, the odd jobs requiring ever increasing hands. Thus, a great process of migration from villages to cities is underway, and there is no stopping of the human current in the foreseeable future. Deeper concentration of population in cities and townships are placing greater demands for housing facilities which is manifest in the sprawling number of developer companies, higher prices of land, buildings, flats, office and commercial spaces.

Economic growth in recent years has been remarkably satisfactory; GDP of the country has been hovering around 6+ percent for several years, income from domestic and external business, and inward remittance has been consistently increasing year-on-year contributing to an increase in purchasing power of the citizens, specially of the middle-income group who aspire for own dwelling places such as flats and buildings while the rich is a stable clientele.

But, building living houses, flats, office and commercial blocs involve huge sums of money; that is where financial organizations like ours come in. We are availing this opportunity with a dual purpose – first, to do business, second, to serve a social cause. The boom in the housing sector started around 2003 and continued uphill until 2007-8 when the country got upset by a massive political upheaval that torpedoed the surge and forced a catastrophic downturn in the market. There is wide scale awareness about the issue and revivalist steps are being taken by various quarters so the damage could be repaired fairly enough to reinstate transactions such that concerned parties could engage in buying and selling meeting mutual interests.

It is encouraging that the market has started gaining strength and we, at NHFIL, have been successful in making better use of the opportunity and increasing the business volume during 2015 by 32.79% that jacked our net profit up by 10.2% over that of 2014. To achieve further heights, the Board of Directors has reshuffled policies and strategies: to mention some of them, focus on Lease and SME financing has been intensified, operational belt has been tightened to effectively reduce cost of fund, steps have been taken to induce strong and smart loan management and recovery capacity, most importantly, in order to maintain a constantly vibrant environment pointed towards healthy and hefty business in the organization, a self-help scheme has been introduced which had a profound impact on the business done in 2015 and is expected to gain further speed in the coming years.

Considering the overall position of the Company, the Board has been pleased to recommend 17% cash Dividend to the shareholders for the year 2015.

The Company has decided to purchase a floor space measuring 6,850 sft. on the 7th floor at Concord Baksh Tower, Plot: 11A, Road: 48, Block: CWN (A), Gulshan: 2, Dhaka. We wish to shift its Corporate Head Office and Gulshan Branch to the space within mid 2016. Interior decoration work is undergoing at the space.

I wish to put on record our full satisfaction and recognition of the prudent services provided by the employees of all strata of National Housing Finance and Investment Limited, the result of which is amply manifest in the performance of last year. The directors of the board have been watchful of the activities of the company all through the past year and took all care to offer necessary guidance, counsel, moral and professional support to the functionaries with reasonable flexibility and without hesitation. Their services warrant high accolade and we have great pleasure in acknowledging our debt to them. And finally, I would like to request you to please accept my gratitude for rendering support and reposing your trust and confidence in the strength of our management team as we proceed towards sustainable and profitable growth to the benefit of all the stakeholders.

I sincerely wish our legion comprising you, the directors and the employees will continue to hold each other's hand in times ahead and work in concert so our mutual interests are realized to the brim.

To conclude, I wish you all peace of mind in good health and prosperity. Thank you.



Latifur Rahman  
Chairman





From the desk of Managing Director

Respected shareholders, honorable members of the Board of Directors and distinguished guests:

Assalamu Alaikum:

I have great pleasure in welcoming you on the occasion of the 17th Annual General Meeting of National Housing Finance and Investments Limited to this ceremony, to-day, the 22nd of May, 2016, where each year you are apprised of the status of your company by the honorable directors, and in the process, you and the directors jointly take certain flagship decisions that serve as the source of spirit and direction for our activities all through the next year.

I am pleased to inform you that despite protracted national political turmoil, very many challenges and continuous anemic conditions obtaining in the capital market for the last several years, your company was successful in performing remarkably better in the year 2015, based mainly on its core business. The operating income during the period under reference was BDT 553.27 million representing an increase of 26.90% upon that of the year 2014. The earnings per share (EPS) stood at 2.17 in 2015 as against 1.97 in 2014.

As you know, National Housing is engaged in the business of home loans, industrial term loans and in the SME sector, but in consideration of the economic and business environment of the country, we placed greater emphasis on home loans as our core product in the year 2015. That contributed to increment of home loan disbursement by 61.13% over that of the year 2014. In consultation and regular interaction with the directors of the board, who are men of poise, patience, perseverance and experience, we have decided to bring about reforms in the operational procedure of the company adjusted to domestic circumstances reflecting national economic trends, business conditions, movement of the purchasing power of target clients, behavioral changes in potential clients, and international developments in trade and commerce. As a part of this policy, we have been building relationships with various developer companies by signing Memoranda of Understanding (MOUs) to secure and enhance our core business. An innovative, all-embracing and curiosity provoking marketing and communication plan is being meticulously implemented to create a discernible brand-image of the company. That will, in all possibility, sharpen our competitive edge in the face of our competitors. Most significantly, we have tightened our belt and are taking coordinated steps to gear up recovery efforts to hold NPL volume to a level where requirements for financial provisions against such loans could be saddled up to a bare minimum with lesser impact on profitability. All this is expected to bolster business and benefits for all stakeholders over time.

You will be pleased to know that with a view to enhancing image and increasing business National Housing is going to shift its Corporate Head Office and Gulshan Branch to its own accommodation at the 7th floor of Concord Baksh Tower at Plot No.: 11A, Road No.: 48, Block No.: CWN (A), Gulshan-2, Dhaka.

I like to convey my thanks and profound gratitude to the Chairman and the Directors of the Board for the policy guidelines, advices and business foresight provided by them all through the past year that proved instrumental in whatever success the operational team has been able to achieve. I would also like to thank the management team, officials and the rank and file of the staff for their research and hard work, short of which the company could not have touched the desired line of attainment. I express my gratitude to Bangladesh Bank, RJSC, BSEC, DSE, CSE, CDBL, our Auditors, customers and all our well wishers for their full cooperation.

While wishing you peace, prosperity and happiness in days approaching, I thank you for kindly partnering with us in the course of our efforts at National Housing.



Md. Khalilur Rahman  
Managing Director

# DIRECTORS' REPORT

# DIRECTORS' REPORT

Dear Shareholders:

I, on behalf of the Board of Directors of National Housing Finance and Investments Limited, have the pleasure to present the Annual Report and Audited Financial Statements of Your Company for the year ended December 31, 2015, together with the Auditors' Report thereon.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, Corporate Governance notification of BSEC dated 7 August, 2012, the Listing Regulation of DSE & CSE, Guideline of Bangladesh Bank and other applicable Rules and Regulations. As per BSEC's Corporate Governance notification a separate report titled 'Report on Corporate Governance' is furnished herewith which may be treated as part of this Directors' Report.

## Bangladesh Economy

Bangladesh economy crossed two important milestones in FY15 due to sustained GDP growth for several years at rates well above the global output growth rates. The first one is the graduation to the status of lower middle income country from the low income country group, and the second one is the improvement in OECD Export credit eligibility ranking to group 5, one notch below India but ahead of all other South Asian neighbors.

Bangladesh economy achieved reasonably satisfactory growth in spite of the prolonged political problems at home and slower growth in both developed and emerging markets abroad. Provisional estimates of the Bangladesh Bureau of Statistics indicate that real GDP recorded a growth of 6.5 percent in FY15, which was higher than 6.1 percent recorded in FY14. Measured at current market prices, the GDP of Bangladesh in FY15 was estimated at Taka 15,136 billion which was about 12.7 percent higher than that of FY14. The per capita GDP is estimated to have been Tk. 52,222 in FY15. However, the government has again set a target for GDP growth in FY16 at around 7.0 percent and inflation rate has been targeted at 6.2 percent with an expectation of accelerated growth in agriculture, industry and service sectors. It also expects that the global economy will be improved further and the internal political situation will be stabilized.

Bangladesh achieved 'Ba3' with stable outlook for the 6th consecutive years according to Moody's credit rating. Stable real GDP growth and strong external balances helped Bangladesh to achieve 'BB' rating with stable outlook from Fitch Ratings for the first time. Besides these new attainments, consolidation of macroeconomic stability, foreign exchange reserve growth and poverty decline maintained pace in FY15, setting the stage for transition to a higher growth trajectory.

Outstanding bank credit (excluding foreign bills and inter-bank items) during FY15 rose by 13.50% to Taka 5,728.98 billion as against an increase of 12.61% in FY14.

Bank deposits (excluding inter-bank items) increased by 12.64% to Taka 7,463.01 billion during FY15 against 15.65% increase in FY14.

Broad money (M2) recorded lower growth of 12.4% in FY 15 against targeted growth of 16.5% and 16.1% actual growths in FY14. Export earnings increased in FY15 to USD 31.21 billion from USD 30.19 billion and Import payments in FY15 stood at USD 40.69 billion registering a positive growth of 11.2 percent compared to USD 36.57 billion in FY14.

The flow of inward remittances from Bangladeshi nationals working abroad regained its growth in FY15 and played an important role to increase foreign exchange reserve and strengthening the current account balance of the country. The country experienced a record growth of remittance of 7.6% in FY15 compared to negative 1.6% growth in FY14.

### Money Market Scenario

Bangladesh Bank pursued a cautious yet growth friendly monetary policy stance for FY15. The weighted average interest rates on deposits increased during FY10-FY13 and then started decreasing from FY14 and reached at 6.80 percent in FY15. Similarly, the weighted average interest rates on lending increased during the period of FY10 to FY12 and started declining thereafter and reached at 11.67 percent in FY15. Weighted average interest rate in the call money market was stable in FY15 at 5.8% to 8.6%.

### Capital Market Activities

The DSE broad index and the market capitalization of Dhaka Stock Exchange Limited (DSE) were quite stable during July 2014 to February 2015. The market behavior was hampered during the second and third quarters of FY15 for a short period of time due to political unrest in the country. The DSEX and the market capitalization declined to Taka 4,047.29 billion and Taka 2,973.47 billion respectively at the end of April 2015 from Taka 4,864.96 billion and Taka 3,259.25 billion in December 2014. DSE inaugurated the Demonstration Program of New Book Building Software and Data Transmission Software for New Public Issue Application Processes on 12 March 2015. DSE became an Affiliated Member of the World Federation of Exchanges (WFE) on 3 March 2015. 21 companies raised new equity of Taka 7.3 billion in the capital market in FY15, higher than Taka of 6.6 billion raised by 12 companies in FY14. Of the new equity issued, Taka 1.7 billion rose through private placements and Taka 5.6 billion raised through public placements. In FY14, equity issued through private and public placements were Taka 2.4 billion and Taka 4.2 billion respectively.

### Performance of financial sector

Non-Bank Financial Institutions (NBFIs) are playing a crucial role by providing additional financial services that cannot be always provided by the banks, particularly easy and speedy services necessary for emergency and off-the-cuff requirements in industrial establishments. The NBFIs, with more multifaceted products and services have taken their place in the competitive financial market to satisfy the changing demands of customers. NBFIs also play an important role in the capital market as well as in real estate sector of Bangladesh. Presently, out of 33 NBFIs, 3 are Government-owned, 10 are joint ventures and the rest 20 are privately-owned local entities. Meanwhile, the branch network increased to 198 as on 30 June 2015.

NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in industrial sector.

NBFIs are allowed to invest in the capital market to the extent indicated in the Financial Institution Act, 1993. In 2014, all NBFIs' total investment in capital market was Taka 18.4 billion compared to Taka 10.7 billion in 2013. Investment in capital market accounted for 3.5 percent of the total assets of all NBFIs. At the end of June 2015, NBFIs total investment in capital market stood at Taka 14.8 billion.

NBFIs are allowed to mobilize term deposit only. At present, term liabilities are subject to a statutory liquidity requirement (SLR) of 5.0 percent inclusive of average 2.5 percent cash reserve ratio (CRR) on bi-weekly basis. The SLR for the NBFIs operating without taking term deposit is 2.5 percent.

### Industry Outlook

#### Housing Finance

The rise of the real estate sector trails back to late 2006 when liberal policies were introduced in respect of funds flowing into the sector with the purpose to make optimum use of monies of all denominations irrespective of sources and means of acquisition. That initiative ushered in hitherto unprecedented robust developments causing the business reach its peak during next few years. Sales glutted and prices reached astronomical heights supplying booties to developers and lenders alike. But, the frenzy got halted due mainly to dramatic changes taking place in the political landscape of the country during 2007-2008 and spilling over to contemporary times. The sector, representing buying and selling of, and lending for lands, plots, apartments, buildings, commercial spaces, blocks for offices, universities, schools, colleges, hospitals, hotels & restaurants and the like plunged further when the blistering capital market nose-dived from its high-flight and got entirely dismembered in 2010-11.

Any observer of economic trends is in the knowledge that investments in housing and other real estate properties put up eloquent description of the economic identity of any nation, because that demonstrates the purchasing power, savings and rate of employment of citizens. During the initial decade of this millennium, the housing sector in the Western countries, particularly, in America made a quantum leap boarding on the shoulders of various complex and opaque financial derivatives. But, the ascension did not last long owing to malpractices and over-milking of the systems and sent the entire world suffering from economic recession. While the economic repair works are still on, the unprecedented collapse in fuel oil prices since early 2014 has forced big economies - linked to Bangladesh by way of exports, imports and development partnership – to cut spending, embrace frugality in every sphere including business and development assistance. That is inflicting adverse business and economic consequences upon the country. Our government and quarters concerned do recognize the significance of the issue but the situation does not still provide any indication of a resurrection.

The stark truth about the matter is that the country has a little land mass compared with the size of its population; particularly, the great concentration of people in urban areas, most fiercely in Dhaka, the capital, is the lone determinant of the status of the real estate sector. Thus, though depressed now, the real estate market has nothing but to regain its weight in the near future. Moreover, shelter and for that matter housing essentially forms a part of the five-fold Basic Needs of a human being. That need provides for a perennial business opportunity for your company and leads us to expect a reversal of current trend towards a vibrant and gainful housing market in future.

Positive signs are already within sight – the total outstanding housing loans of banks and financial institutions as of end June, 2015, amounted to Taka 489.9 billion, which is 7.3 percent higher than that of the previous year. In recent years, significant changes have taken place in total housing loan portfolios; private sector banks with ample deposit resources have been expanding their housing loan portfolios and now have been dominating the market with the largest shares in housing finance as of end June, 2015. The state owned commercial banks had the second largest share during the same time. Besides, private sector specialized housing finance companies also provide a significant amount of housing loans.

However, sustainable and prodigious developments in the sector will depend on a number of factors: firstly, stabilization of the conditions of politics and economics at the macro level; secondly, restoration of popular confidence in the capacity of the government in providing truly responsible safety and security systems covering threats to life, liberty and wealth; thirdly, re-building of investors' confidence in the capital market; fourthly, re-invigoration of business activities which have lost vigor due to many deterrents ranging from insufficient infrastructural facilities, scarcity of power and energy, poor law and order conditions, dearth of land and labor, inept government services and policies, corruption, bureaucratic inaccessibility, above all, existence of a government apparatus which is still not business-friendly and abounds with rulers distant from business, not with service providers closer to public causes; fifthly, enhancement of the purchasing power of the people by creating opportunities for wage and self employment; sixthly, reduction of property registration costs; seventhly, allocation of land to developers under public-private partnership; eighthly, reintroducing refinance schemes on soft terms for housing loans for the middle income group, particularly for maiden buyers.

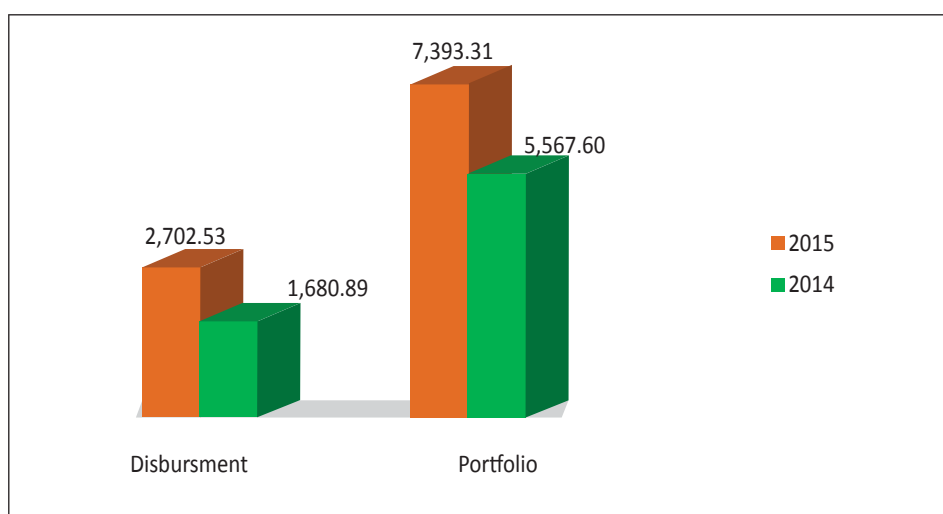


### Operational overview of National Housing

Despite depressed market conditions and subdued activity in the housing and construction sectors, NHFIL has been able to remarkably expand its business activities during 2015 which can be seen from the data furnished below:

(Amount in BDT Million)

Particulars	2015		2014	
	Disbursement	Outstanding Portfolio	Disbursement	Outstanding Portfolio
Home mortgage loan	2,299.52	5,503.68	1,125.74	3,683.24
Lease & Term finance including SME and other	403.01	1,889.63	555.17	1,884.36
<b>Total:</b>	<b>2,702.53</b>	<b>7,393.31</b>	<b>1,680.89</b>	<b>5,567.60</b>



The total portfolio of the Company increased to Tk. 7,393.31 million from Tk. 5,567.60 million during 2015, registering a growth rate of 32.79%.

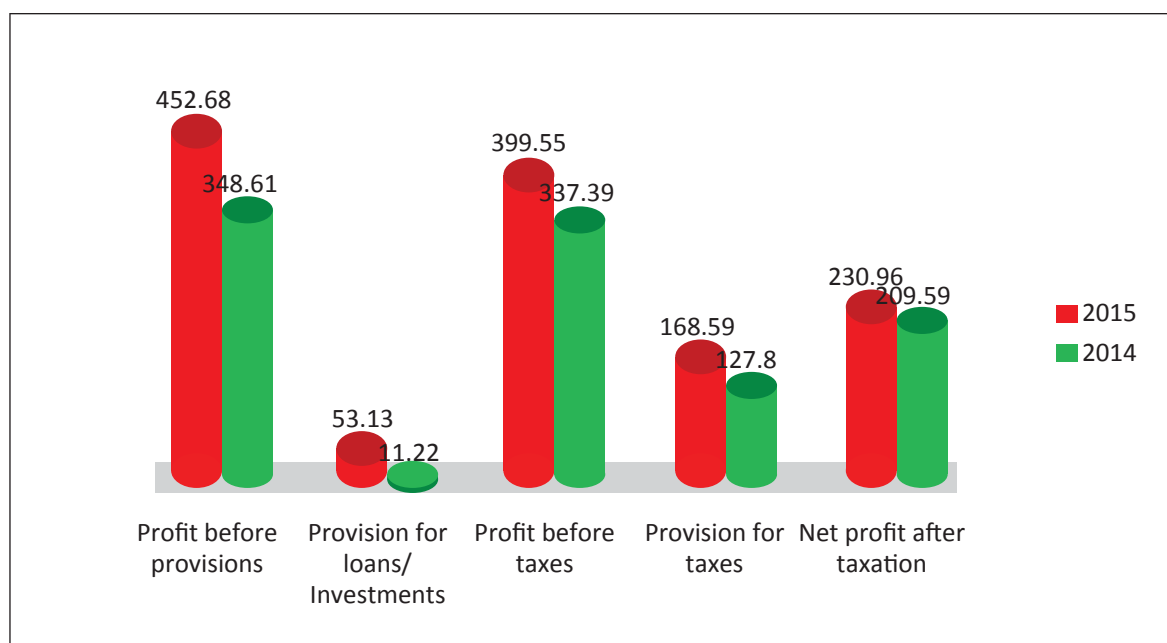
The demand of housing in urban areas in a developing country like Bangladesh is dramatically increasing due to natural process of urbanization and fast economic growth rates. Rural people are migrating not only to find jobs, but many wealthy people are moving to urban areas for fulfillment of their expectations for betterment of the lives of their future generations and for enjoying the modern facilities of city life.

## Financial performance during the year 2015

The Company's financial performance over the 1st, 2nd, 3rd and 4th quarters and the yearly performances are given below in the context of its fair disclosure policy.

(Amount in BDT Million)

Particulars	2015					2014
	Q1	Q2	Q3	Q4	Yearly	
Net interest income	109.37	141.61	112.34	146.38	509.70	412.22
Total operating income	120.69	151.45	122.97	158.16	553.27	436.00
Total operating expenses	19.57	19.05	20.02	41.94	100.59	87.39
Profit before provisions	101.12	132.40	102.95	116.22	452.68	348.61
Provision for loans/ Investments	25.05	1.18	13.35	13.55	53.13	11.22
Profit before taxes	76.07	131.22	89.59	102.67	399.55	337.39
Provision for taxes	40.97	47.42	38.68	41.52	168.59	127.80
Net profit after taxation	35.09	83.81	50.91	61.15	230.96	209.59





### New Corporate Office

The Board of Directors of the Company has decided to purchase a floor space measuring 6,850 sft. on the 7th floor at Concord Baksh Tower, Plot: 11A, Road: 48, Block: CWN (A), Gulshan 2, Dhaka, at a negotiated price of Tk. 166,786,200.00, plus registration and other costs. The Board has also decided to shift its Corporate Head Office and Gulshan Branch to the space within mid-2016. Interior decoration works are underway at the space.

### Credit Rating

On 25 June, 2015, CRAB assigned 'A1' rating in the Long Term and 'ST-3' in the Short Term to the Company based on financials up to 31 December, 2014. Banks/FIs rated as 'A1' (Strong Capacity & High Quality) have strong capacity to meet financial commitments, maintain high quality, with low credit risk, but are susceptible to adverse changes in circumstances and economic conditions. In Short Term Rating Scales and Definitions ST-3 (Average Grade) means average capacity for timely repayment of obligations.

### Dividend

NHFIL has earned a net profit after tax of TK 230.96 million as against TK. 209.59 million in the previous year. The Board of Directors recommended a 17% Cash Dividend i.e. Tk. 1.70 for each share for the year ended 31 December, 2015, subject to approval at the 17th Annual General Meeting.

### Directors

In terms of the Shareholders' Agreement, the following Directors are to retire in the 17th Annual General meeting.

SL#	Directors to Retire	Organization Represented
01	Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.
02	Mr. M. Nurul Alam	Shaw Wallace Bangladesh Ltd.
03	Mr. Md. Kabir Raza	Square Pharmaceuticals Ltd.

The nomination from National Bank Ltd. had been withdrawn due to resignation of their ex-MD. Now, they have requested to appoint Mr. A F M Shariful Islam, MD, National Bank as Director of National Housing. The following shareholders being eligible for election/ re-election expressed their interest to be elected as Directors in the 17th AGM:

SL#	Directors to be Elected/re-elected	Organization Represented
01	Mr. A F M Shariful Islam	National Bank Ltd.
02	Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.
03	Mr. M. Nurul Alam	Shaw Wallace Bangladesh Ltd.
04	Mr. Md. Kabir Raza	Square Pharmaceuticals Ltd.

### Auditors

The Company's Auditors, M/s Howladar, Yunus & Co., Chartered Accountants shall retire at the 17th AGM. Being eligible for re-appointment for the year 2016 they have expressed their interest to be re-appointed. Upon appraisal by the Audit Committee, the Board of Directors of the Company recommend the re-appointment of M/s Howladar, Yunus & Co., Chartered Accountants, for the year 2016 at a remuneration of Tk. 250,000.00.

### Appreciation

I take this opportunity to express, on behalf of the Board of Directors, our gratitude and sincere thanks to you, the shareholders of the company and our partners in business, and our clients of all strata, for remaining with us through good times and bad times, through odds and ordeals, and offering sustained patronage and support. I and the Directors also express our gratefulness to Bangladesh Bank and other regulatory authorities for their valuable guidance. At last but not least, the Board has the pleasure to put on record its appreciation of the diligent and dedicated services provided by all our employees for moving wheels of the company forward.



Latifur Rahman

Chairman

Dhaka, Dated 10 April 2016

# AUDIT COMMITTEE REPORT

For the year ended 31st December, 2015

The Audit Committee of the Company ensures effective implementation of the processes set out in the business plans and policies. Its aim is to ensure that high standards of corporate reporting, control and compliance are achieved through its strong observation and monitoring of the following areas:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review with the management, the annual financial statements before submission to the board for approval.

The Audit Committee consists of the following members:

Professor Imran Rahman, Independent Director	- Chairman
Mr. Md. Kabir Reza FCMA, Director	- Member
Mr. Akhtar Ahmed, Director	- Member
Mr. Azmal Hossain, Director	- Member
Syed Tanveer Hussain, Independent Director	- Member

Mr. Md. Khalilur Rahman, Managing Director was in attendance.

Mr. Md. Sarwar Kamal FCS, Company Secretary, acts as the Secretary of the Committee.

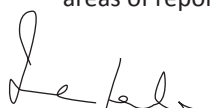
## Functions and Activities:

The Committee

- met 4 (four) times in the year 2015 on 02.04.2015, 10.05.2015, 28.07.2015 and 28.10.2015;
- reviewed the internal control system and financial statements and the external audit report;
- conducted a formal evaluation of the effectiveness of the external audit process;
- considered the tenure, quality and fees of the auditors and recommended to the Board for appointment of M/s Howladar Yunus & Co, Chartered Accountants, at the AGM.
- reviewed internal control and risk management systems;
- considered the effectiveness of the Company's internal controls over financial reporting;
- reviewed impairment methodologies;
- reviewed reports from the Chief Financial Officer on the quarterly and annual financial statements, including other financial statements and disclosures prior to their publication;
- reviewed the Annual Report, these reviews incorporated the accounting policies and key judgments and estimates underpinning the financial statements as disclosed in Notes to the Account.
- received reports from the internal auditors;
- monitored the performance of the Internal Audit function;
- reviewed the Internal Audit Plan;
- reviewed appropriate systems and controls are in place for effectiveness of internal audit function;
- monitored independence of audit work.
- Management Manual;
- reviewed Anti Money Laundering and Combating Terrorist Financing Policy;
- reviewed IT policy;
- monitored prevailing of appropriate administration culture as prevailing;
- monitored the steps taken against findings of inspection team of regulatory authority.

## Reporting by the Audit Committee:

- The Committee reports directly to the Board of Directors on its activities.
- The Committee did not find any material deviation, discrepancies or any adverse observations in the areas of reporting.



Professor Imran Rahman  
Chairman, Audit Committee  
Dhaka, Dated 07 April, 2016

# TREASURY AT NATIONAL HOUSING FINANCE

## Assuring Liquidity, Ensuring Profitability

### Overview

Treasury Division has been playing an enhanced strategic role in the balance sheet growth of NHFIL over the past few years. It has also established itself as a key profit generating unit through diversified investments in money market and thus making a significant contribution to revenue. Treasury performs a pivotal role in many activities beyond day-to-day fund management. It is responsible for developing and maintaining relationships with both the internal and external stakeholders. The department ensures the efficient functioning of following areas:

- Short Term and Long-term liquidity planning and Fund diversification
- Business growth monitoring and Capital Planning"
- Conducting the ALCO meeting on a monthly basis and highlight the major changes in liquidity and interest rate risk
- Liquidity profile, Interest rate and gap analysis planning, Capital planning for the institution."

### Funding and Liquidity Management

The objective of effective liquidity management is to ensure that we can meet regular customer loan requests, customer deposit maturities/ early encashment and other commitments efficiently under both normal operating conditions and stressed situations. To achieve this objective, we have undertaken an extensive review of liquidity risk management through structural liquidity analysis to measure and manage liquidity risk within a broader time span. It is calculated showing maturing liabilities as cash outflows and maturing assets as cash inflows under corresponding time buckets to find the gap under various time buckets. We continuously analyse and monitor our liquidity risk, maintain required liquidity and access diverse funding sources including our stable deposit base. Beside day-to-day fund management, NHFIL's liquidity position is reviewed regularly to keep our focus on ensuring adherence to prudential limits set by the Bangladesh Bank or Board.

### Cost of Funds (CoF) Management

In 2015, market interest rate was in declining trend throughout the year as excess liquidity piled up in the banking sector. In general, our balance sheet is positioned to benefit from lower interest rates. We took the opportunity of low interest rate environment and lowered our deposit rates several times in 2015. Customer deposit being the major source of funding, reduction in interest rate on deposits had a significant impact on overall cost of fund.

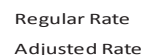
### Asset Liability Management (ALM) at NHFIL

Asset Liability Management involves evaluating, monitoring and managing key balance sheet risks. We have an approved policy guideline on Asset Liability Management (ALM) to best address the key balance sheet issues and risk. The Asset Liability Management Committee (ALCO), comprising of senior management of NHFIL, has the main responsibility of ensuring an effective ALM system to manage balance sheet risks.

The ALCO assumes the responsibility of

- Reviewing and formulating pricing strategies for both the deposit products and asset products.
- Ensuring systematic management process for tracking the balance sheet risks in a timely manner.
- Reviewing and managing potential liquidity risks and interest rate risks proactively which may arise from market movements, regulatory changes and/or changes in economic/ political environment.
- Ensuring compliance with the regulations of the Bangladesh Bank with respect to the statutory obligations involved within the parameters of balance sheet risks.

"To promote transparency in product pricing and encourage healthy competition in the economy, Bangladesh Bank has enhanced its policy support with the inclusion of Base Rate System. It captures all the elements of lending rates that are common across all categories of borrowers. Consolidating the monthly data of the FIs, Bangladesh Bank prepares and publishes a monthly weighted average Cost of Fund Index (CoFI) on its website. It serves as a reference rate for pricing variable interest rate loan products. However, the actual lending rates charged to the borrowers is the Base Rate plus borrower-specific charges, which include product-specific operating costs, risk premium and tenor premium. In compliance with the "Guidelines on the Base Rate System for Non-Bank Financial Institutions" issued by Bangladesh Bank (DFIM Circular No.-6) on August 20, 2013, we reviews the Base rate on a monthly basis which is approved by the Asset Liability Management Committee (ALCO) and is reviewed by the Board on quarterly basis. The Base rate of NHFIL is exhibited on the website for being transparent in the pricing of floating rate lending products. The monthly base rates of National Housing Finance Limited for the year 2015 are as shown below:"



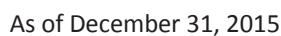
Macro-economic factors such as changing regulations, business dynamics and cost pressures have led to the emergence of key themes and trends in the near future for the treasury function:

**Liquidity management:** Developing 'best-in-class' liquidity capabilities such as high-quality stress testing and contingency plans.

**Asset Liability Management (ALM):** Establishing a robust ALM procedure which will enable an effective monitoring of key ALM ratios in a prudent way.

For the year ended December 31, 2015

Despite assuming inherent shortcomings of not offering and savings accounts to clients on account of our status



As of December 31, 2014

# REPORT ON CORPORATE GOVERNANCE

Corporate governance refers to creation and enhancement of sustainable and long-term value for the stakeholders through ethically driven business process. At NHFIL, we strive to manage the affairs of the company in a fair and transparent manner ensuring rights and responsibilities of participants including the Board of Directors, managers and executives, shareholders, creditors, regulators, auditors, and other stakeholders.

We, at NHFIL, ensure that we evolve and follow the corporate governance guidelines and best practices. The company is fully alert to its legal, contractual, social and market oriented responsibilities and we consider it our inherent obligation to effect adequate and transparent disclosure of information reflecting our financials and performance as well as the leadership and governance of the Company.

## Risk and Concern

Investments are always subject to internal and external risks; while as a matter of practice, we leave no stone unturned, some of the risk factors can be removed, others remain beyond control. The management identifies the following risks that may hit the company any time and cause concern and financial and non-financial losses; viz, interest rate risk, credit risk, liquidity risk, industry risk, market and technology related risk, exchange rate risk, operational risk, capital adequacy risk, competitor inflicted risk, changes in regulatory policies, changes in government policies, changes in economic and political conditions, assets quality risk, history of non-operation, if any, etc. The methodology followed in our risk management operations is to - firstly, ensure strict adherence to relevant laws and practices, and guidelines of the central bank made available from time to time; secondly, meticulously weigh each and every business proposal against standards set in respect of each risk. Proposals passing such scrutiny and evaluation are undertaken for execution remaining focused on the basic objectives of maintaining optimum profitability, fortifying capitals, equities, reserves and other resources, more importantly, safeguarding the company from assaults that could restrict its progressive growth and damage goodwill.

## Internal Control and Compliance

The Company's internal control system was commensurate with its size and nature of business. The system minimized operational risks through effective control, systematic reviews and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

NHFIL made relevant mandatory disclosures reflecting its financial statements under the regulatory framework, including compliance with the provisions of International Accounting Standards (IAS), Bangladesh Accounting Standards (BAS), International Financial Reporting Standard (IFRS) and Bangladesh Financial Reporting Standard (BFRS). The annual financial statements are audited by reputed chartered accountants firms and issues unqualified audit reports. There is an independent Internal Control and Compliance Department which looks after compliance with the organizational policies by different departments.

## Delegation of Authority

There is clearly spelled out delegation of authority in sanctioning loans as well as operational and capital expenditure with specific task authority relationship.

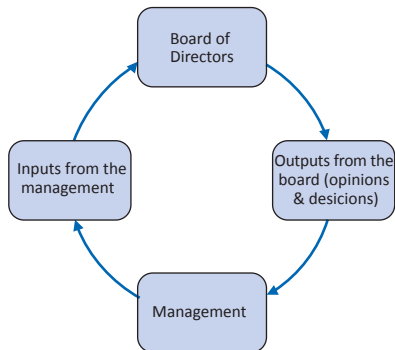
## Board of Directors & Role of the Board

The Board of Directors of NHFIL is collectively responsible for short term profitability and long term success and sustainability of the Company. Its role is essentially threefold - to provide leadership, to oversee management and to ensure that shareholders' stakes are consistently enhanced and the Company keeps them informed of developments from time to time and provides balanced and understandable assessment of the its current position and prospects.

The Board’s leadership responsibilities involve working with management to set corporate values and to develop policies and strategies, including setting standards as to risks it is prepared to take in pursuing its strategic objectives. Its oversight responsibilities involve erecting constructive challenges to overcome to the benefit of the organization before the management team in relation to operational aspects of the business, including setting budgets, time-bound assignments, target for expansion, diversification and growth and questioning whether risk management strategies and internal controls are sound. Its responsibility to ensure that accurate, timely and understandable information is provided about the Company is not only focused on the contents of the Annual Report, the Interim Report at the half year and other statements, for instance in the context of the Annual General Meeting, but also on deciding whether it is appropriate at any given time to make a statement to the market, as well as on communications with regulators or statutory obligations.

The basic responsibility of the Board of Directors is to govern the affairs of the company exercising reasonable business judgments and to act as a light house helping it navigate safely and gainfully remaining responsive to the needs of its environment and to proceed forward towards a destination that promises steady growth. The Company’s day-to-day business is conducted by its employees under the direction and supervision of the Managing Director. The management ensures that all provisions of law, rules-regulations of the central bank are complied with and related practices are taken care of. The management develops Company’s strategy, coordinates it with the Board of Directors, and ensures its implementation. Vertical and horizontal interactions meaning discourses and discussions between the board and the management, and among company functionaries serve as the core method that makes way for taking decisions and embarking on any and all business initiatives. In the process, inputs in terms of information and proposals are placed before the board by the management, the board examines the same, provides opinions and decisions, and then the management implements the collective decision that culminates in an output constituting an investment, a loan, a lease finance or any scheme that bears potential for financial rewards . In pursuing their job the management ensures compliance with appropriate risk management and risk controlling measures so that stakeholders are not exposed to threats of losses and liabilities uncalled for. The Board members have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration.

The interactive decision making process that is followed at NHFIL can be visually portrayed as follows:



Short bio-data of all the Directors are given on Pages 12 to 18 of this Annual Report.

**Changes in the Board**

Mr. Shamsul Huda Khan, who was the nominated director of National Bank Ltd. a sponsor shareholder of the Company resigned from the Board of National Housing on 30.09.2015 and the board of Directors of National Housing in its 165th Meeting held on 30th September, 2015 accepted his resignation. Now National Bank Ltd again requested to appoint Mr. A F M Shariful Islam, Managing Director, National Bank as Director of National Housing.

The tenure of Syed Tanveer Hussain, Independent Director, expired on 27.12.15. The Board of Directors in its 168th Meeting held on 31st December 2015 re-appointed Syed Tanveer Hussain as Independent Director of the Company w.e.f. 28.12.15 for a further period of 3 (three) years subject to confirmation at the 17th AGM.

The tenure of Mr. Imtiaz Mahmood, Independent Director, expired on 24.04.16. The Board of Directors in its 171st Meeting held on 10th April 2016 re-appointed Mr. Imtiaz Mahmood as Independent Director of the Company w.e.f. 25.04.16 for a further period of 3 (three) years subject to confirmation at the 17th AGM.

The Board of NHFIL comprises ten non-executive Directors of whom 09 (Nine) are nominated Directors and one is an individual, three Independent Directors and the Managing Director who is ex-officio Director. They encompass a range of talents, skills and expertise to provide prudent guidance with respect to the operations of the Company. There are two committees constituted by the Board members to assist the Board in discharging its responsibilities, namely, the Audit Committee and the Executive Committee. The Board fixes the terms of reference for each Committee and also delegates power from time to time. Various recommendations of the Committees are submitted to the Board for approval.

### **Board Meetings**

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board of Directors is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on other matters concerning the Company on a need basis. Besides, information about statutory compliance, minutes of the sub-committees of the Board and information as required under Securities Law are also provided to the Directors on a regular basis. The dates of the Board meetings are fixed in advance and notices are served adequately ahead of the meetings to facilitate proper attention and maximum attendance of the Directors. During the year 2015, 11 (eleven) meetings of the Board of Directors were held. Detail of the Board Meetings is given on page 51 of this Annual Report.

### **Chairman**

The Chairman's primary responsibility is to lead the Board of Directors, to ensure that it has a common purpose, is effective as a group and at individual Director level and that it upholds and promotes high standards of integrity, probity and corporate governance. The Chairman is the link between the Board of Directors and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Managing Director, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders.

### **Managing Director**

The Managing Director has day-to-day management responsibilities for the running of the Company's operations and for the implementation of Company strategy and policies agreed by the Board of Directors. He also has a key role in the process of setting and reviewing of policies and strategies. The Managing Director instills the company's culture and standards, which include appropriate corporate governance throughout the Company. In executing his responsibilities, the Managing Director is supported by the Chief Financial Officer and the Company Secretary, who, together with the Managing Director, is responsible for ensuring that high quality information, is provided to the Board on the Company's financial and strategic performance.

### **Company Secretary**

The Company Secretary's responsibilities include recording proceedings of the board, disseminating advices and directives of the board, ensuring that instructions and decisions of the Board are followed, assisting the Chairman in relation to corporate governance matters and ensuring compliance by the Company with its legal and regulatory requirements. He is also responsible for ensuring proper information flow with the Board and its Committees and between the management and the non-executive directors. He also serves as a bridge between the regulators/stakeholders and the Company.



### **Role of the Head of Internal Control and Compliance**

The head of Internal Control and Compliance is responsible for reporting to the Board Audit Committee regarding deviations from accounting and internal control systems. He also leads the internal audit team of the Company.

### **Chairman and Managing Director of the Company are different persons**

The Chairman of the board and the Managing Director of the Company are different persons with different roles and responsibilities as defined by the board. This prevents unregulated powers of decision making in a single hand. The Chairman is a non-executive Director while the Managing Director is an Executive Director.

### **Accounting Standards**

The Company has complied with the applicable Accounting Standards. The financial statements present fairly, in all material respects and comply with the Financial Institution Act 1993, the Companies Act 1994, the Securities and Exchange Rules 1987 & other applicable laws and regulations.

### **Auditors Certificate on Corporate Governance**

The Company has complied with all mandatory requirements of Corporate Governance Guidelines as enumerated in the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7August, 2012 and its subsequent amendments by Bangladesh Securities and Exchange Commission. SA Rashid & Associates, Chartered Secretary in Practice has certified that the Company has complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines which is annexed in the page no. 60.

### **Remuneration paid to Directors including Independent Directors**

The members of board get only fees for attending board/committee meetings and they are not allowed other remunerations or incentives. According to the ceiling fixed by the Bangladesh Bank, the directors get a remuneration of Tk.8,000.00 (w.e.f. November 30, 2015) per meeting. The total remuneration paid to the directors for meetings of the Board of Directors, Audit Committee and the Executive Committee during 2015 is shown at page 52 of this Annual Report.

### **Board Committees**

There are two committees constituted by the members of the board to assist the Board in discharging its responsibilities, namely, the Audit Committee and the Executive Committee. The board fixes the terms of reference for each Committee and also delegates powers from time to time. Various recommendations of the Committees are submitted to the board for approval.

### **Audit Committee**

The primary role of the Audit Committee is to oversee the financial reporting process and disclosure of financial information, review the financial statements before submission to the board, review adequacy of internal control systems, as well as findings of internal investigations, besides recommending appointment/ removal of statutory auditors and fixing their remuneration. The Committee holds discussions with the statutory auditors to review the annual financial statements before submission to the board with special emphasis on accounting policies, compliance of accounting standards and other legal requirements relating to financial statements. The Committee reviews all issues which are required to be reviewed by the Audit Committee pursuant to guidelines issued by the BSEC, as well as those recommended by the board, if any.

### **The Audit Committee was reconstituted on 12th May 2015 and the members are:**

- Professor Imran Rahman, Independent Director as the Chairman
- Mr. Md. Kabir Reza, FCMA representing Square Pharmaceuticals Ltd.
- Mr. Akhtar Ahmed representing Reliance Insurance Ltd.
- Mr. Azmal Hossain representing Eastern Insurance Co. Ltd.
- Syed Tanveer Hussain, Independent Director.



Mr. Md. Khalilur Rahman, Managing Director acts as its ex-officio member, while Mr. Md. Sarwar Kamal, FCS, Company Secretary, acts as Secretary of the Committee. During the year 2015, 4 (four) meetings of the Audit Committee were held.

#### **Executive Committee**

The Executive Committee is authorized to review and approve the proposals of loans and advances within prescribed limits set by the board. The EC reviews all other proposals relating to loans and advances above the limits, as well as other matters for board's approval.

#### **The EC was reconstituted on 12th May 2015 and the members are:**

- Mr. Syed Ali Jowher Rizvi as the Chairman.
- Mr. Mizanur Rahman representing Shaw Wallace Bangladesh Ltd.
- Mr. Muminul Haque Chowdhury representing Borak Travels (Pvt.) Ltd.
- Mr. Md. Kabir Reza, FCMA representing Square Pharmaceuticals Ltd.
- Syed Tanveer Hussain, Independent Director

Mr. Md. Khalilur Rahman, Managing Director acts as its ex-officio member, while Mr. Md. Sarwar Kamal, FCS, Company Secretary, acts as Secretary of the Committee. During the year 2015, 15 (fifteen) meetings of the Executive Committee were held.

#### **Related Party Transactions**

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes: 54 of the Financial Statements at the page no. 97 of this Annual Report.

#### **Statement of Managing Director/CEO and CFO regarding Financial Statements**

A separate statement as to the fairness and presentation of the Financial Statements of the Company is given at page 59 of this report.

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

Key operating and financial data of last preceding 5 (five) years are shown under the heading of Operational Highlights and Financial Highlights at page 23 of this Annual Report.

#### **Corporate and Financial Reporting Framework**

The members of the board, in accordance with the Securities and Exchange Commission's Notification no. SEC/CMRRCD/2006-158/Admin/129/43, dated 07 August, 2012, confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the Management of NHFIL present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the issuer company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure thereof has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the issuer company's ability to continue as a going concern.

### Going Concern

The financial statements of the Company 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. The Board of Directors of NHFIL has made annual assessment as to whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern, including review of budget and internal and external uncertainties that may pose threats to the interests of the Company in future.

Based on the different indications, directors feel it appropriate to adopt going concern assumptions and no material uncertainty exists in preparing the financial statements.

### Shareholding Pattern

Shareholding patterns of the Company as at the end of the year 2015 is shown at page 53 of this report.

### Annual General Meeting (AGM)

NHFIL holds Annual General Meetings (AGM) in due time and ensures effective interaction with the shareholders at the AGMs. The directors pay special attention to explaining and satisfying the various queries raised by the shareholders at the AGMs.

The Company's operational outcomes and official news releases are displayed on the Company's website and on the websites of the Dhaka and Chittagong Stock Exchanges. The Company also publishes the news required to be published in national daily newspapers.

### Resolutions passed at the previous AGM, i.e., 16th AGM held on 12th May 2015

Details of the previous AGM are as follows:

Particulars	Date & Time Venue	Venue
16th AGM	Wednesday the 12 <sup>th</sup> May 2015, at 11.00 a.m.	Lakeshore Hotel, Road: 41, House: 46, Gulshan 2, Dhaka.

The matters approved of by the shareholders in the last AGM are as follows:

- Financial Statements for the year ended December 31, 2014;
- Dividend (Cash @ 15.00%);
- Election/re-election of Directors: Directors who were eligible for re-election and expressed their interest to be elected as Directors in the 16th AGM are: Mr. Jalal Ahmed representing IFIC Bank Ltd., Mr. Muminul Haque Chowdhury representing Borak Travels (Pvt.) Ltd., Mr. Md. Manirul Islam representing Pragati Insurance Limited and Mr. Syed Ali Jowher Rizvi;
- Appointment of Auditors: M/s Howladar, Yunus & Co., Chartered Accountants as external auditor of the Company;
- Appointment of Independent Directors: The Board of Directors re-appointed Professor Imran Rahman as Independent Director of the Company w.e.f. 25 July, 2014, for a further period of 3 (three) years

#### General Shareholders' Information for 17th AGM:

- **Date** : 22nd day of May 2016; Time 11.00 am
- **Venue**: Lakeshore Hotel, Road: 41, House: 46, Gulshan 2, Dhaka- 1212.
- **Financial Reporting Calendar** : 1st January 2015 to 31st December 2015
- **Dates of Book Closure/Record date** : 3rd day of May 2016

#### Agenda to be discussed:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December, 2015 together with reports of the Auditors;
  2. To declare dividend for the year ended 31 December, 2015;
  3. To elect directors in accordance with the relevant provisions of the Articles of Association of the Company;
  4. To appoint Auditors and fix their remuneration for the year 2016;
  5. To approve the re-appointment of Independent Director.
- **Dividend Payment Date**: The dividend if declared by the shareholders at the AGM shall be paid on or before 21 June, 2016, i.e. within 30 days from the date of declaration.

#### Listing on Stock Exchanges:

The securities of the Company are listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

### Board Meeting and attendance

During the year 2015, 11 meeting of the Board were held. Attendance of the Director is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2015
			Held	Attended	
Mr. Latifur Rahman	Bangladesh Lamps Limited	Chairman	11	9	
Mr. Jalal Ahmed	IFIC Bank Limited	Director	11	7	
Mr. Akhtar Ahmed	Reliance Insurance Limited	Director	11	9	
Mr. Morshed Alam	National Life Insurance Co. Limited	Director	3	0	Resigned on 02.04.2015
Mr. Manirul Islam	Pragati Insurance Co. Limited	Director	8	8	Appointed on 12.05.2015
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt,) Limited	Director	11	11	
Mr. Azmal Hossain	Eastern Insurance Co. Limited	Director	11	10	
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Limited	Director	11	6	
Mr. Mahbubur Rahman	Eastland Insurance Co. Limited	Director	11	9	
Mr. Shamsul Huda Khan	National Bank Limited	Director	8	2	Resigned on 30.09.2015
Mr. Md. Kabir Reza	Square Pharmaceuticals Limited	Director	11	7	
Mr. Syed Ali Jowher Rizvi		Director	11	11	
Syed Tanveer Hussain		Independent Director	11	10	
Professor Imran Rahman		Independent Director	11	8	
Mr. Imtiaz Mahmood		Independent Director	11	9	

### Executive Committee Meeting and attendance of Directors

During the year 2015, 15 meeting of the Executive Committee of the Board were held. Attendance of the Director is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2015
			Held	Attended	
Mr. Syed Ali Jowher Rizvi		Chairman	15	14	
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt,) Limited	Member	15	15	
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Limited	Member	15	11	
Mr. Md. Kabir Reza	Square Pharmaceuticals Limited	Member	15	13	
Syed Tanveer Hussain Independent Director		Member	15	15	

### Audit Committee Meeting and attendance of Directors

During the year 2015, 4 meeting of the Audit Committee of the Board were held. Attendance of the Director is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2015
			Held	Attended	
Professor Imran Rahman Independent Director		Chairman	4	3	
Mr. Akhtar Ahmed	Reliance Insurance Limited	Member	4	4	
Mr. Azmal Hossain	Eastern Insurance Co. Limited	Member	4	4	
Mr. Md. Kabir Reza	Square Pharmaceuticals Limited	Member	4	4	
Syed Tanveer Hussain Independent Director		Member	4	3	

### Remuneration paid to Directors including Independent Directors (excluding VAT) during the year 2015

Name of the Directors	Nominated by	Designation	Board Meeting	Executive Committee	Audit Committee	Total
Mr. Latifur Rahman	Bangladesh Lamps Limited	Chairman	45,000.00	-	-	45,000.00
Mr. Jalal Ahmed	IFIC Bank Limited	Director	35,000.00	-	-	35,000.00
Mr. Akhtar Ahmed	Reliance Insurance Limited	Director	48,000.00	-	20,000.00	68,000.00
Mr. Morshed Alam	National Life Insurance Co. Limited	Director	-	-	-	-
Mr. Manirul Islam	Pragati Insurance Co. Limited	Director	43,000.00	-	-	43,000.00
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt,) Limited	Director	58,000.00	78,000.00	-	136,000.00
Mr. Azmal Hossain	Eastern Insurance Co. Limited	Director	53,000.00	-	20,000.00	73,000.00
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Limited	Director	30,000.00	55,000.00	-	85,000.00
Mr. Mahbubur Rahman	Eastland Insurance Co. Limited	Director	48,000.00	-	-	48,000.00
Mr. Shamsul Huda Khan	National Bank Limited	Director	10,000.00	-	-	10,000.00
Mr. Md. Kabir Reza	Square Pharmaceuticals Limited	Director	38,000.00	68,000.00	20,000.00	126,000.00
Mr. Syed Ali Jowher Rizvi		Director	58,000.00	70,000.00	-	128,000.00
Syed Tanveer Hussain		Independent Director	53,000.00	78,000.00	15,000.00	146,000.00
Professor Imran Rahman		Independent Director	40,000.00	-	15,000.00	55,000.00
Mr. Imtiaz Mahmood		Independent Director	48,000.00	-	-	48,000.00

## PATERN OF SHAREHOLDING

Shareholding Pattern of the Company as on 31 December 2015 on the basis of shareholders types

Group Name	No. of Shareholder(s)	No. of Share(s)	Percentage (%)
Company	183	11,230,809	10.56
General Public	3967	5,825,207	5.48
Investor Account (Omnibus)	76	658,899	0.62
Mutual Fund	9	454,012	0.43
NRB (Non Residential)	9	23,586	0.02
Sponsor Share	35	87,491,122	82.23
Unite Fund	3	708,365	0.67
Total	4282	106,392,000	100.00

Distribution schedule of each class of equity security setting out of the number of holders and percentage:

Shareholding Range	Number of Shareholder(s)	No. of Shares	Percentage (%)
1-500	2,736	197,811	0.18593
501-5000	1,180	1,904,664	1.79023
5001-10000	153	1,152,776	1.08352
10001-20000	82	1,225,125	1.15152
20001-30000	27	666,745	0.62669
30001-40000	16	565,723	0.53173
40001-50000	11	503,835	0.47356
50001-100000	22	1,523,392	1.43187
100001-1000000	37	12,019,469	11.29734
1000001 to above	18	86,632,460	81.42761
Total	4,282	106,392,000	100.00

Shareholding status of Present/Subsidiary/Associated Companies and other related parties, Directors\* and CEO & their spouses & minor children

Name of Director/ Shareholder	Nominated by	Designation	No. of Share(S) held	Percent (%)
Present/Subsidiary/Associated Companies and other related parties			Nil	Nil
Mr. Latifur Rahman	Bangladesh Lamps Limited	Chairman	5,123,276	4.82
Mr. Akhtar Ahmed	Reliance Insurance Limited	Director	5,123,295	4.82
Mr. Jalal Ahmed	IFIC Bank Limited	Director	4,808,100	4.52
Mr. Mahbubur Rahman	Eastland Insurance Co. Limited	Director	5,123,295	4.82
Mr. Mizanur Rahman	Shaw Wallace Bangladesh Limited	Director	4,808,100	4.52
Mr. Md. Kabir Reza FCMA	Square Pharmaceuticals Limited	Director	5,023,450	4.72
Mr. Jowher Rizvi		Director	2,884,860	2.71
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Limited	Director	5,123,276	4.82
Mr. Azmal Hossain	Eastern Insurance Co. Limited	Director	5,123,295	4.82
Mr. Manirul Islam	Pragati Insurance Co. Limited	Director	4,840,420	4.55
Syed Tanveer Hussain		Independent Director	Nil	Nil
Professor Imran Rahman		Independent Director	Nil	Nil
Mr. Imtiaz Mahmood		Independent Director	Nil	Nil
Mr. Md. Khalilur Rahman		Managing Director	Nil	Nil
Shareholders holding ten percent (10%) or more voting interest in the Company			Nil	Nil

\*All the Directors except Mr. Syed Ali Jowher Rizvi and Independent Directors are Directors' nominated by institutions and they do not hold any share in their personal name.

#### Shareholding status of CFO, CS and Head of Internal Audit & their spouses & minor children

Name of the Executive	Designation	No. of Share(s) held	Percent (%)
Mr. Sayed Ahmed, FCMA	CFO	Nil	Nil
Mr. Md. Sarwar Kamal, FCS	Company Secretary	Nil	Nil
Mr. Probir Sheel	Head of Internal Audit	Nil	Nil

#### Executive (Top five salaried persons other than CEO, CFO, CS & HIA)

Name of the Executive	Designation	No. of Share(s) held	Percent (%)
Mr. Md. Kamal Pasha	Senior Vice President	Nil	Nil
Mr. Shital Chandra Saha	Senior Vice President	Nil	Nil
Mr. Md. Abdul Baten	VP & Head of Marketing	Nil	Nil
Mr. Md. Nazrul Islam	VP & Head of Recovery	Nil	Nil
Mr. Mahbubur Rashid Al-Amin	AVP & Head of Operation	Nil	Nil

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Natification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

**[Report under Condition No. 7.00]**

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
1.1	Board's Size [number of Board members to be 5 – 20]	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2(i)	Number of Independent Directors [at least one-fifth]	√		
<b>1.2 (ii)</b>	<b>Independent Director (ID) means a director:</b>			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2(ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or NBFI	√		
1.2 (ii) (i)	Not convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		
1.2 (iv)	The post cannot remain vacant for more than 90 days			N/A
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of ID : 3 years, may be extended for one term	√		
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3 (ii)	Being a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher(Economics/Business/Law)/CA/CMA/CS having 12 years of management/professional experience	√		
1.3 (iii)	Prior approval of the Commission in special cases			N/A
1.4	Appointment of Chairman and CEO, defining their roles	√		
<b>1.5</b>	<b>The Director's Report to Shareholders shall include</b>			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss			N/A
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from issuing instruments			N/A
1.5(viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc			N/A
1.5 (ix)	Explantion about significant variance between quarterly Financial performance and Annual Financial Statements			N/A



Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (x)	Remuneration to directors including IDs	√		
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results			N/A
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend			N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
<b>1.5 (xxi)</b>	<b>Pattern of shareholding (along with name wise details) by-</b>			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
<b>1.5 (xxii)</b>	<b>In case of the appointment/re-appointment of a director,</b>			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
<b>2</b>	<b>CFO, HEAD OF INTERNAL AUDIT AND CS:</b>			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
<b>3</b>	<b>AUDIT COMMITTEE:</b>			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
<b>3.1</b>	<b>Constitution of the Audit Committee</b>			
3.1(i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Directors (at least one Independent Director), as Audit Committee Members, to be appointed by BOD	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month			N/A
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	Chairman to be Independent Director, selected by BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	√		
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests			N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws			N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately			
3.4.2	Reporting to BSEC			N/A
3.5	Reporting to the Shareholders and General Investors	√		
<b>4</b>	<b>EXTERNAL / STATUTORY AUDITORS</b>			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
<b>5</b>	<b>SUBSIDIARY COMPANY</b>			
5 (i)	Composition of BOD to be similar to holding company			N/A
5 (ii)	One ID to be in both holding and subsidiary company			N/A
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company			N/A
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed			N/A
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company			N/A

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>6</b>	<b>DUTIES OF CEO AND CFO:</b>			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
<b>7</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

# REPORT ON FINANCIAL STATEMENTS BY MANAGING DIRECTOR/CEO AND CFO

The Financial Statements of the National Housing Finance And Investments Limited are prepared in compliance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view. The form and substance of transactions and the Company's state of affairs reasonably presented. To ensure this, the Company has taken proper and adequate care in installing a system of internal control and accounting records. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

**In this regard, we also certify to the Board that:-**

- i. We have reviewed financial statements for the year ended 2015 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.



**Sayed Ahmed FCMA**  
AVP & Chief Financial Officer



**Md. Khalilur Rahman**  
Managing Director

# S. Abdur Rashid FCS

BCom (Hons), MBS (Finance & Banking), MBA (Finance), PGDHRM, LLB, AIPM

**Chartered Secretary in Practice**

Private Practice Certificate No.: 003

Phone # +880 2 9558796, +88 01726533655

E-mail : sarashid12000@yahoo.com

**SARashid & Associates**  
**(Chartered Secretaries)**

Noakhali Tower (12th Floor, 13-D)

55/B Purana Paltan, Dhaka-1000, Bangladesh

E-mail : sarashidnasso@gmail.com

## Certificate on Compliance of Corporate Governance Guidelines

[ Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide  
Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 ]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **National Housing Finance and Investments Limited** ("the Company") for the year ended 31 December 2015. Such Compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that all the conditions of the Corporate Governance Guidelines have been complied with by the Company.



**S. Abdur Rashid FCS**



Dhaka, 27 April 2016

# Auditors' Report & Financial Statements



## Independent Auditors' Report to the Shareholders of National Housing Finance and Investments Limited

We have audited the accompanying financial statements of National Housing Finance and Investments Limited ("the Company"), which comprise the balance sheet as at 31 December 2015, and profit and loss account, statements of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements and Internal Controls**

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.00, the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Company. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements of the Company that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.00.

Chartered Accountants  
correspondent firm of Grant Thornton International Ltd.



# Howladar Yunus &.Co.

## Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank and other applicable laws and regulations. We also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (c) the balance sheet , profit and loss account of the company together with annexed form 1 to 54 dealt with by the report are in agreement with the books of account and returns;
- (d) the expenditure incurred was for the purposes of the Company business during the year;
- (e) the financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2.00 as well as with related guidance, circulars issued by Bangladesh Bank ;
- (f) adequate provisions have been made for the loans and advances, leases and other assets which are, in our opinion, doubtful of recovery;
- (g) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (h) the information and explanation required by us have been received and found satisfactory; and
- (i) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1250 person hours for the audit of the books and accounts of the Company.

  
**Chartered Accountants**

**Dated: Dhaka  
April 10, 2016**



# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Balance Sheet  
As at December 31, 2015


	Note	2015 Taka	2014 Taka
<b>Property and Assets</b>			
<b>Cash:</b>	4.00		
In hand (including foreign currencies)		54,395	37,313
Balance with Bangladesh Bank and its agent bank(s)(including foreign currencies)		128,613,635	86,330,630
		<b>128,668,030</b>	<b>86,367,943</b>
<b>Balance with banks and other financial institutions:</b>	5.00		
In Bangladesh		968,405,753	1,026,935,969
Outside Bangladesh		-	-
		<b>968,405,753</b>	<b>1,026,935,969</b>
<b>Money at call and on short notice</b>	6.00	-	-
<b>Investments:</b>	7.00		
Government		-	-
Others		82,550,573	20,807,259
		<b>82,550,573</b>	<b>20,807,259</b>
<b>Loans and advances:</b>	8.00		
Loans, cash credits, overdrafts etc.		7,310,757,322	5,546,789,061
Bills purchased and discounted		-	-
		<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>Fixed assets including premises, furniture and fixtures</b>	9.00	<b>28,465,045</b>	<b>30,438,377</b>
<b>Other assets</b>	10.00	<b>305,248,350</b>	<b>145,774,554</b>
<b>Non-banking assets</b>	11.00	-	-
<b>Total Assets</b>		<b>8,824,095,072</b>	<b>6,857,113,164</b>
<b>Liabilities and Capital</b>			
<b>Liabilities:</b>			
<b>Borrowing from banks, other financial institutions and agents</b>	12.00	<b>879,025,290</b>	<b>967,205,103</b>
<b>Deposits and other accounts:</b>	13.00		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits		5,526,062,366	3,791,067,944
Bearer certificate of deposits		-	-
Other deposits		25,796,301	35,361,043
		5,551,858,667	3,826,428,987
<b>Other liabilities</b>	14.00	<b>819,153,912</b>	<b>560,793,987</b>
<b>Total Liabilities</b>		<b>7,250,037,869</b>	<b>5,354,428,077</b>
<b>Capital/Shareholders' equity:</b>			
Paid up capital	15.02	1,063,920,000	1,063,920,000
Statutory reserve	16.00	311,601,129	265,409,106
Retained earnings	17.00	198,536,074	173,355,981
<b>Total Shareholders' equity</b>		<b>1,574,057,203</b>	<b>1,502,685,087</b>
<b>Total liabilities and Shareholders' Equity</b>		<b>8,824,095,072</b>	<b>6,857,113,164</b>

	Note	2015 Taka	2014 Taka
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities:</b>			
Acceptances and endorsements		-	-
Letters of Guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities	47.00	22,256,919	3,269,831
		<b>22,256,919</b>	<b>3,269,831</b>
<b>Other Commitments:</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Un-disbursed contracted loans and leases	41.00	439,324,215	390,156,970
		<b>439,324,215</b>	<b>390,156,970</b>
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Off-Balance Sheet Items Including Contingent Liabilities</b>		<b>461,581,134</b>	<b>393,426,801</b>

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

  
**Md. Khalilur Rahman**  
 Managing Director

  
**Md. Kabir Reza**  
 Director

  
**Syed Tanveer Hussain**  
 Independent Director

  
**Latifur Rahman**  
 Chairman

This is the balance sheet referred to in our separate report of even date.

  
**Chartered Accountants**

**Dated: Dhaka**  
 April 10, 2016

# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

## Profit and Loss Account


For the year ended December 31, 2015

	Note	2015 Taka	2014 Taka
Interest income	19.00	1,027,266,465	881,347,732
Interest paid on deposits, borrowings etc.	20.00	517,576,058	469,130,009
<b>Net interest income</b>		<b>509,690,407</b>	<b>412,217,723</b>
Investment Income	21.00	9,588,036	(162,337)
Commission, exchange and brokerage	22.00	139,650	151,200
Other operating income	23.00	33,851,545	23,798,410
		<b>43,579,231</b>	<b>23,787,273</b>
<b>Total operating income</b>		<b>553,269,638</b>	<b>436,004,996</b>
Salaries and allowances	24.02	56,110,316	54,145,682
Rent, taxes, insurance, electricity etc.	24.03	7,608,638	6,557,363
Legal expenses	24.04	823,032	2,580,354
Postage, stamps, telecommunication etc.	25.00	3,195,048	2,387,497
Stationery, printing, advertisement etc.	26.00	15,010,565	5,546,331
Managing Director's salary and fees	27.00	4,430,903	3,310,000
Directors' fees and expenses	24.01	1,112,150	890,000
Auditors' fees	28.00	187,500	172,500
Charges on loan losses		-	-
Depreciation on and repairs to assets	29.00	4,031,695	4,489,710
Other expenses	30.00	8,076,604	7,307,885
<b>Total operating expenses</b>		<b>100,586,451</b>	<b>87,387,322</b>
Profit before provisions		452,683,187	348,617,674
Provisions for			
Loans, advances and leases	31.00	48,593,519	10,089,138
Diminution in value of investments	31.01	3,503,795	(2,786,074)
Others	31.02	1,030,187	3,916,816
<b>Total provisions</b>		<b>53,127,501</b>	<b>11,219,880</b>
<b>Total profit before taxation</b>		<b>399,555,686</b>	<b>337,397,794</b>
Provisions for taxation	14.09	(168,595,570)	(127,800,197)
<b>Net profit after taxation</b>		<b>230,960,116</b>	<b>209,597,597</b>
Appropriations:			
Statutory reserve	16.00	46,192,023	41,919,519
General reserve		-	-
Dividend etc.		-	-
		<b>46,192,023</b>	<b>41,919,519</b>
<b>Retained surplus</b>		<b>184,768,093</b>	<b>167,678,078</b>
Earnings per share	32.00	2.17	1.97

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

  
**Md. Khalilur Rahman**  
 Managing Director

  
**Md. Kabir Reza**  
 Director

  
**Syed Tanveer Hussain**  
 Independent Director

  
**Latifur Rahman**  
 Chairman

This is the balance sheet referred to in our separate report of even date.

  
**Chartered Accountants**

**Dated: Dhaka**  
 April 10, 2016

# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

## Cash Flows Statement For the year ended December 31, 2015

	Note	2015 Taka	2014 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash	33.00	1,018,916,555	895,501,310
Interest payments	34.00	(478,148,680)	(473,811,319)
Dividend receipts		1,128,463	918,000
Fees and commissions receipts in cash	35.00	139,650	151,200
Recoveries on loans previously written off		-	-
Cash payments to employees	36.00	(60,352,227)	(53,478,988)
Cash payments to suppliers	37.00	(18,635,571)	(7,367,788)
Income taxes paid		(147,938,687)	(79,975,794)
Receipts from other operating activities	38.00	37,623,618	22,718,073
Payments for other operating activities	39.00	(17,977,765)	(18,604,070)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>334,755,355</b>	<b>286,050,624</b>
<b>Increase/(decrease) in operating assets and liabilities:</b>			
Statutory deposits		-	-
Purchase/sale of trading securities		-	-
Loans, advances and leases to the client		(1,769,464,652)	(709,076,249)
Other assets		976,227	1,308,265
Term deposits	40.00	1,734,994,422	538,763,022
Other deposits	40.00	(9,564,742)	(1,000,739)
Trading liabilities		-	-
Other liabilities		3,212,793	(8,010,453)
<b>Net cash flow from operating activities</b>		<b>294,909,403</b>	<b>108,034,470</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		(61,743,313)	(224,863)
Payments for purchase of securities		-	-
Purchase /sale of property, plant & equipment		(1,628,405)	278,378
Purchase /sale of subsidiary		-	-
<b>Net cash from investing activities</b>		<b>(63,371,718)</b>	<b>53,515</b>
<b>C. Cash flows from financing activities</b>			
Receipts from issue of loan capital & debt securities		-	-
Payments for redemption of loan capital & debt securities		-	-
Receipt from Issue of right shares		-	-
Loan from banks		(88,179,813)	(40,179,634)
Dividend for the year 2014		(159,588,000)	(132,989,843)
<b>Net cash from financing activities</b>		<b>(247,767,813)</b>	<b>(173,169,477)</b>
<b>D. Net increase/(decrease) in cash</b>		<b>(16,230,129)</b>	<b>(65,081,493)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalent</b>		-	-
<b>F. Cash and cash equivalent at beginning of the year</b>		<b>1,113,303,912</b>	<b>1,178,385,405</b>
<b>G. Cash and cash equivalent at end of the year</b>		<b>1,097,073,783</b>	<b>1,113,303,912</b>
<b>Cash and cash equivalent at end of the year</b>			
Cash in hand (including foreign currencies)		54,395	37,313
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		128,613,635	86,330,630
Balance with banks and other financial institutions		968,405,753	1,026,935,969
Money at call and on short notice		-	-
		<b>1,097,073,783</b>	<b>1,113,303,912</b>

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

  
**Md. Khalilur Rahman**  
Managing Director

  
**Md. Kabir Reza**  
Director

  
**Syed Tanveer Hussain**  
Independent Director

  
**Latifur Rahman**  
Chairman

# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

## Statement of Changes in Equity For the year ended December 31, 2015

*Figures in Taka*

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Total
As at January 01, 2015	1,063,920,000	265,409,106	-	173,355,981	1,502,685,087
Changes in accounting policy	-	-	-	-	-
Restated balance	1,063,920,000	265,409,106	-	173,355,981	1,502,685,087
Surplus/deficit on account of revaluation of properties	-	-	-	-	-
Surplus/deficit on account of revaluation of Investments	-	-	-	-	-
Currency transaction differences	-	-	-	-	-
Net gain/loss not recognized in the income statement	-	-	-	-	-
Net profit for the year	-	-	-	230,960,116	230,960,116
Dividends	-	-	-	(159,588,000)	(159,588,000)
Issue of right shares	-	-	-	-	-
Transfer to statutory reserve	-	46,192,023	-	(46,192,023)	-
<b>Balance as at December 31, 2015</b>	<b>1,063,920,000</b>	<b>311,601,129</b>	<b>-</b>	<b>198,536,074</b>	<b>1,574,057,203</b>

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.



**Md. Khalilur Rahman**  
Managing Director



**Md. Kabir Reza**  
Director



**Syed Tanveer Hussain**  
Independent Director



**Latifur Rahman**  
Chairman

# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED


## Liquidity Statement (Maturity Analysis of Assets & Liabilities) As at December 31, 2015

Figures in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Asset</b>						
Cash in hand	54,395	-	-	-	-	54,395
Balance with Bangladesh Bank and its agents	128,613,635	-	-	-	-	128,613,635
Balance with other banks and FIs	118,405,753	-	850,000,000	-	-	968,405,753
Investments	-	82,550,573	-	-	-	82,550,573
Money at call and on short notice	-	-	-	-	-	-
Loans, advances and leases	1,118,835,172	117,265,147	1,092,207,424	1,192,051,714	3,790,397,864	7,310,757,322
Fixed assets	-	-	-	-	28,465,045	28,465,045
Other assets	42,978,850	-	261,515,040	-	754,460	305,248,350
Non-financial institution assets	-	-	-	-	-	-
<b>Total Asset</b>	<b>1,408,887,806</b>	<b>199,815,720</b>	<b>2,203,722,464</b>	<b>1,192,051,714</b>	<b>3,819,617,369</b>	<b>8,824,095,072</b>
<b>Liabilities</b>						
Borrowing from banks, other financial institutions and agents	20,761,398	27,502,657	212,383,618	525,021,485	93,356,132	879,025,290
Deposits and other accounts	382,957,161	-	1,529,050,470	3,546,485,104	93,365,932.00	5,551,858,667
Provision & other liabilities	217,072,690	1,815,049	377,621,587	222,644,587	-	819,153,912
<b>Total Liabilities</b>	<b>620,791,249</b>	<b>29,317,706</b>	<b>2,119,055,674</b>	<b>4,294,151,176</b>	<b>186,722,064</b>	<b>7,250,037,869</b>
<b>Net Liquidity Gap</b>	<b>788,096,557</b>	<b>170,498,014</b>	<b>84,666,789</b>	<b>(3,102,099,462)</b>	<b>3,632,895,305</b>	<b>1,574,057,203</b>

Net result of the liquidity statement represents the "Shareholders' Equity" of NHFIL.

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

  
**Md. Khaliur Rahman**  
Managing Director

  
**Md. Kabir Reza**  
Director

  
**Syed Tanveer Hussain**  
Independent Director

  
**Latifur Rahman**  
Chairman

# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

## Notes to the Financial Statements For the year ended December 31, 2015

### 1.00 Company and its activities

#### 1.01 Legal status and nature of the company

National Housing Finance and Investments Limited (NHFIL) was incorporated on August 18, 1998 as a public limited company under the Companies Act 1994, obtaining license from Bangladesh Bank under the Financial Institutions Act 1993 on December 29, 1998. The main objectives of the Company are to carry on the business of financing the acquisition, construction, development and purchase of houses, plots, apartments, real estates, commercial spaces, etc.

The Company has obtained permission from Bangladesh Bank on June 03, 2003 to enter into lease finance operation keeping housing finance as its core business. The Company extends lease finance for all types of industrial, manufacturing and service equipments including vehicles to individual companies and corporate houses.

The registered office of the Company is located at National Plaza (7th & 8th floor), 109, Bir Uttam C.R. Datta Road (Ex-Sonargaon Road), Dhaka -1205.

#### 1.02 Principal Activities of NHFIL

The Company provides loan to the extent of 70.00% of the total purchase price of houses, plots and apartments under usual repayable terms varying from 5 years to 20 years. The properties for which loans are disbursed are kept under registered / equitable mortgage as security. In addition to this NHFIL also involves with other activities such as accepting deposits, SME, lease financing, project financing etc.

### 2.00 Basis of preparation and presentation of financial statements and significant accounting policies

#### 2.01 Statement of Compliance

The financial statements of the Company have been prepared on a going concern basis and compliance with the Section-38 (First Schedule) of the Bank Companies Act 1991 and the subsequent amendment thereof, as instructed by Bangladesh Bank vide their DFIM Circular no-11 dated 23 December 2009, Bangladesh Accounting Standard (BASs), Bangladesh Financial Reporting Standards (BFRSs), The Companies Act 1994, The Securities and Exchange Ordinance 1969, The Securities and Exchange Rule 1987 and other applicable laws and regulations in Bangladesh.

#### 2.02 Basis of Accounting

The financial statements of the Company have been prepared on accrual basis of accounting, under historical cost convention except marketable securities which have been accounted for on the basis of cost or market price whichever is lower at the balance sheet date.

#### 2.03 Disclosure of deviations from few requirements of BAS/BFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank (the local Central 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 those of financial instruments and general provision standards of BAS and BFRS. As such the Company has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.

#### 2.03.01 Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

**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 for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. In order to comply with the requirement specified in DFIM Circular No. 11, the company has charged the entire amount of difference in market value and cost price of marketable securities to the profit and loss account. However as per requirements of BAS 39 investment in shares falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.”

#### **2.03.02 Provision on loans and advances/investments**

**BFRS:** As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and DFIM circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision satisfy the conditions of provision as per BAS 39. At the year end the Company has recognized an accumulated general provision of BDT 68,171,725 (out of accumulated provision of BDT 146,512,765) under liabilities.

#### **2.03.03 Recognition of interest income in suspense**

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per DFIM circular no. 08 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

#### **2.03.04 Other comprehensive income**

**BFRS:** As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement. However the company does not have any elements of OCI to be presented.

#### **2.03.05 Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

#### **2.03.06 Write off**

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus canceled and removed from (“written off”) the Company's balance sheet.



Recovery against debts written off/provided for 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.

#### **2.04 Date of Authorization**

The Board of Directors has Authorized this financial statements for public issue on April 10, 2016.

#### **2.05 Functional and Presentation Currency**

The figures of the financial statements are presented in Bangladesh Currency (Taka) and have been rounded off to the nearest Taka, which is the functional currency of NHFIL.

#### **2.06 Use of Estimates and Judgments**

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

#### **Contingent liabilities and contingent assets**

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

#### **2.07 Liquidity Analysis**

The liquidity analysis have been made on the basis of assets and liabilities as on the reporting date considering the residual maturity term as per the following basis:

- a) On the basis of residual maturity term:
  - i) Money at call and on short notice
  - ii) Balance with Banks
  - iii) Investments
  - iv) Borrowing from Banks and Financial Institutions
  - v) Public deposits
  - vi) Other liabilities
- b) Loans and advances on the basis of their repayment schedule
- c) Fixed assets on the basis of their estimated useful lives

#### **2.08 Reporting Period**

These financial statements have been prepared for the period from January 01, 2015 to December 31, 2015.

#### **2.09 Cash Flow Statement**

**BFRS:** 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.

**Bangladesh Bank:** As per DFIM 11 dated 23-12-2009, cash flow is the mixture of direct and indirect methods.

**2.09.01 Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**2.09.02 Non-banking asset**

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per DFIM 11 dated 23-12-2009, there must exist a face item named Non-banking asset.

**2.10 Implementation of BASEL-II**

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

National Housing Finance and Investments Limited management is aware about guideline of Bangladesh Bank and implemented Capital Adequacy requirement according to BASEL-II. BASEL-II implementation is headed by Managing Director.

**3.00 Significant accounting policies**

The accounting policies applied for preparation of this Financial Statements have been applied consistently for both the periods presented herein.

**3.01 Authorized Capital**

Authorized capital is the maximum amount of share capital that the Company is authorized by its Memorandum and Articles of Association.

**3.02 Paid up Capital**

Paid up capital represents total amount of shareholders' capital that has been paid in full by ordinary shareholders. Ordinary shareholders are entitled to vote at shareholders' meeting & receive dividends as declared from time to time.

**3.03 Statutory Reserve**

Statutory reserve has been maintained @ 20.00% of profit after tax in accordance with provisions of section 9 of the Financial Institutions Act 1993 until such reserve equal to its paid up capital.

**3.04 Revenue Recognition**

**3.04.01 Interest Income**

**Mortgage Loans**

Repayment of housing (mortgage) loans is made by way of Equated Monthly Installments (EMI) which consists of principal and interest. Interest is calculated annually on the outstanding balance at the beginning of the year. EMI commences after disbursement of loan in full. EMI and Pre-EMI interests are recoverable every month from the borrowers, interest on loan due for payment for more than 9 (nine) months are not taken into account.

**Lease Finance**

The Company follows the finance lease method following BAS 17: Leases to account for lease income. Interest are recognized as and when accrued/earned on the basis of accrual basis of accounting. Interest outstanding more than 2 (two) months for 5 (five) years loan and more than 5 (five) months for over 5 (five) years loan is not recognized as revenue but recognized as interest suspense complying the requirements by the DFIM of Bangladesh Bank.

**Term Finance**

Income from term finance is recognized when interest is accrued, but no interest of installments is taken into account that becomes due for more than 2 (two) months for 5 (five) years loan and more than 5(five) months for over 5 (five) years loan but recognized as interest suspense complying the requirements by the DFIM circular of Bangladesh Bank.

**Fixed Deposits**

Fixed deposits, if not encashed on due date, is considered automatically renewed at the equivalent current rate of interest. Interest on fixed deposits is recognized as income as and when accrued.

**3.04.02 Investment Income**

Income on investment is recognized on accrual basis.

**3.04.03 Fees and Commission Income**

Fees and commission comprises application fees and administration fees computed on sanctioned loan amount.

**3.05 Expenditure Recognition****3.05.01 Interest Paid and Other Expenses**

Interest paid and other expenses are recognized on accrual basis.

**3.05.02 Loan Loss Provision**

General provision @ 1.00% & 0.25% on the unclassified loans are made as per policy prescribed by the Bangladesh Bank. In addition to Bangladesh Bank's policy for provision against non-performing loans, the Company follows a stringent policy to make provision against its non-performing loans.

**3.05.03 Fixed Assets****i) Recognition and measurement**

Items of fixed assets excluding land and building are measured at cost less accumulated depreciation and accumulated impairment losses. Land and building is recognized at cost at the time of acquisition. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16 "Property, Plant and Equipments".

**ii). Subsequent Cost**

Subsequent costs is capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

**iii) Depreciation**

Depreciation on fixed assets except land is provided on Reducing Balance Method and additions made during the year is charged for the whole year, while no depreciation is charged in the year of disposal. Asset category wise depreciation rates are as follows:

Items	Rates
Land and Building	10.00%
Furniture	10.00%
Office Equipment	20.00%
Motor Vehicle	20.00%

**3.06 Employee Benefits****3.06.01 Provident Fund**

The Company has introduced a Contributory Provident Fund for its eligible employees with effect from January 2002, obtaining necessary approval from the National Board of Revenue, GoB. Provident Fund is administered by a Board of Trustee of the Company. All confirmed employees are contributing 10.00% of their basic salary as subscription of the fund and the Company also contributed at the same rate to the fund. The

contributions are invested in compliance with the PF Trust Deed. Members are eligible to get the both contribution after completion of 5(five) years continuous service.

### **3.06.02 Gratuity Fund**

The Company has introduced a Funded Gratuity Scheme in the year 2004 obtaining necessary approval from the National Board of Revenue, GoB. The Gratuity Scheme is administered by a Board of Trustees. Members are eligible to get the gratuity benefit after completion of minimum 5(five) years of confirmed service in the company. Gratuity is calculated on the basis of last basic salary and is payable at the rate of one month's basic pay for every completed year of service.

### **3.07 Income Tax**

#### **3.07.01 Current Tax :**

Provision for current year's taxation has been made as per the provision of Income Tax Ordinance 1984 at the ruling rate prescribed in the Finance Act, 2015 and consistent with the past practice.

#### **3.07.02 Deferred Tax**

Deferred Tax has been accounted for as per Bangladesh Accounting Standard (BAS)-12: Income Taxes. It arises due to temporary difference, deductible or taxable, for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statement. Deferred Tax asset or liability is the amount of income tax payable or recoverable in future period (s) recognized in the current period. The Deferred Tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

### **3.08 Earnings Per Share (EPS)**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding as at 31 December, 2015. The Company calculates EPS in accordance with IAS 33: Earnings Per Share, which has been shown on the face of Profit & Loss Account, and the computation of EPS is stated in note 32.00. This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

### **3.09 Dividend**

Dividend on ordinary shares are recognized as a liability and deducted from retained earnings after due approval by the shareholders in the respective Annual General Meeting (AGM). Dividend recommended by the Board of Directors for approval of the shareholders for the year 2015 has been stated as post balance sheet events in note 48.00.

### **3.10 Related party disclosure**

As per Bangladesh Accounting Standards (BAS) 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. Related party disclosures have been given in note-54 .

### **3.11 Regulatory & Legal Compliances**

The Company has complied with the requirements of following regulatory and legal authorities:

- a) The Financial Institutions Act 1993;
- b) The Companies Act 1994;
- c) Rules and Regulations Issued by Bangladesh Bank;
- d) The Securities and Exchange Rules-1987;
- e) The Securities and Exchange Ordinance-1969;
- f) The Securities and Exchange Commission Act-1993;
- g) The Securities and Exchange Commission(Public Issue) Rules-2006;
- h) The Income Tax Ordinance 1984;
- i) The VAT Act 1991;
- j) The 1st Schedule (under section 38) of Banking Companies Act 1991 for preparation of Financial Statements.

### 3.12 Compliance of Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS)

The financial statements have been prepared in accordance with the applicable accounting and reporting standards i.e. BAS & BFRS as adopted by the Institute of Chartered Accountant of Bangladesh (ICAB). The following table shows the compliance status of BAS & BFRS for preparation and presentation of the financial statements:

BAS/BFRS	Reference	Status of Compliance
Presentation of Financial Statements	BAS-01	Applied
Inventories	BAS-02	Not Applicable
Cash Flow Statements	BAS-07	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	BAS-08	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contract	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant & Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effect of Changes in Foreign Exchange Rates	BAS-21	Not Applicable
Borrowing Costs	BAS-23	Applied
Related Party Disclosure	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investments in Associates	BAS-28	Not Applicable
Financial Instruments: Presentation	BAS-32	Applicable
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applicable
Investment Property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable
First Time adoption of IFRS	BFRS-1	Not Applicable
Share Based Payment	BFRS-2	Not Applicable
Business Combination	BFRS-3	Not Applicable
Insurance Contracts	BFRS-4	Not Applicable
Non-current Assets held for Sale and Discontinued Operations	BFRS-5	Not Applicable
Explanation for and Evaluation of Mineral Resources	BFRS-6	Not Applicable
Financial Instruments: Disclosures	BFRS-7	Applicable
Operating Segments	BFRS-8	Applied
Joint Arrangements	BFRS-11	Not Applicable
Disclosure of Interests in Other Entities Financial Institutions	BFRS-12	Not Applicable
Fair Value Measurement	BFRS-13	Applicable

	2015 Taka	2014 Taka
<b>4.00 Cash</b>		
<b>Cash in hand:</b>		
Local currency	54,395	37,313
Foreign currencies	-	-
	<b>54,395</b>	<b>37,313</b>
<b>Balance with Bangladesh Bank and its agent Bank:</b>		
Local currency	128,613,635	86,330,630
Foreign currencies	-	-
	<b>128,613,635</b>	<b>86,330,630</b>
	<b>128,668,030</b>	<b>86,367,943</b>

#### 4.01 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rules 5 of the Financial Institutions Regulations 1994 and FID circular # 6 dated November 06, 2003.

The CRR on the Company's term deposits received from public @ 2.5% has been calculated and maintained with Bangladesh Bank in current account and 5% SLR, including CRR, on the total liabilities has been maintained in the form of balance with banks and other financial institutions. Both the reserves maintained by the Company are in excess of the statutory requirements. Details of CRR & SLR maintained by the company are shown in the note: 4.01.01 & 4.01.02.

##### 4.01.01 Cash Reserve Requirement (CRR)

Required reserve	115,319,779	75,039,949
Actual reserve held	128,613,635	86,330,630
<b>Surplus/(deficit)</b>	<b>13,293,856</b>	<b>11,290,681</b>

##### 4.01.02 Statutory Liquidity Reserve (SLR)

Required reserve	298,540,000	206,663,000
Actual reserve held	1,049,619,000	1,033,533,000
<b>Surplus/(deficit)</b>	<b>751,079,000</b>	<b>826,870,000</b>

#### 5.00 Balance with banks and other financial institutions

##### 5.01 In Bangladesh

On current accounts (note: 5.01.01)	5,671,579	4,042,037
On Short Term Deposit (STD) Accounts (note: 5.01.02)	112,734,174	77,793,932
On Fixed Deposit Account (note: 5.01.03)	850,000,000	945,100,000
	<b>968,405,753</b>	<b>1,026,935,969</b>

##### Outside Bangladesh

	-	-
	<b>968,405,753</b>	<b>1,026,935,969</b>

##### 5.01.01 On Current Accounts

AB Bank Limited	184,465	184,465
Bank Asia Limited	2,888,215	-
EXIM Bank Limited	371,037	968,857
National Bank Limited	283,242	1,175,536
One Bank Limited	39,271	40,571
Standard Bank Limited	-	1,084
Trust Bank Limited	16,085	17,235
Mercantile Bank Limited	1,887,595	1,651,930
The City Bank Limited	1,669	2,359
	<b>5,671,579</b>	<b>4,042,037</b>

	2015 Taka	2014 Taka
<b>5.01.02 On Short Term Deposit (STD) Accounts</b>		
Islami Bank Bangladesh Limited	721,587	262,447
AB Bank Limited	14,539	15,221
Bank Asia Limited	8,940,312	12,439,627
Dhaka Bank Limited	-	0.30
Eastern Bank Limited	11,277,605	11,557,970
Exim Bank Limited	4,712	4,593
Jamuna Bank Limited	38,935,839	15,045,345
National Bank Limited	1,372,940	1,195,791
One Bank Limited	1,220,893	-
Premier Bank Limited	1,258,111	1,235,437
Pubali Bank Limited	22,843,303	851,037
Shahjalal Islami Bank Limited	3,930,465	2,557,771
Sonali Bank Limited	2,089	2,043
Southeast Bank Limited	8,277,866	8,082,109
Trust Bank Limited	1,570,057	5,574,424
United Commercial Bank Limited	3,054	4,075
Bank Alfalah Limited	6,631,180	9,970,852
H.S.B.C Bank Limited	-	539,435
Mercantile Bank Limited	5,729,622	8,455,756
	<b>112,734,174</b>	<b>77,793,932</b>
<b>5.01.03 On Fixed Deposit Account</b>		
AB Bank Limited	-	10,100,000
National Bank Limited	-	5,000,000
NRB Global Bank Limited	-	50,000,000
Jamuna Bank Limited	270,000,000	600,000,000
Peoples Leasing and Financial Services Limited (PLFSL)	150,000,000	100,000,000
First Lease Finance	100,000,000	150,000,000
SBAC Bank Limited	30,000,000	30,000,000
Union Capital Limited	100,000,000	-
Premier Leasing and Finance Limited	50,000,000	-
FAS Finance & Investments Limited	150,000,000	-
	<b>850,000,000</b>	<b>945,100,000</b>
<b>5.02 Maturity Grouping of Balance with other Banks and Financial Institutions</b>		
On demand	118,405,753	81,835,969
Up to 3(three) months	250,000,000	300,000,000
More than 3(three) months but not more than 1(one) year	600,000,000	645,100,000
More than 1(one) year but not more than 5(five) years	-	-
More than 5(five) years	-	-
	<b>968,405,753</b>	<b>1,026,935,969</b>
<b>6.00 Money at call and on short notice</b>		
With Banking Companies	-	-
	-	-
<b>7.00 Investments</b>		
Government securities	-	-
Other investments (note: 7.01)	82,550,573	20,807,259
	<b>82,550,573</b>	<b>20,807,259</b>
<b>7.01 Other Investments</b>		
Preference Shares	50,000,000	-
Ordinary Shares (note: 7.01.01)	32,550,573	20,807,259
	<b>82,550,573</b>	<b>20,807,259</b>



### 7.01.01 Investment in ordinary shares

Name of Company	Cost Price	Number of Shares	Cost Value	Market Price	Market Value	Provision for diminution in value of share
AB Bank Limited	23.02	20,000	460,491	20.90	418,000	42,491
Agni Systems Limited	21.92	220,000	4,822,852	21.40	4,708,000	114,852
GSP Finance (BD) Limited	18.37	396,017	7,273,622	15.00	5,940,255	1,333,367
Jamuna oil company Limited	195.35	91,453	17,864,953	157.10	14,367,266	3,497,687
Lanka Bangla Finance Limited	29.80	5,000	149,020	29.00	145,000	4,020
Safco Spinning Mills Limited	19.35	102,304	1,979,636	17.30	1,769,859	209,776
<b>Total</b>			<b>32,550,573</b>		<b>27,348,381</b>	<b>5,202,192</b>

Opening Balance	1,698,397
Charge /(recovery) during the year	3,503,795
<b>Balance as on December 31, 2015</b>	<b>5,202,192</b>

### 7.01.02 Maturity-wise Grouping

	2015 Taka	2014 Taka
On demand	32,550,573	20,807,259
Up to 3(three) months	10,000,000	-
More than 3(three) months but not more than 1(one) year	10,000,000	-
More than 1(one) year but not more than 5(five) years	30,000,000	-
	<b>82,550,573</b>	<b>20,807,259</b>

### 8.00 Loans and advances

Mortgage loans	5,497,891,329	3,678,218,370
Lease finance (note: 8.03)	285,455,007	437,144,614
Term loans	647,971,400	678,490,552
Small & Medium Enterprises Loan (note: 8.03)	834,775,717	712,950,387
Loan Against Fixed Deposits	21,835,555	16,852,829
Staff loan (note: 8.07)	22,828,313	23,132,309
	<b>7,310,757,322</b>	<b>5,546,789,061</b>

Note - Figure in 2014 has been restated due to changes in presentation.

### 8.01 Net Loans and advances

Gross loans, advances and leases	7,310,757,322	5,546,789,061
<b>Less:</b> Interest suspense (note: 14.05)	(74,688,157)	(76,805,687)
<b>Less:</b> Provision for loans, advances and leases (note: 8.13)	(126,876,489)	(84,117,589)
	<b>7,109,192,675</b>	<b>5,385,865,785</b>

### 8.02 Maturity-wise Grouping of loans and advances

Up to 1 (one) months	1,118,835,172	-
Up to 3(three) months	117,265,147	853,752,846
More than 3(three) months but not more than 1(one) year	1,092,207,424	381,462,226
More than 1(one) year but not more than 5(five) years	1,192,051,714	1,981,298,002
More than 5(five) years	3,790,397,864	2,330,275,987
	<b>7,310,757,322</b>	<b>5,546,789,061</b>

### 8.03 Lease Finance & SME Loan

Receivable within 3 months	473,758,011	157,880,891
More than 3(three) months but not more than 1(one) year	194,674,023	80,722,382
More than 1(one) year but not more than 5(five) years	450,235,002	911,491,728
More than 5(five) years	1,563,688	-
	<b>1,120,230,724</b>	<b>1,150,095,001</b>



	2015 Taka	2014 Taka
<b>8.04 Loans, Advances and Leases</b>		
<b>In Bangladesh</b>		
Loans	6,190,526,597	4,396,694,060
Leases	1,120,230,724	1,150,095,001
Overdraft	-	-
Cash Credit	-	-
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>Outside Bangladesh</b>	-	-
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>8.05 Geographical Location-wise Grouping</b>		
<b>In Bangladesh</b>		
Dhaka division	5,780,845,699	4,391,235,587
Chittagong division	491,830,421	357,171,017
Khulna division	-	-
Sylhet division	-	-
Barisal division	-	-
Rajshahi division	1,038,081,202	798,382,457
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>Outside Bangladesh</b>	-	-
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>8.06 Significant Concentration-wise Grouping</b>		
<b>Directors &amp; their related parties (Note: 54.00)</b>	-	-
<b>Staff:</b>		
Managing Director	-	-
Senior Executives	22,828,313	23,132,309
Others	21,835,555	16,852,829
	<b>44,663,868</b>	<b>39,985,138</b>
<b>Industries:</b>		
Agricultural loan	422,902,484	393,650,094
Large and medium enterprises	1,341,586,607	1,007,769,722
Small and cottage	3,713,033	252,850,353
	<b>1,768,202,124</b>	<b>1,654,270,169</b>
<b>Mortgage Loan</b>		
Home mortgage loan	4,612,686,835	3,011,261,178
Commercial mortgage loan	423,492,610	197,200,216
Project mortgage loan	461,711,884	469,756,976
	<b>5,497,891,329</b>	<b>3,678,218,370</b>
<b>Trade &amp; commercial</b>	-	174,315,384
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>8.07 Staff Loan</b>		
Personal loan	14,494,246	15,566,208
Car loan	2,543,447	2,543,447
House building loan	5,790,620	5,022,654
	<b>22,828,313</b>	<b>23,132,309</b>
<b>8.08 Details of Large Loan</b>		
As at 31st December 2015 there was no client with whom amount of outstanding and classified loans, advances and leases exceeded 15.00% of the total capital of the Company. Total capital of the Company was Taka 1,700.35 million and Taka 1,562.21 million as at 2015 & 2014 respectively (note: 15.05).		
<b>8.09 Grouping as per Classification Rules</b>		
<b>Unclassified:</b>		
Standard	6,572,338,348	4,903,324,254
Special Mention Account	328,174,558	326,498,807
	<b>6,900,512,906</b>	<b>5,229,823,061</b>

	2015 Taka	2014 Taka
<b>Classified:</b>		
Sub-standard	115,190,266	153,390,426
Doubtful	67,830,341	40,817,492
Bad/loss	227,223,809	122,758,082
	<b>410,244,416</b>	<b>316,966,000</b>
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>8.10 Loan Type-wise Classified Loan</b>		
Mortgage loans	205,238,738	176,823,896
Lease finance	47,150,286	17,500,945
Term Finance	42,383,249	70,930,116
Small & Medium Enterprises	115,472,143	51,711,043
	<b>410,244,416</b>	<b>316,966,000</b>
<b>8.11 Sector-wise Allocation of Loans, Advances and Leases</b>		
<b>Government</b>		
<b>Private:</b>		
Mortgage loan	5,083,444,385	3,487,982,575
Industry	285,455,007	437,144,614
Term Finance	647,971,400	678,490,552
Commercial loan	414,446,944	190,235,795
SME Loan	834,775,717	712,950,387
Miscellaneous	44,663,868	39,985,138
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
<b>8.12 Securities Against Loans, Advances and Leases</b>		
Collateral of moveable/immoveable assets	5,503,681,949	3,678,218,370
Fixed Deposit Receipts (FDR)	311,540,031	346,775,158
Fixed Deposit of other banks	221,845,995	222,430,025
Personal guarantee	227,508,647	421,726,795
Others	1,046,180,699	877,638,713
	<b>7,310,757,322</b>	<b>5,546,789,061</b>

**8.13 Particulars of Required Provision for Loans, Advances and Leases**

Status	Outstanding Loans, Advances	Base for Provision	Rate of Require	Required Provision	Required Provision
For Loans, Advances and Leases:-					
<b>Unclassified-General</b>					
All unclassified Loans	6,572,338,348	6,572,338,348	0.25% & 1%	60,659,921	43,873,944
Special Mention Account	328,174,558	312,584,735	5.00%	15,629,237	15,655,876
<b>Sub-total:</b>	<b>6,900,512,906</b>	<b>6,884,923,083</b>		<b>76,289,158</b>	<b>59,529,820</b>
<b>Classified-Specific</b>					
Sub-standard	115,190,266	28,558,669	20.00%	5,711,734	3,984,868
Doubtful	67,830,341	10,374,568	50.00%	5,187,284	3,496,839
Bad/Loss	227,223,809	39,688,314	100.00%	39,688,314	17,106,062
<b>Sub-total:</b>	<b>410,244,416</b>	<b>78,621,551</b>		<b>50,587,332</b>	<b>24,587,769</b>
<b>Grand-total:</b>	<b>7,310,757,322</b>	<b>6,963,544,634</b>		<b>126,876,489</b>	<b>84,117,589</b>

- 8.14** While calculating provision for bad loan S. A Telecom Systems Limited has not been considered as classified due to a stay order from Honorable High Court Division, in the Supreme Court of Bangladesh. As per Bangladesh Bank letter vide Reference-DFIM(C)1054 /002013-874, Bank has been advised to follow the Court instruction until receiving final decision in these regard.

	2015 Taka	2014 Taka
<b>8.15 Particulars of Loans, Advances and Leases</b>		
Loans considered good in respect of which the Company is fully secured	6,037,067,975	4,247,423,553
Loans considered good in respect of which the Company holds no security other than debtors' personal guarantee	242,002,893	437,293,003
Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	1,031,686,453	862,072,505
Loans adversely classified-no provision made thereof	-	-
	<b>7,310,757,322</b>	<b>5,546,789,061</b>
Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	22,828,313	23,132,309
Loans due from companies or firms in which the directors or officers of the Company have interest as directors, partners or managing agents or, in case of private companies, as members	-	-
Maximum total amount of advance, including temporary advance made any time during the year to directors or managers or officers of the Company or any of them either separately or jointly with any other persons	-	-
Maximum total amount of advance, including temporary advances granted during the year to companies or firms in which the directors of the Company are interested as directors, partners or managing agents or, in case of private companies, as members.	-	-
Due from banks/financial institutions	-	-
<b>Classified loans, advances and leases:</b>		
a) Classified loans, advances and leases on which interest has not been charged (Note-8.09)	410,244,416	316,966,000
b) Loans written off	6,538,577	37,043,850
c) Realized from previous written off	-	-
d) Provision on bad loans, advances and leases	50,587,332	24,587,769
e) Interest credited to the interest suspense account (Note-14.05)	74,688,157	76,805,687
f) Cumulative amount of the written off loans/Leases:		
Opening balance	246,700,625	209,656,775
Amount written off during the year	6,538,577	37,043,850
Cumulative to date	253,239,202	246,700,625
Recovery from write-off	-	-
Written off loans for which law suit filed	253,239,202	246,700,625

**8.16** The directors of the Company have not taken any loan from National Housing during the year or there is no outstanding loan balances with any directors of the company.

9.00 Fixed assets including premises, furniture and fixtures for 2015

Figures in Taka

Particulars	C o s t				Rate	Depreciation				Written down value as on 31.12.15	Written down value as on 31.12.14
	Balance as on 01.01.15	Disposed during the year	Addition during the year	Balance as on 31.12.15		Balance as on 01.01.15	Adjustments for disposal	Charged during the year	Balance as on 31.12.15		
Land & building	41,565,093	-	-	41,565,093	10%	23,134,295	-	1,615,476	24,749,771	16,815,322	18,430,798
Furniture	10,981,654.0	-	1,382,044	12,363,698	10%	4,954,562	-	740,893	5,695,455	6,668,243	6,027,092
Office equipment	11,730,448	-	246,361	11,976,809	20%	8,019,322	-	791,492	8,810,814	3,165,995	3,711,126
Motor vehicle	4,838,600	-	-	4,838,600	20%	2,569,239	-	453,876	3,023,115	1,815,485	2,269,361
<b>Total:</b>	<b>69,115,795</b>	<b>-</b>	<b>1,628,405</b>	<b>70,744,200</b>		<b>38,677,418</b>	<b>-</b>	<b>3,601,737</b>	<b>42,279,155</b>	<b>28,465,045</b>	<b>30,438,377</b>

	2015 Taka	2014 Taka
<b>10.00 Other assets</b>		
<b>Non-income Generating Other Assets:</b>		
Advance against fixed assets	-	592,000
Security deposits	754,460	754,460
Advance income tax (note: 10.01)	258,080,640	110,141,952
Advance against branch office	559	16,485
Advance against office rent	3,434,400	4,432,800
Stamp & Security Paper	130,300	125,478
Other receivables (note: 10.02)	42,847,991	29,711,379
	<b>305,248,350</b>	<b>145,774,554</b>
<b>10.01 Advance Income Tax</b>		
Balance as at 1st January	<b>110,141,952</b>	<b>113,654,837</b>
<b>Add:</b> Advance tax for the year:		
Tax paid during the year	139,757,161	69,301,491
Tax deducted at source	8,181,526	10,674,303
<b>Less:</b> Adjusted against tax provision	-	(83,488,679)
	<b>147,938,687</b>	<b>(3,512,885)</b>
<b>Balance as at 31st December</b>	<b>258,080,640</b>	<b>110,141,952</b>
<b>10.02 Other Receivables</b>		
Cheque dishonored charges	946,435	1,159,107
Accounts receivable	7,693,318	5,234,142
Interest on bank deposits	20,676,112	12,326,202
Receivable from Multi Securities	8,070	8,570
Receivable from ETBL Securities	2,400,221	478,189
Receivable from UFT Co. Ltd	2,117,281	2,562,659
Legal charges receivable	8,587,551	7,619,089
Others	419,005	323,422
	<b>42,847,991</b>	<b>29,711,379</b>

Note - Figure in 2014 has been restated due to changes in presentation.

<b>11.00 Non-banking assets</b>	-	-
<b>12.00 Borrowing from banks, other financial institutions and agents</b>		
<b>Secured</b>		
<b>In Bangladesh:</b>		
<b>Secured Overdraft</b>		
Banking companies:		
Eastern Bank Limited	1,791,900	1,002
Mercantile Bank Ltd.	1,959,847	19,609,086
Prime Bank Ltd.	14,383,204	25,620
Pubali Bank Ltd.	18,997,439	20,962,024
United Commercial Bank Ltd.	34,900	44,177
	<b>37,167,289</b>	<b>40,641,909</b>
Non-banking financial institution	-	-
	<b>37,167,289</b>	<b>40,641,909</b>
Outside Bangladesh	-	-
<b>Sub-total:</b>	<b>37,167,289</b>	<b>40,641,909</b>

	2015 Taka	2014 Taka
<b>Term Loan :</b>		
Banking companies:		
Bank Al-Falah Limited	7,699,640	-
Eastern Bank Limited	10,000,000	-
Pubali Bank Ltd.	-	67,193,982
	<b>17,699,640</b>	<b>67,193,982</b>
Non-banking financial institution	-	-
	<b>17,699,640</b>	<b>67,193,982</b>
<b>Outside Bangladesh</b>	-	-
<b>Sub-total:</b>	<b>17,699,640</b>	<b>67,193,982</b>
Bangladesh Bank Loan:		
SME loan	506,714,499	508,450,027
HML Refinance Scheme	317,443,862	350,919,185
<b>Sub-total:</b>	<b>824,158,361</b>	<b>859,369,212</b>
<b>Un-secured</b>		
<b>Money at call and on short notice:</b>		
Banking companies:		
South East Bank Ltd.	-	-
	-	-
Non-banking financial institution	-	-
	-	-
<b>Outside Bangladesh</b>	-	-
<b>Sub-total:</b>	-	-
<b>Total:</b>	<b>879,025,290</b>	<b>967,205,103</b>
<b>12.01 Remaining Maturity Grouping of Borrowing</b>		
Payable on demand	-	-
Up to 1 (one) month	20,761,398	12,885,363
Over 1(one) month to 3(three) months	27,502,657	41,525,911
Over 3(three) months to 1(one) year	212,383,618	166,513,728
Over 1(one) year to 5(five) years	525,021,485	627,394,726
More than 5(five) years	93,356,132	118,885,375
	<b>879,025,290</b>	<b>967,205,103</b>
<b>13.00 Deposits and other accounts</b>		
Term deposits	5,526,062,366	3,791,067,944
Other deposits (note: 13.02)	25,796,301	35,361,043
	<b>5,551,858,667</b>	<b>3,826,428,987</b>
<b>13.01 Remaining Maturity Grouping of Deposits and Other Accounts</b>		
Payable on demand	-	-
Within 1(one) month	382,957,161	342,306,237
Over 1(one) month to 6(six) months	982,919,160	719,068,820
Over 6(six) months to 1(one) year	546,131,310	908,782,267
Over 1(one) year to 5(five) years	3,546,485,104	1,837,129,221
Over 5(five) years to 10(ten) years	93,365,932	19,142,442
More than 10(ten) years	-	-
	<b>5,551,858,667</b>	<b>3,826,428,987</b>
<b>13.02 Other Deposits</b>		
Home mortgage loan deposit	2,912,107	1,677,380
Margin deposit	2,759,060	2,792,840
Refundable share money deposit	6,210,394	6,210,394
Lease deposit	13,914,740	24,680,429
	<b>25,796,301</b>	<b>35,361,043</b>

	2015 Taka	2014 Taka
<b>14.00 Other liabilities</b>		
Provision for loans, advances ,investments and others(note: 14.01 to 14.04)	146,512,765	99,577,571
Interest suspense (note: 14.05)	74,688,157	76,805,687
Provision for gratuity (note: 14.06)	5,186,725	2,379,490
Withholding tax payable	501,511	195,724
VAT & Excise duty payable	82,950	49,117
Provision for current tax (note: 14.07)	377,621,587	209,076,043
Provision for deferred tax (note: 14.08)	310,287	260,262
Interest payable	196,410,961	156,983,584
Accrued expenses (note: 14.10)	187,500	357,341
Unclaimed dividend	10,537,357	8,202,959
Accounts Payable	4,165,686	3,976,694
Sundry deposit	1,815,049	1,796,138
Sundry liabilities	1,133,378	1,133,378
	<b>819,153,912</b>	<b>560,793,987</b>
<b>14.01 Specific Provision on Loans, Advances</b>		
Balance as at 1st January	40,243,650	69,733,779
<b>Less:</b> Fully provided debt written off	(5,496,392)	(30,409,811)
<b>Provision after written off</b>	34,747,258	39,323,968
<b>Add:</b> Provision made during the year	116,473,074	85,560,326
<b>Less:</b> Provision recovered	(85,003,761)	(84,640,644)
<b>Add:</b> Recoveries of amounts previously written off	-	-
<b>Less:</b> Written off of provision no longer required	-	-
<b>Net charge in the profit &amp; loss account</b>	31,469,313	919,682
<b>Provisions held at 31st December</b>	<b>66,216,571</b>	<b>40,243,650</b>
<b>14.02 General Provision on Loans, Advances and Leases</b>		
Balance as at 1st January	51,047,519	41,878,063
<b>Add:</b> Provision made during the year	147,300,853	89,372,097
<b>Less:</b> Provision recovered	(130,176,647)	(80,202,641)
<b>Net charge in the profit &amp; loss account</b>	17,124,206	9,169,456
<b>Balance as at 31st December</b>	<b>68,171,725</b>	<b>51,047,519</b>
<b>14.03 Provision on investments in share</b>		
Balance as at 1st January	1,698,397	4,484,471
<b>Add:</b> Provision made during the year	5,626,971	-
<b>Less:</b> Provision recovered	(2,123,176)	(2,786,074)
<b>Net charge in the profit &amp; loss account</b>	3,503,795	(2,786,074)
<b>Balance as at 31st December</b>	<b>5,202,192</b>	<b>1,698,397</b>
<b>14.04 Provision on others</b>		
Balance as at 1st January	6,588,005	2,671,189
<b>Add:</b> Provision made during the year	1,622,549	4,071,116
<b>Less:</b> Provision recovered	(592,362)	(154,300)
<b>Net charge in the profit &amp; loss account</b>	1,030,187	3,916,816
	7,618,192	6,588,005
<b>Less:</b> Fully provided debt written off	(695,916)	-
<b>Provisions held at 31st December</b>	<b>6,922,277</b>	<b>6,588,005</b>
<b>14.05 Interest Suspense Account</b>		
Balance as at 1st January	76,805,687	82,057,919
<b>Add:</b> Interest suspense charged during the year	106,256,256	106,124,360
<b>Less:</b> Interest suspense realized during the year	(108,027,517)	(104,742,553)
<b>Net charge in the profit &amp; loss account</b>	(1,771,261)	1,381,807
	75,034,426	83,439,726
<b>Less:</b> Interest written off	(346,269)	(6,634,039)
<b>Balance as at 31st December</b>	<b>74,688,157</b>	<b>76,805,687</b>

2015 Taka	2014 Taka
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### Write-off of Loans/Leases

As per FID Circular no. 03 dated 15th March 2007 of Bangladesh Bank a financial institution should write-off its loans/leases to clean-up its financial statements subject to fulfillment of the criteria. As per Bangladesh Bank guidelines, National Housing Finance and Investments Limited has written-off its loans/leases as under:

(Figures in Taka)

Balance at 1st January	246,700,625	209,656,775
Net loans/leases written-off during the year	6,538,577	37,043,850
No. of agreements written-off	13	8
No. of clients written-off	10	5
Interest suspense against written-off loans/leases	(346,269)	(6,634,039)
Provision adjusted against written-off loans/leases	(6,192,308)	(30,409,811)
Recovery of loans/leases write-off loans/leases	-	-
<b>Balance of loans/leases written-off at 31st December 2015</b>	<b>253,239,202</b>	<b>246,700,625</b>

### 14.06 Provision for Gratuity

Balance as at 1st January	2,379,490	1,846,405
<b>Add:</b> Provision made during the year	5,186,725	2,379,490
<b>Less:</b> Payment made during the year	(2,379,490)	(1,846,405)
<b>Less:</b> Provision written back during the year	-	-
<b>Balance as at 31st December</b>	<b>5,186,725</b>	<b>2,379,490</b>

### 14.07 Provision for Current Tax

Balance as on 1st January	209,076,043	164,955,760
<b>Add:</b> Provision made during the year	168,545,544	125,158,953
<b>Less:</b> Excess provision for the year written back	-	-
<b>Add:</b> Short provision	-	2,450,009
<b>Less:</b> Adjustment of advance tax	-	(83,488,679)
<b>Balance as at 31st December</b>	<b>377,621,587</b>	<b>209,076,043</b>

### 14.08 Provision for Deferred Tax

Balance as at 1st January	260,262	69,027
<b>Add:</b> Provision for deferred	50,026	191,235
<b>Balance as at 31st December</b>	<b>310,287</b>	<b>260,262</b>

### 14.09 Provision for taxation Net Charged for in the Profit & Loss Account

Current tax (note: 14.07)	168,545,544	127,608,962
<b>Add:</b> Deferred tax (note: 14.08)	50,026	191,235
	<b>168,595,570</b>	<b>127,800,197</b>

Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 40.00% on taxable income.

### 14.10 Accrued Expenses

Promotion and publicity	-	-
Audit fees	187,500	172,500
Sundry creditors	-	184,841
	<b>187,500</b>	<b>357,341</b>

### 15.00 Share Capital

### 15.01 Authorized Capital:

200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
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	2015 Taka	2014 Taka
<b>15.02 Issued, Subscribed and fully Paid-up Capital:</b>		
106,392,000 ordinary shares of Tk.10 each	1,063,920,000	1,063,920,000
% of holding:	% of holding	% of holding
Sponsors	82.23%	87.05%
General public	17.77%	12.95%
	<b>100.00%</b>	<b>100.00%</b>
<b>Number of holding:</b>		
Sponsors	87,486,142	92,614,399
General public	18,905,858	13,777,601
	<b>106,392,000</b>	<b>106,392,000</b>

**15.03 Classification of shareholders by holding as required by Regulation 37 of the Listing Regulations of Dhaka Stock Exchange Limited:**

Number of shares	No of shareholders	No of shares	% of holding
Less than 500	2736	197,811	0.19%
501 to 5,000	1180	1,904,664	1.79%
5,001 to 10,000	153	1,152,776	1.08%
10,001 to 20,000	82	1,225,125	1.15%
20,001 to 30,000	27	666,745	0.63%
30,001 to 40,000	16	565,723	0.53%
40,001 to 50,000	11	503,835	0.47%
50,001 to 100,000	22	1,523,392	1.43%
100,001 to 1,000,000	37	12,019,469	11.30%
Above 1,000,000	18	86,632,460	81.43%
<b>Total:</b>	<b>4282</b>	<b>106,392,000</b>	<b>100.00%</b>

The shares of the Company are listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.

**15.04 Capital Requirement**

As per DFIM circular no. 05 dated July 24, 2011 of Bangladesh Bank, an NBFI requires to have Tk.100 crore as its minimum capital which shall be deemed to be adequate capital. When the core capital equals or exceeds its minimum capital then the capital shall be treated as adequate capital of NBFI. Core capital consists of paid-up capital, retained earnings, statutory reserve and balance of current year's profit but in case of total capital it includes core capital plus general provision on good loans/leases. Status of the capital has given below:

Core capital (paid-up capital, retained earnings & statutory reserve etc.)	1,574,057,203 (1,000,000,000)	1,502,685,087 (1,000,000,000)
<b>Less:</b> Required minimum capital		
<b>Surplus over minimum required capital</b>	<b>574,057,203</b>	<b>502,685,087</b>
Core capital (paid-up capital, retained earnings & statutory reserve etc.)	1,574,057,203	1,502,685,087
Add: Provision on good loan/leases	68,171,725	51,047,519
<b>Total capital</b>	<b>1,642,228,928</b>	<b>1,553,732,606</b>
<b>Less:</b> Required minimum capital	<b>(1,000,000,000)</b>	<b>(1,000,000,000)</b>
	<b>642,228,928</b>	<b>553,732,606</b>

**15.05 Capital Adequacy Ratio-As per BASEL-II**

<b>1. Tier-1 (Core Capital)</b>		
<b>1.1</b> Fully Paid-up Capital/Capital Deposited with BB	1,063,920,000	1,063,920,000
<b>1.2</b> Statutory Reserve	311,601,129	265,409,106
<b>1.3</b> Non-repayable share premium account	-	-
<b>1.4</b> General Reserve	-	-
<b>1.5</b> Retained Earnings	198,536,074	173,355,981
<b>1.6</b> Minority interest in Subsidiaries	-	-
<b>1.7</b> Non-Cumulative irredeemable Preference shares	-	-

	2015 Taka	2014 Taka
1.8 Dividend Equalization Account	-	-
1.9 Others (if any item approved by Bangladesh Bank)	-	-
<b>1.10 Sub-Total (1.1 to 1.9)</b>	<b>1,574,057,203</b>	<b>1,502,685,087</b>
<b>Deductions from Tier-1 (Core Capital)</b>		
1.11 Book Value of Goodwill and value of any contingent assets which are shown as assets	-	-
1.12 Shortfall in provisions required against classified assets	-	-
1.13 Shortfall in provisions required against investment in shares	-	-
1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.15 Any investment exceeding the approved limit.	-	-
1.16 Investments in subsidiaries which are not consolidated	-	-
1.17 Increase in equity capital resulting from a securitization exposure	-	-
1.18 Other (if any)	-	-
<b>1.19 Sub-Total (1.11 to 1.18)</b>	<b>-</b>	<b>-</b>
<b>1.20 Total Eligible Tire-1 Capital (1.10-1.19)</b>	<b>1,574,057,203</b>	<b>1,502,685,087</b>
<b>2. Tier-2 (Supplementary Capital)</b>		
2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	76,289,158	59,529,819
2.2 Assets Revaluation Reserve 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	50,000,000	-
2.6 Other (if any item approved by Bangladesh Bank)	-	-
<b>2.7 Sub-Total (2.1 to 2.6)</b>	<b>126,289,158</b>	<b>59,529,819</b>
2.8 Applicable Deductions if any	-	-
<b>2.9 Total Eligible Tire-2 Capital (2.7-2.8)</b>	<b>126,289,158</b>	<b>59,529,819</b>
<b>Total Capital</b>	<b>1,700,346,361</b>	<b>1,562,214,906</b>
Total risk weighted assets	6,313,210,733	5,446,118,940
Required minimum capital 10% of RWA or Tk. 100.00 crore, which is higher.	1,000,000,000	1,000,000,000
Surplus	700,346,361	562,214,906
Capital Adequacy Ratio	26.93%	28.79%
<b>16.00 Statutory reserve</b>		
Balance as at 1st January	265,409,106	223,489,587
Reserve made during the year	46,192,023	41,919,519
Balance as at 31st December	<b>311,601,129</b>	<b>265,409,106</b>
Statutory reserve has been created at the rate of 20.00% of the net profit of Tk.230,960,116 as per Bangladesh Bank's guidelines.		
<b>17.00 Retained earnings</b>		
Balance as at 1st January	173,355,981	138,667,746
<b>Add:</b> Net profit after tax for the year	230,960,116	209,597,597
	<b>404,316,097</b>	<b>348,265,343</b>
<b>Less:</b> Allocations:		
Transferred to statutory reserve	(46,192,023)	(41,919,519)
Issue of Bonus Share	-	-
Dividend	(159,588,000)	(132,989,843)
	<b>(205,780,023)</b>	<b>(174,909,362)</b>
Balance as at 31st December	<b>198,536,074</b>	<b>173,355,981</b>

	2015 Taka	2014 Taka
<b>18.00 Income statement</b>		
<b>Income:</b>		
Interest, discount and other similar income (note: 19.00)	1,027,266,465	881,347,732
Dividend income (note: 21.00)	5,815,963	918,000
Fees, commission & brokerage (note: 22.00)	139,650	151,200
Gains less losses arising from investment in securities (note: 21.00)	3,772,073	(1,080,337)
Other operating income (note: 23.00)	33,851,545	23,798,410
	<b>1,070,845,696</b>	<b>905,135,006</b>
<b>Expenses:</b>		
Interest on borrowing, fees and commission (note: 20.00)	517,576,058	469,130,009
Losses on loan, advances and leases (note: 31.00)	48,593,519	10,089,138
Administrative expenses	88,478,152	75,589,727
Other operating expenses (note: 30.00)	8,076,604	7,307,885
Depreciation on banking assets (note: 29.00)	4,031,695	4,489,710
	<b>666,756,028</b>	<b>566,606,470</b>
	<b>404,089,668</b>	<b>338,528,536</b>
<b>19.00 Interest income</b>		
<b>Interest on mortgage loan:</b>		
Home mortgage loan	604,020,762	417,468,367
Commercial mortgage loan	31,831,903	16,397,988
Project mortgage loan	66,679,785	74,186,953
	<b>702,532,450</b>	<b>508,053,308</b>
<b>Add:</b> Interest suspense recovery	8,653,358	5,498,632
	<b>711,185,808</b>	<b>513,551,940</b>
Interest on lease finance:		
Industrial equipment	37,569,132	48,300,197
Vehicles	21,367,242	32,660,393
Delinquent interest	11,686,827	10,428,284
	<b>70,623,201</b>	<b>91,388,874</b>
<b>Less:</b> Interest suspense	(6,882,097)	(6,880,439)
	<b>63,741,104</b>	<b>84,508,435</b>
<b>Interest on term finance</b>	170,574,492	191,795,647
Interest on fixed deposits	74,499,612	84,540,950
Interest on short term deposit	2,826,333	2,560,922
Interest on loan against FDR	2,547,009	2,190,143
Interest on staff loan	1,892,107	2,199,696
	<b>1,027,266,465</b>	<b>881,347,732</b>
<b>20.00 Interest paid on deposits, borrowings etc.</b>		
Call money interest	1,662,056	3,250,569
Secured overdraft interest	5,224,739	2,862,852
Term deposit interest	64,569,542	68,808,750
Term loan interest	4,835,987	18,255,942
Customer deposit interest - Term Deposit	319,147,338	282,920,383
Customer deposit interest - Income Account	54,453,735	29,656,526
Customer deposit interest - Double Money Account	27,963,458	24,190,251
Customer deposit interest - Triple Money Account	104,299	57,435
Customer deposit interest-MSS	624,258	381,417
Customer deposit interest-MLNR	1,974,333	1,449,671
HML refinance interest	13,493,839	18,485,601
SME loan interest	23,522,475	18,810,612
	<b>517,576,058</b>	<b>469,130,009</b>

	2015 Taka	2014 Taka
<b>21.00 Investment Income</b>		
Dividend on ordinary shares	1,128,463	918,000
Dividend on preference shares	4,687,500	-
Gain on sale of shares	3,867,280	7,510,525
Loss on sale of shares	(95,207)	(8,590,861)
	<b>9,588,036</b>	<b>(162,337)</b>
<b>22.00 Commission, exchange and brokerage</b>		
Fees	139,650	151,200
Brokerage	-	-
	<b>139,650</b>	<b>151,200</b>
<b>23.00 Other operating income</b>		
Income from write-off	-	-
Application, processing and documentation fees	31,428,967	21,881,143
Delinquent charge-MSS,MLNR etc.	7,931	4,713
Interest on call Money lending	-	743,375
Profit on sale of fixed Assets	-	-
Documentation charges	-	18,250
Other income	2,414,647	1,150,929
	<b>33,851,545</b>	<b>23,798,410</b>
<b>24.00 Administrative expenses</b>		
<b>24.01 Directors' fees and expenses</b>		
This represents fees paid for attending board meetings and other committee meetings @ Tk.5,000/- per attendance and @ Tk. 8,000/- (w.e.f November 30, 2015 ) per attendance per person.		
	1,112,150	890,000
	<b>1,112,150</b>	<b>890,000</b>
<b>24.02 Salaries and allowances</b>		
Salary & allowances (note: 24.02.01)	43,830,258	41,894,859
Provident fund contribution	2,267,155	1,971,675
Gratuity	2,124,651	2,616,340
Bonus	7,888,252	7,662,808
	<b>56,110,316</b>	<b>54,145,682</b>
<b>24.02.01</b>	This includes managerial remuneration of Taka 37.70 million and balance amount Taka 18.41 million is on account of staff salary, bonus and other allowances. The number of employees including contract based employees were 101 and 129 for the year 2014 & 2015 respectively.	
<b>24.03 Rent, taxes, insurance, electricity etc.</b>		
Office occupancy cost	3,120,332	3,389,495
Taxes	50,508	54,299
Electricity	1,514,591	1,341,185
Utilities	2,556,214	1,317,580
Insurance (note: 24.03.01)	366,993	454,804
	<b>7,608,638</b>	<b>6,557,363</b>
<b>24.03.01</b>	Taka 109,985 being premium paid for insurance coverage against damages/loss of the Company's fixed assets by fire, earthquake etc.	
<b>24.04 Legal expenses</b>		
Legal and professional	191,250	853,154
Legal charges	-	33,000
Membership fees and subscription	631,782	1,694,200
Fees and forms	-	-
	<b>823,032</b>	<b>2,580,354</b>

	2015 Taka	2014 Taka
<b>25.00 Postage, stamps, telecommunication etc.</b>		
Courier	409,757	150,653
Postage	28,623	17,766
Stamps & security paper	1,882,928	1,066,050
Telephone, fax & e-mail	873,740	1,153,028
	<b>3,195,048</b>	<b>2,387,497</b>
<b>26.00 Stationery, printing, advertisement etc.</b>		
Printing	1,239,788	1,364,671
Stationery	851,288	860,105
Business promotion allowance	3,326,832	1,095,968
Promotion & publicity	9,592,657	2,225,587
	<b>15,010,565</b>	<b>5,546,331</b>
<b>27.00 Managing Director's salary and fees</b>		
Salary & allowances	3,813,046	2,800,000
Provident fund contribution	217,857	210,000
Bonus	400,000	300,000
	<b>4,430,903</b>	<b>3,310,000</b>
<b>28.00 Auditors' fees</b>	<b>187,500</b>	<b>172,500</b>
<b>29.00 Depreciation on and repairs to assets</b>		
<b>Depreciation:</b>		
Building	1,615,476	1,794,984
Furniture	740,893	669,680
Office equipment	791,492	927,776
Motor vehicle	453,876	567,342
	<b>3,601,737</b>	<b>3,959,782</b>
Repair and maintenance	429,958	529,928
	<b>4,031,695</b>	<b>4,489,710</b>
<b>30.00 Other expenses</b>		
Traveling and conveyance	1,486,996	864,148
Training	83,000	111,000
Bank charges and excise duty	901,342	710,319
Books and periodicals	60,281	55,383
Office refreshments	839,269	831,302
Motor car	3,735,867	3,710,914
Sundries	963,243	1,017,916
Software expenses	-	-
Penal Interest	-	-
Right share issue expenses	-	1,200
Investment expenses share	6,606	5,703
	<b>8,076,604</b>	<b>7,307,885</b>
<b>31.00 Provisions for loans and advances</b>		
For classified loans, advances and leases	31,469,313	919,682
For unclassified loans, advances and leases	17,124,206	9,169,456
	<b>48,593,519</b>	<b>10,089,138</b>
<b>31.01 Provision for investments</b>		
Made during the year	5,626,971	-
Recovery during the year	(2,123,176)	(2,786,074)
	<b>3,503,795</b>	<b>(2,786,074)</b>
<b>31.02 Others</b>		
Provisions for legal charges	1,025,472	2,967,240
Provisions for cheque dishonored charges	4,716	949,576
	<b>1,030,187</b>	<b>3,916,816</b>

	2015 Taka	2014 Taka
<b>32.00 Earnings per share</b>		
a) Earnings attributable to the ordinary shareholders(Taka)	230,960,116	209,597,597
b) Number of ordinary shares outstanding during the year	106,392,000	106,392,000
c) Weighted average number of ordinary shares outstanding during the year	106,392,000	106,392,000
d) Basic earnings per share (a/c)	<b>2.17</b>	<b>1.97</b>
<p>Prior year Basic Earning Per Share calculation has been revised due to calculation of weighted average number of ordinary shares. Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding as on 31 December 2015 as per BAS-33" Earnings Per Share". No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares during the year.</p>		
<b>33.00 Interest receipts in cash</b>		
Interest income from loans, advances & leases	1,027,266,465	881,347,732
(Increase)/decrease in interest receivable on loans, advances and leases	-	-
(Increase)/decrease in other receivable	(8,349,910)	14,153,578
	<b>1,018,916,555</b>	<b>895,501,310</b>
<b>34.00 Interest payments</b>		
Total interest expenses (note: 20.00)	517,576,058	469,130,009
<b>Add:</b> Opening balance of interest payable	156,983,584	161,664,894
<b>Less:</b> Closing balance of interest payable	(196,410,961)	(156,983,584)
	<b>478,148,680</b>	<b>473,811,319</b>
<b>35.00 Fees and commissions receipts in cash</b>		
Fees, commission and brokerage (note: 22.00)	139,650	151,200
<b>Add:</b> Opening balance of fees, commission and brokerage	-	-
<b>Less:</b> Closing balance of fees, commission and brokerage	-	-
	<b>139,650</b>	<b>151,200</b>
<b>36.00 Cash payments to employees</b>		
Staff salaries and allowances (note: 24.02)	56,110,316	54,145,682
Managing Director's salaries and allowances (note: 27.00)	4,430,903	3,310,000
<b>Add:</b> Opening balance of staff dues	3,976,694	-
<b>Less:</b> Closing balance of staff dues	(4,165,686)	(3,976,694)
	<b>60,352,227</b>	<b>53,478,988</b>
<b>37.00 Cash payments to suppliers</b>		
Printing, stationary and advertisement etc. (note: 26.00)	15,010,565	4,450,363
Postage, stamps, telecommunication etc. (note: 25.00)	3,195,048	2,387,497
Repair & maintenance (note: 29.00)	429,958	529,928
<b>Add:</b> Opening balance of suppliers dues	-	-
<b>Less:</b> Closing balance of suppliers dues	-	-
	<b>18,635,571</b>	<b>7,367,788</b>
<b>38.00 Receipts from other operating activities</b>		
Other operating income (note: 23.00)	33,851,545	23,798,410
Profit on sale of share (note: 21.00)	3,867,280	7,510,525
Loss on sale of share (note: 21.00)	(95,207)	(8,590,861)
	<b>37,623,618</b>	<b>22,718,073</b>
<b>39.00 Payments for other operating activities</b>		
Detectors' fees	1,112,150	890,000
Legal expenses	823,032	2,580,354
Auditor's fees	187,500	172,500
Office occupancy cost	3,120,332	3,389,495
Taxes	50,508	54,299
Electricity	1,514,591	1,341,185
Utilities	2,556,214	1,317,580
Insurance	366,993	454,804

	2015 Taka	2014 Taka
Other expenses (note: 30.00)	8,076,604	8,403,853
<b>Add:</b> Opening balance of outstanding payable	357,341	357,341
<b>Less:</b> Closing balance of outstanding payable	(187,500)	(357,341)
	<b>17,977,765</b>	<b>18,604,070</b>
<b>40.00 Increase/(Decrease) of other deposits</b>		
<b>Closing balance:</b>		
Term deposits	5,526,062,366	3,791,067,944
Other deposits	25,796,301	35,361,043
	<b>5,551,858,667</b>	<b>3,826,428,987</b>
<b>Opening balance:</b>		
Term deposits	3,791,067,944	3,252,304,922
Other deposits	35,361,043	36,361,782
	<b>3,826,428,987</b>	<b>3,288,666,704</b>
	<b>1,725,429,680</b>	<b>537,762,283</b>
<b>41.00 Sanction and disbursement</b>		
Sanction	3,141,850,000	2,071,050,000
Disbursement	2,702,525,785	1,680,893,030
Undisbursed	<b>439,324,215</b>	<b>390,156,970</b>
<b>41.a Contingent liabilities</b>		
Government	-	-
Directors	-	-
Bank and other Financial Institution	-	-
Other	<b>439,324,215</b>	<b>390,156,970</b>

#### 42.00 Audit committee of the board

The audit committee was formed by the Board of Directors of National Housing Finance And Investments Limited. The members of the committee are as under:

SL No	Name	Status with the Company	Status with the Committee	Educational Qualification
01	Professor Imran Rahman	Independent Director	Chairman	MBA (IBA), BSC (Eco.) from UK.
02	Mr. Md. Kabir Reza	Director	Member	M.Com (Acc.), FCMA
03	Mr. Azmal Hossain	Director	Member	B.Com
04	Mr. Md. Akhtar Ahmed	Director	Member	B.A (Hons), M.A.(DU), ACII (UK)
05	Syed Tanveer Hussain	Independent Director	Member	M.A. In Development Economics (USA)

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular no. 13, dated October 26, 2011 and Bangladesh Securities and Exchange Commission notification ref. no. SEC/CMRRCD/2006-158/129/Admin/43, dated July 03, 2012. During the year the committee meet 4(four) times in which among others, the following issues were discussed:



- 01 Audit and inspection report of Bangladesh Bank Inspection Team and External Auditors of National Housing.
- 02 Ensuring an effective Internal Control System and Risk Management System.
- 03 Review the findings of auditors and management response thereto.
- 04 Stressing on the importance of the regulatory compliance.
- 05 Review of conflict of interests.
- 06 Review of the credit policy of the Company.
- 07 Any other matters which deems necessary.

#### 43.00 Highlights of overall activities

Highlights of the overall activities of the Company as at and for the year ended 31 December, 2015 are furnished below:

SL #	Details	2015 (Tk)	2014 (Tk)
01	Paid-up Capital	1,063,920,000	1,063,920,000
02	Total Capital	1,574,057,203	1,502,685,087
03	Capital surplus/(deficit)	574,057,203	502,685,087
04	Total assets	8,824,095,072	6,857,113,164
05	Total deposits	5,551,858,667	3,826,428,987
06	Total loans, advances, leases & Others	7,393,307,894	5,546,789,061
07	Total contingent liabilities and commitments	461,581,134	393,426,801
08	Credit deposit ratio	133.17%	144.96%
09	% of Classified loans against total loans and advances	5.55%	5.71%
10	Profit after tax and provisions	230,960,116	209,597,597
11	Amount of classified loans during the year	410,244,416	316,966,000
12	Provisions kept against classified loans	50,587,332	24,587,769
13	Provisions surplus/(deficit)	19,636,275	15,459,982
14	Cost of fund	9.75%	11.02%
15	Interest earnings assets	8,490,381,677	6,680,900,232
16	Non-interest earnings assets	333,713,395	176,212,931
17	Return on investments (ROI)	6.76%	7.80%
18	Return on assets (ROA)	2.95%	3.19%
19	Income from investments	9,588,036	(162,337)
20	Weighted average earnings per share	2.17	1.97
21	Net income per share	2.17	1.97
22	Price earning ratio	15.98	14.37
23	Return on equity (ROE)	15.01%	14.31%
24	Net asset value per share (NAV)	14.79	14.12

#### 44.00 Company information

Last year's figures and account heads have been rearranged to conform current year's presentation in accordance with the Bangladesh Bank DFIM Circular # 11 dated December 23, 2009.

#### 45.00 Geographical area of operation

Company's geographical area of operation was in Dhaka, Chittagong, Bogra and Rangpur in the year 2015.

#### 46.00 Capital expenditure commitment

There was neither any outstanding contract nor any Board authorization for capital expenditure as at December 31, 2015.



**47.00 Contingent liabilities**

There is a difference in provision for taxation made by the company and tax claimed by Tax Authority for Taka 22,256,919. The assessment of tax for different year is pending at different Tax Authority. Thus the difference of provision for taxation considered as Contingent Liability.

**48.00 Subsequent events-disclosure under BAS 10: "events after the balance sheet date"**

No material event has been occurred after the Balance Sheet date, which could materially effect the value of the financial statements except the Board of Directors in its 171st Meeting held on April 10, 2016 has recommended 17.00% cash dividend subject to the approval of the shareholders at the 17th Annual General Meeting.

**49.00 Claims against the company not acknowledge as debt**

There is no claim at the Balance Sheet date, which has not been acknowledged by the Company.

**50.00 Credit facility availed**

There was no credit facility available to the Company under any contract as on Balance Sheet date other than trade credit available in the ordinary course of business.

**51.00 Closing price of share**

The Company traded its ordinary shares in CDBL through DSE & CSE from 1st January 2009. The closing market price on the closing of the year was Tk.34.80 and Tk.34.60 respectively in the DSE & CSE.

**52.00 "Worker's Profit Participation Fund" (WPPF)**

The company did not make any provision for Worker's Profit Participation Fund (WPPF). The matter will be considered in future.

**53.00 Previous year's figures have been rearranged where necessary to conform to current year's presentation. Figures have been rounded nearest Taka.**

54.00 Related party disclosure :

Name of Director	Position in NHFIL	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee etc.	Position in interested entity
Mr. Latifur Rahman Representing Bangladesh Lamps Ltd.	Chairman	Transcom Electronics Ltd.	Chairman
		Eskayef Bangladesh Ltd.	Chairman
		Transcom Mobile Ltd.	Chairman
		Mediastar Ltd.	Chairman
		Transcom Cables Ltd.	Chairman
		Mediaworld Limited	Chairman
		Transcom Foods Ltd.	Chairman
		Transcraft Ltd.	Chairman
		Transcom beverages Ltd.	Chairman
		Transcom Distribution Company Ltd.	Chairman
		Ayna Broadcasting Corporation Ltd.	Chairman
		Nestlé Bangladesh Ltd.	Chairman
		Holcim Cement (Bangladesh) Ltd.	Chairman
		Bangladesh Lamps Ltd.	Managing Director
		Transcom Consumer Products Ltd.	Managing Director
		Monipur tea Company Ltd.	Managing Director
		W. Rahman Jute Mills Ltd.	Managing Director
		M. Rahman Tea Company Ltd.	Managing Director
		Bangladesh Electrical Industries Ltd.	Managing Director
		BRAC	Member of the Governing Body
Mr. Mahbubur Rahman Representing Eastland Insurance Co. Ltd.	Director	Merina Tea Co. Ltd.	Director
		Linde Bangladesh Ltd.	Director
		ETBL Holdings Ltd.	Chairman
		Eastern Trading (Bangladesh) Ltd.	Chairman
		ETBL Development Construction Ltd.	Chairman
		ETBL Securities & Exchanges Ltd.	Chairman
		Progressive Investments Ltd. (successors to the National Rubber Industries)	Chairman
		Century Cold Storage Ltd	Chairman
		Eastland Insurance Co. Ltd.	Chairman
		International Publications Ltd.	Chairman

Name of Director	Position in NHFIL	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee etc.	Position in interested entity
Mr. Akhtar Ahmed Representing Reliance Insurance Ltd.	Director	Reliance Insurance Ltd	Advisor
Mr. Jalal Ahmed Representing IFIC Bank Ltd.	Director	Bangladesh Telecommunication Company Ltd. (BTCL)	Director
		Bangladesh Submarine Cable Company Ltd. (BSCCL)	Director
		Bangladesh Service Ltd.	Director
		British American Tobacco Ltd.	Director
		Industrial Promotion and Development Co. Ltd. (IPDC)	Director
Mr. Shamsul Huda Khan Representing National Bank	Director	National Bank Limited	Managing Director
Mr. Morshed Alam Representing national Life Insurance Co. Ltd.	Director	National life Insurance Co. Ltd.	Chairman
		Bengal Plastic Industries Ltd.	Chairman
		Mercantile Bank Ltd	Chairman
		National Television	Chairman
		Designer Jeans Ltd.	Chairman
		Bengal Television Ltd.	Director
Mr. Muminul Haque Chowdhury Representing Borak Travels (Pvt.)	Director	Borak Travels (Pvt.) Limited	Advisor
Mr. Azmal Hossain Representing Eastern Insurance Co. Ltd.	Director	Eastern Insurance Co. Ltd.	Vice Chairman
		Hashem Paper Mills Ltd.	Managing Director
Mr. Mizanur Rahman Representing Shaw wallace Bangladesh Ltd.	Director	Shaw Wallace Bangladesh Ltd	Director
		SW Shipping Ltd.	Director
Mr. Md. Kabir Reza FCMA Representing Square Pharmaceuticals Ltd.	Director	Square Pharmaceuticals Ltd.	Director (F&A)
		United Financial Trading Company Limited	Managing Director
Mr. Syed Ali Jowher Rizvi	Director	Alliance Holdings Limited (AHL)	Chairman
		Oriental Oil Company Ltd	Chairman
		Alliance Knit Composite Ltd	Chairman
		Summit Alliance Port Limited	Managing Director
		PEB Steel Alliance Ltd	Managing Director
		Alliance Properties Ltd	Director
		Union Accessories Ltd	Director
		Alliance Spence Power Ltd	Director
		Fountain Garments Manufacturing Ltd	Director
		Rabab Washing Industry Ltd	Director
		Rabab Fashion Industries Ltd	Director
Professor Imran Rahman	Independent Director	University of Liberal Arts Bangladesh (ULAB)	Vice Chancellor

54.01 Significant contract where FI is party and wherein Directors have interest- Nil

54.02 Significant contract where the Company is party and wherein Directors have interest - Nil

54.03 There is no loans, advances and leases given to Directors and their related concern.

54.04 Investment in the Securities of Directors and their related concern- Nil

#### 54.05 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: "Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Name of related	Transaction	Balance at year end receivable (payable)
		<b>Taka</b>
United Commercial Bank Ltd. (Sponsor shareholder)	Over draft	(34,900)
	STD/CD account	3,054
National Bank Ltd. (Sponsor Director)	STD/CD account	1,656,182
National Life Insurance Co. Ltd. (Sponsor Director)	Term deposit	(253,992,500)
Square Pharmaceuticals Ltd. (Sponsor Director)	Term deposit	(200,000,000)
Pragati Insurance Co. Ltd. (Sponsor Director)	Term deposit	(32,000,000)
National Life Insurance Co. Ltd. (Sponsor Director)	Term deposit	(253,992,500)
Reliance Insurance Co. Ltd. (Sponsor Director)	Term deposit	(117,500,000)
Bangladesh Lamp (Sponsor Director)	Term deposit	(53,236,905)
Mr. Syed Ali Jowher Rizvi (Director)	Term deposit	(4,006,730)
<b>Total</b>		<b>(913,104,299)</b>

**Md. Khalilur Rahman**  
Managing Director

**Md. Kabir Reza**  
Director

**Syed Tanveer Hussain**  
Independent Director

**Latifur Rahman**  
Chairman

## Occasions and Events



16th Annual General Meeting in Progress.



Annual Business Conference 2015.



Annual Workshop on  
Anti Money Laundering 2015



Annual Performance Award 2015.



Reception to Mr. Amanul Huq, veteran Dance  
Guru for his receiving Ekushe Padak 2015





Participation at REHAB Fair 2015





## National Housing Finance And Investments Limited

Corporate Office National Plaza (7th & 8th Floor), 109, Bir Uttam C.R. Datta Road  
(Ex-Sonargaon Road), Dhaka-1205

### PROXY FORM

I/We.....  
of.....  
being member of National Housing Finance and Investments Limited, hereby appointed.....  
of.....  
as my/our proxy to attend and vote for me /us and on my/ our behalf at the 17th Annual General Meeting of the  
Company to be held on Sunday May 22, 2016 at 11.00 A.M. and of at any adjourment thareof. As witness my hand  
this..... day of .....2016

Signature Shareholder

(Signature of the Proxy)

Register Folio No.

or

BO A/C No.

No. of Share Held

Revenue  
Stamp  
Tk. 20

#### Note :

A Shareholder entitled to attend and vote at the annual Genaral Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the Registered office of the Company not later then 48 ahours before the time fixed for the meeting.



## National Housing Finance And Investments Limited

Corporate Office National Plaza (7th & 8th Floor), 109, Bir Uttam C.R. Datta Road  
(Ex-Sonargaon Road), Dhaka-1205

### ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the hall.

I hereby record my attendance at the 17th Annual General Meeting of the Company being held on Sunday, May 22, 2016 at 11.00 A. M. at Lakeshore Hotel, Road #41, House#46, Gulshan-2, Dhaka-1212.

Name of Member/Proxy .....

Register Folio No.

or

Bo A/C No.

Signature  
Shareholder/Proxy



**Corporate Office**

National Plaza (7th & 8th Floor), 109, Bir Uttam C.R. Datta Road  
(Ex-Sonargaon Road), Dhaka-1205

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E-mail : [info@nationalhousingbd.com](mailto:info@nationalhousingbd.com)

**Motijheel Branch**

Fazlur Rahman Center (2nd Floor), 72, Dilkusha C/A, Dhaka-1000

Tel : 9567103, 9550071, Fax : 88 02 9565493, Cell : 01817 042212

E-mail : [motijheel@nationalhousingbd.com](mailto:motijheel@nationalhousingbd.com)

**Gulshan Branch**

Bashati Avenue (4th Floor), House # NW (H)-10

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Tell : 9848236, 58811652, Fax : 88 02 58811652, Cell : 01817 042210

E-mail : [gulshan@nationalhousingbd.com](mailto:gulshan@nationalhousingbd.com)

**Chittagong Branch**

Madina Tower (3rd Floor), 805/A, CDA Avenue, Chittagong

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E-mail : [chittagong@nationalhousingbd.com](mailto:chittagong@nationalhousingbd.com)

**Bogra Branch**

Jamil Shoping Center (3rd Floor), Borogola, Bogra-Rangpur Road

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Cell : 01714 049418

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**Rangpur Branch**

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Tel : 0521-56381-2, Cell: 01712 840808

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