



Annual Report 2021



National Housing
Finance and Investments Limited

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LETTER OF TRANSMITTAL

Date: March 30, 2022

The Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended December 31, 2021

Dear Sir/Madam,

We are pleased to enclose herewith, a copy of the Annual Report 2021 containing Directors' Report and Auditor's Report along with the Audited Financial Statements for the year ended December 31, 2021 with notes therein of National Housing Finance and Investments Limited for your kind information and record.

Thanking you.

Sincerely Yours,



(Md. Sarwar Kamal FCS)
Company Secretary

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

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

Notice of the 23rd Annual General Meeting (Virtually)

Notice is hereby given that the 23rd Annual General Meeting (AGM) of National Housing Finance and Investments Limited will be held on June 02, 2022 at 12:00 noon (Dhaka Time). Pursuant to the Bangladesh Securities and Exchange Commission's Letter No. SEC/SRMIC/94-231/91 dated 31 March 2021, the AGM will be held virtually by using digital platform through the following link: <https://nhfil23agm.digitalagmbd.net> to transact the following business:

Agenda

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2021 together with reports of the Directors and Auditors thereon.
2. Declaration of dividend for the year ended December 31, 2021.
3. To elect/re-elect Directors in accordance with the relevant provisions of the Articles of Association of the Company.
4. (a) To appoint Statutory Auditors and fix their remuneration for the year 2022.
(b) To appoint Compliance Auditor as per Corporate Governance Code-2018 for the year 2022.

By order of the Board



(Md. Sarwar Kamal FCS)
Company Secretary

Dated: March 30, 2022

Notes:

- i) Members, whose names appeared on the Depository/Members Register as on "Record Date" i.e. April 20, 2022 are eligible to attend and vote at the Annual General Meeting (AGM) and also receive dividend.
- ii) The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://nhfil23agm.digitalagmbd.net>
- iii) We encourage the Members to log in to the system prior to the meeting start time of 12.00 noon (Dhaka time) on 2nd June, 2022. Please allow ample time to login and establish your connectivity. The webcast will start at 12:00 noon (Dhaka Time). Please contact 01911874308 for any technical difficulties in accessing the virtual meeting.
- iv) A shareholder may, as per Article 98 of the Articles of Association of the Company, appoint Proxy to attend on a pool and to vote instead of him/her. The instrument for appointing a proxy and the Power of Attorney, where applicable, must be sent through email to the Registered Office at share@nationalhousingbd.com at least 72 hours before the time of holding the meeting. The Proxy Form must be affixed with revenue stamps of Tk. 20.00.
- v) Members are requested to notify e-mail address, through their respective Depository Participants well in time.
- vi) The members whose BO Accounts are not furnished with 12 digits e-TIN number before the Record Date, 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.
- vii) Pursuant to the clause 9(1) of the BSEC notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018, the soft copy of Annual Report 2021 will be sent through e-mail as per registered e-mail ID received from CDBL. The soft copy of the Annual Report 2021 will also be available on the company's website at: www.nationalhousingbd.com.

CORPORATE INFORMATION & KEY MILESTONES

Registered Name	: National Housing Finance and Investments Limited
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 1,170.31 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 Chattogram Branch	: April 06, 2004
Opening of Gulshan Branch	: June 01, 2004

Date of Listing:-

Chittagong Stock Exchange	: November 11, 2008
Dhaka Stock Exchange	: December 23, 2008
Opening of Bogura Branch	: April 19, 2009
Opening of Rangpur Branch	: October 16, 2014
Opening of Principal Branch	: March 22, 2016
Opening of Gazipur Branch	: December 01, 2018
Opening of Feni Branch	: December 21, 2019
Opening of Rajshahi Branch	: December 28, 2019

Corporate Head Office:

Concord Baksh Tower (7th Floor), Plot: 11-A, Road: 48, Block: CWN(A), Gulshan-2, Dhaka-1212, Tel: +88 09609200555, Fax: +88 02 58811652,

Registered Office:

National Plaza (7th Floor), 109, Bir Uttam C.R Datta Road (Ex-Sanargaon Road), Dhaka-1205
Tel: +88 02 9670612-4, 9677181-2, 9669800 Fax: +88 02 9671016

Web: www.nationalhousingbd.com,

E-mail: info@nationalhousingbd.com

Auditors:

M/s. Islam Aftab Kamrul & Co.
Chartered Accountants
“Z-Tower” (5th Floor), Plot # 4, Road # 132,
54, Gulshan Avenue, Gulshan- 1, Dhaka- 1212, Bangladesh

Corporate Governance Compliance Auditor

M/s. SARashid & Associates
Chartered Secretary in Practice
Noakhali Tower (12th Floor, 13-D), 55/B Purana Paltan, Dhaka-1000

Legal Advisor:

Barrister Masudur Rahman (Masudur Rahman & Associates)
Barrister Monzur Alam Khan (Legal Professional)
Barrister Nuruzzaman (Capital Law Chamber)
Advocate Abdul Quddus (Law and Remedy)

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 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 market. 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.



CORPORATE SOCIAL RESPONSIBILITY

The business and economic environments have undergone dramatic changes all over the world. Escalations 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 keen to 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 8,219 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 reschedule for reasonable durations with installments commensurate with their ability to pay their loans.
- National Housing is always strict on principle about not providing any lease/loan facilities for any environmentally hazardous or child labor oriented Company.

CODE OF CONDUCT AND 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 is always straightforward in disclosing and resolve conflict of interest.
- Maintain stringent confidentiality of customer's information unless otherwise directed by competent regulatory authority.
- Courtesy and cooperation 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 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.

PRODUCTS & SERVICES

Home Mortgage Loan

- ❖ Purchase of apartment or house
- ❖ Self construction of own house
- ❖ Group home loan
- ❖ NRB home financing scheme
- ❖ Renovation of existing house/apartment
- ❖ Housing plots purchase
- ❖ Commercial space and chamber of professionals
- ❖ Any purpose mortgage loan

Project Mortgage Loan

- ❖ Project mortgage loan for property development

Lease Finance

- ❖ Acquisition of industrial machineries, equipments, generators, power plants etc.
- ❖ Car purchase ❖ Medical/Hospital equipments

SME Finance

- ❖ Agro based processing industrial loan
- ❖ Women entrepreneur Loan
- ❖ Cluster financing

Deposit Schemes with Attractive Return

- ❖ Term deposit account
- ❖ Money multiplier scheme
- ❖ Mohila savings scheme
- ❖ Kotipoti scheme
- ❖ Housing deposit scheme
- ❖ Education pension scheme
- ❖ Income account
- ❖ Monthly savings scheme (MSS)
- ❖ Millionaire savings account

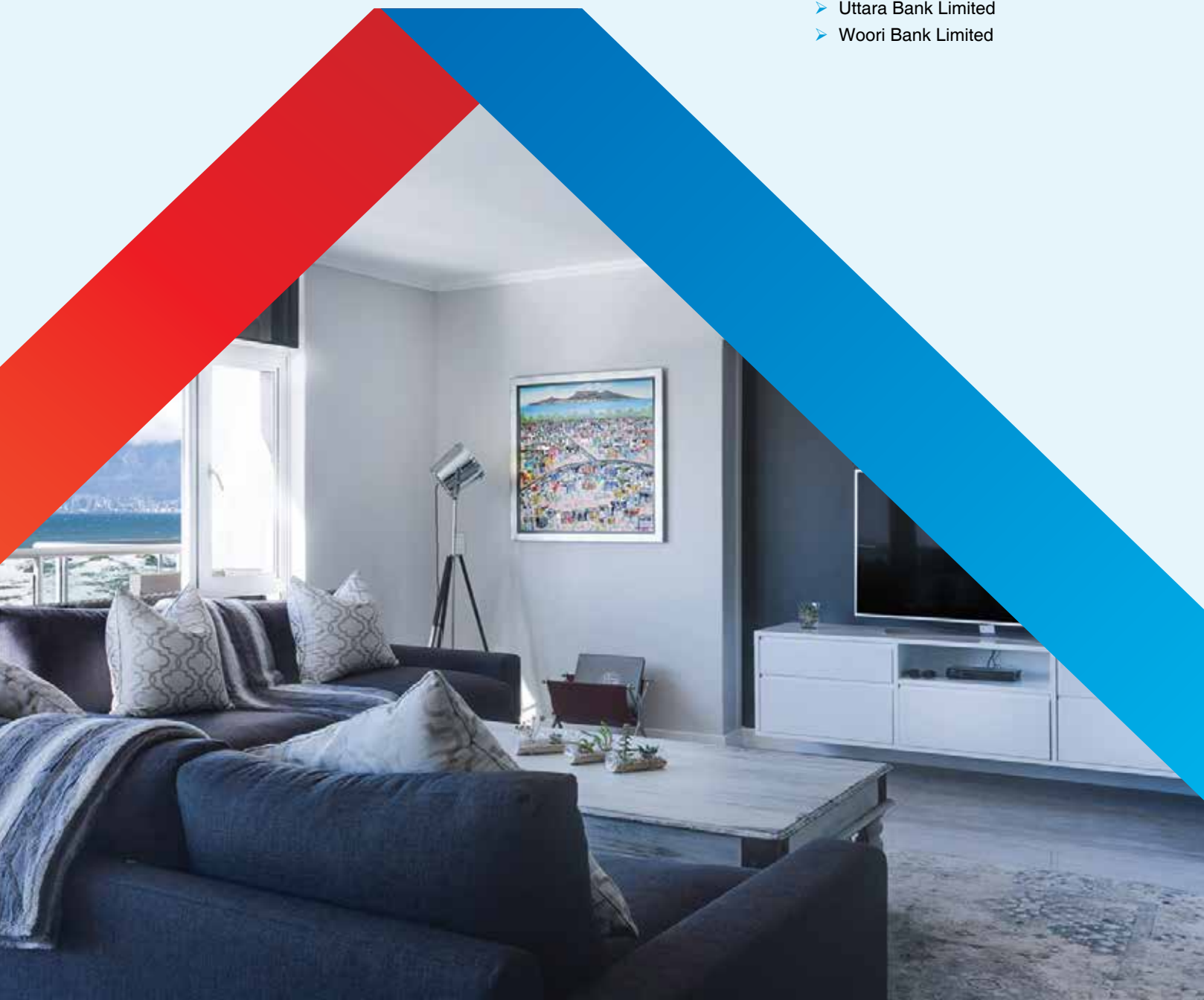


OUR DEPARTMENTS

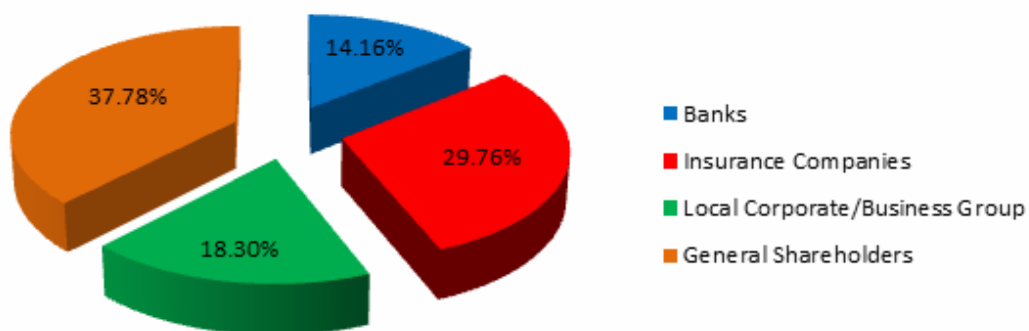


OUR BANKING PARTNERS

- Agrani Bank Limited
- Bank Asia Limited
- Commercial Bank of Ceylon PLC
- Dhaka Bank Limited
- Dutch Bangla Bank Limited
- Eastern Bank Limited
- EXIM Bank Limited
- Islami Bank Bangladesh Limited
- Jamuna Bank Limited
- Mercantile Bank Limited
- Mutual Trust Bank Limited
- National Bank Limited
- NCC Bank Limited
- NRB Bank Limited
- One Bank Limited
- Prime Bank Limited
- Pubali Bank Limited
- Shahjalal Islami Bank Limited
- Social Islami Bank Limited
- Sonali Bank Limited
- Standard Chartered Bank
- Southeast Bank Limited
- The Premier Bank Limited
- Uttara Bank Limited
- Woori Bank Limited



OUR SHAREHOLDING STRUCTURE



OUR PROMOTERS





Director's Profile

Mr. Mahbubur Rahman

Chairman

Representing Eastland Insurance Co. Ltd.

Mr. Mahbubur Rahman, President, International Chamber of Commerce (ICC) – Bangladesh, The world business organization which was established in 1919 having its HQs in Paris, and presence in more than 100 countries with 45 million Corporate Members and over 1 billion workers worldwide.

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

Mr. Rahman is among the 150 high-impact leaders in business and social enterprise from Africa, Asia, Latin America and the Middle East, who have been interviewed under the “Creating Emerging Market Project (CEMP)” at Harvard Business School (HBS). Mr. Rahman is the Founding Member and Former Chairman of Business Advisory Council (EBAC) of UN-ESCAP (United Nations Economic & Social Commission for Asia & the Pacific) during 2017-18.

He is the Sole Arbitrator in Bangladesh for The China International Economic and Trade Arbitration Commission (CIETAC) ; Co-Chair of the Steering Board of 2030 Water Resource Group of World Bank; 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 Director in the Board of Karnaphuli Fertilizer Co. Ltd. (KAFCO)- a multinational company comprising Bangladesh, Japan, Denmark & The Netherlands.

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 Sponsor 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 Ltd. and Member of the Board of Governors of Bangladesh Open University (BOU). He was a Member of the Board of ICC HQs. during 1997-99.

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 and awarded as Presidential Friend of Indonesia in 2012 at its 67th Independence Day in Jakarta by the President His Excellency Mr. Susilo Bambang Yodiyono of Indonesia.

Mr. Rahman has been honoured by The Daily Star as an Eminent Personality for Lifetime Contribution to Nation-Building, in 2016.

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



Syed M. Altaf Hussain

Vice Chairman

Representing Pragati Insurance Ltd.

Syed M. Altaf Hussain is the Chairman of Pragati Insurance Ltd., has had a long and distinguished career in the fields of food grains, crop nutrition, business development, high-rise building development, technology, business operations and financial institutions with over 36 years of experience. He is a sponsor director and notably the founding chairman of Pragati Life Insurance Ltd.

As Chairman and CEO of WW Grains Corp. representing Cargill Inc., USA, he pioneered large-scale trading of food grains and fertilizer commodities. Through his work, he has spent considerable time traveling internationally and had the opportunity to attain an Engineering degree from the University of Texas, Arlington as well as successfully completed Grain Marketing & Agronomical courses from North Dakota State University and Harvard Business School. Additionally, he holds the Chairman title in the following businesses: Sonic Allied Industries Ltd., WW Properties Ltd. and the editorial board of 'The Daily Janata'. He is also Co-Chairman of Jamuna Resort Ltd. and was former Chief Advisor of ATDP-II projects funded by the USAID. Several social, governmental and educational institutions at home and abroad have acknowledged his agro-based expertise.



Mr. Md. Kabir Reza FCMA

Director and Chairman, Executive Committee
Representing Square Pharmaceuticals Ltd.

Mr. Md. Kabir Reza FCMA, Director and Chairman Executive Committee, is the group Executive Director of Square Pharmaceuticals Ltd. He is a Fellow member of Institute of Cost and Management Accountant. He obtained B.Com (Hons) and 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 executive director of Accounts and Finance of Square Pharmaceuticals Limited on the year 2000.



Mr. Abdul-Muyeed Chowdhury

Independent Director and Chairman, Audit Committee

Mr. Abdul-Muyeed Chowdhury joined the erstwhile Civil Service of Pakistan (CSP) in 1967. For almost 33 years worked in administrative, management, policy level posts in different tiers of the government as a career civil servant. His last position was the Secretary of Internal Resources Division (IRD) of the Ministry of Finance and ex-officio Chairman of National Board of Revenue (NRB). He was an Advisor to the non-party Caretaker Government of Bangladesh.

He is a member of the Board of Advanced Chemical Industries Limited. He was the ED of BRAC from 2000 to 2006. Prior to that, he spent more than three decades in the Civil Service of Bangladesh and was the Secretary to the Government from 1994 to 2000 holding charge of various ministries. He also served as Managing Director of Biman Bangladesh Airlines and Executive Director of Jamuna Multipurpose Bridge Authority, President of National Shooting Federation of Bangladesh, Chairman of SME Foundation and Vice President of Bangladesh Olympic Association. He was the Chairperson of BRACNet Limited. Currently, he is serving as the CEO of Tiger Tours Limited. Besides, he is a Director of Grameen Phone Limited, ACI Formulation Ltd, MJL Bangladesh Ltd., Omera Petroleum Ltd, Omera Fuels Ltd, Omera Cylinders Ltd, Omera Chemicals Ltd, Summit Alliance Port Ltd, PEB Steel Alliance Ltd and Tiger Tours Limited. He is also a member of the Governing Body of BRAC University, Sajida Foundation and Bangladesh Youth Enterprise Advice and Help Center (B'Yeah).

Mr. Chowdhury obtained his Bachelor of Arts with honors in History and Masters of Arts (1st Class) from Dhaka University. He also attended Certificate of Participation in an acceptable program of special study in Political Science, Public Administration in the University of Tennessee, Knoxville, USA.



Mr. Akhtar Ahmed

Director

Representing Reliance Insurance Co. 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. Now Mr. Ahmed is Advisor of Reliance Insurance Ltd.

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



Mr. Md. Kazim Uddin

Director

Representing National Life Insurance Co. Ltd.

Mr. Md. Kazim Uddin is a renowned person in Life insurance sector in Bangladesh. He started life Insurance career in May 1987 in the Development-side in National Life Insurance Co. Ltd. Mr. Kazim is a popular motivational speaker in Life Insurance industry in Bangladesh.

He worked in National Life Insurance Company in various Senior Positions. Prior to being the Chief Executive Officer he had been serving as Deputy Managing Director in the same company. National Life is a leading Life Insurance Company in the Life Insurance Market of Bangladesh.

Mr. Kazim obtained higher training both at home and abroad. He completed his MBA from the University of Cumilla. Mr. Kazim travelled various countries and participated in many life insurance Seminars and Training sessions.



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. 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 the Managing Director of Hashem Paper Mills Ltd. He has been involved in manufacturing of electric goods, paper, housing beside insurance.



Mr. A.K.M. Moinuddin, FCA

Director

Representing Bangladesh Lamps Ltd.

Mr. A.K.M. Moinuddin, FCA is a business professional with more than 35 years of experience in multiple organizations. He headed the finance, supply chain, human resource management and administration functions of various national and multinational Companies/organizations of Bangladesh and the United Kingdom (UK); notable amongst which are Companies/organizations like Transcom Limited (one of the largest & professionally managed diversified business conglomerates in Bangladesh), Nestle Bangladesh Limited (A 100% owned subsidiary of Nestle SA, Switzerland, the largest food Company in the world), BRAC etc. He was also involved in the accountancy profession as a partner in a firm of Chartered Accountants.

Mr. A.K.M. Moinuddin holds a Master's Degree in Accounting from the University of Dhaka and a Bachelor's Degree in Accounting with Honours from the same university.

He is a fellow Chartered Accountant of the Institute of Chartered Accountants of Bangladesh.



Mr. Siddiqur Rahman Choudhury
Independent Director

Mr. Siddiqur Rahman Choudhury joined the Bangladesh Civil Service in 1977. For almost 30 years worked in administrative, management, policy level posts in different tiers of the government as a career civil servant. His last position was the Finance Secretary, government of Bangladesh. He is also former Commerce Secretary and former Secretary of Ministry of Food and Disaster Management Government of Bangladesh. At present, he is the Chairman of Social Marketing Company (SMC) and SMC Enterprise Ltd. since September, 2017. He served as Chairman of Agrani Bank Ltd, Sadharan Bima Corporation and Sonali Bank UK Ltd. Besides he served as a Director of Bangladesh Bank, Sonali Bank, House Building Finance Corporation, SABINCO, IDCOL, MIDAS Financing, Bangladesh Biman, Jamuna Oil Company and Eastern Refinery.

He has received trainings from Government Finance Statistics, IMF Institute, Singapore; Development Management, Asian Institute of Management (AIM), Manila, Philippines; Audit of Computerized Systems Australian Audit Office, Canberra, Australia; Civil Service Foundation Training, Bangladesh Academy for Rural Development (BARD), Comilla, Bangladesh; Departmental Training on Government Audit and Accounts and Financial Management, Bangladesh; Senior Staff Course, Public Administration Training Center (PATC), Savar, Dhaka, Bangladesh.

Mr. Siddiqur Rahman Choudhury completed B.Sc (Honours) in Chemistry and M.Sc (Chemistry) from University of Dhaka. He also obtained Diploma in Public Financial Management from University of Connecticut, USA.



Mr. Mohammad Shamsul Islam
Managing Director

Mr. Mohammad Shamsul Islam has joined as Additional Managing Director of National Housing Finance and Investments Ltd. (NHFIL) in February 2021. Upon retirement of immediate past Managing Director, the Board of Directors has appointed Mr. M.S. Islam as Managing Director. Prior to joining as Additional Managing Director, he was Deputy Managing Director of Global Islami Bank Limited from May 2017.

Mr. M.S. Islam has more than 32 years' experience in Banking Sector. He started his career with AB Bank Limited as Probationary Officer in the year 1989. Throughout his career at AB Bank Limited, he worked as Manager of various branches and functional Heads in Head Office of different Divisions. During his banking career, Mr. M.S. Islam has undergone a number of professional trainings and seminars at home and abroad.

Mr. M.S. Islam completed his MBA in Banking from the University of Dhaka.

VARIOUS COMMITTEE

Executive Committee

SL	Member	Designation	Committee Status
1.	Mr. Md. Kabir Reza, FCMA	Director	Chairman
2.	Syed M. Altaf Hussain	Vice-Chairman	Member
3.	Mr. Muminul Haque Chowdhury	Director	Member
4.	Mr. Abdul-Muyeed Chowdhury	Independent Director	Member
5.	Mr. Siddiqur Rahman Choudhury	Independent Director	Member
6.	Mr. Mohammad Shamsul Islam	Managing Director	Ex-officio Member
7.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member Secretary

Audit Committee

SL	Member	Designation	Committee Status
1.	Mr. Abdul-Muyeed Chowdhury	Independent Director	Chairman
2.	Mr. Md. Kabir Reza, FCMA	Director	Member
3.	Mr. Aktar Ahmed	Director	Member
4.	Mr. Azmal Hossain	Director	Member
5.	Mr. Siddiqur Rahman Choudhury	Independent Director	Member
6.	Mr. Mohammad Shamsul Islam	Managing Director	Ex-officio
7.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member Secretary

Management Committee (MANCOM)

SL	Name	Designation	Committee Status
1.	Mr. Mohammad Shamsul Islam	Managing Director	Chairman
2.	Mr. Shital Chandra Saha	Head of CRM	Member
3.	Mr. Sayed Ahmed, FCMA	Chief Financial Officer	Member
4.	Mr. Mahbubur Rashid Al-Amin	Head of Business	Member
5.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member Secretary

Asset Liability Management Committee (ALCO)

SL	Name	Designation	Committee Status
1.	Mr. Mohammad Shamsul Islam	Managing Director	Chairman
2.	Mr. Shital Chandra Saha	Head of CRM	Member
3.	Mr. Sayed Ahmed, FCMA	Chief Financial Officer	Member
4.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member
5.	Mr. Mahbubur Rashid Al-Amin	Head of Business	Member
6.	Syed Sharif Ahmed Sumon	Head of Liability	Member
7.	Mr. Md. Ismail Hossain Mazumder	Head of Treasury	Member Secretary

Credit Committee

SL	Name	Designation	Committee Status
1.	Mr. Shital Chandra Saha	Head of CRM	Member
2.	Mr. Sayed Ahmed, FCMA	Chief Financial Officer	Member
3.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member
4.	Ms. Maria Farhat	Sr. Officer	Member Secretary

Sustainable Finance Committee

SL	Name	Designation	Committee Status
1.	Mr. Shital Chandra Saha	Head of CRM	Member
2.	Mr. Sayed Ahmed, FCMA	Chief Financial Officer	Member
3.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member
4.	Mr. Md. Ali Tareque	Head of IT	Member
5.	Mr. Prabir Shel	Head of ICCD	Member
6.	Ms. Homayra Ashrafi	Head of SME	Member Secretary

VARIOUS COMMITTEE

Sustainable Finance Unit

SL	Name	Designation	Committee Status
1.	Mr. Shital Chandra Saha	Head of CRM	Unit Head
2.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member
3.	Mr. Md. Ali Tareque	Head of IT	Member
4.	Mr. Prabir Shel	Head of ICCD	Member
5.	Ms. Homayra Ashrafi	Head of SME	Member
6.	Mr. Md. Junayed Abedin	FAVP	Focal Point Official
7.	Mr. Md. Al-Amin	SEO	Fallback Person

Risk Management Forum (RMF)

SL	Name	Designation	Committee Status
1.	Mr. Shital Chandra Saha	Head of CRM	Member
2.	Mr. Sayed Ahmed, FCMA	Chief Financial Officer	Member
3.	Mr. Md. Ali Tareque	Head of IT	Member
4.	Mr. Md. Ismail Hossain Mazumder	Head of Treasury	Member
5.	Mr. Prabir Shel	Head of ICCD	Member
6.	Mr. Md. Junayed Abedin	FAVP	Member

Central Compliance Unit (CCU)

SL	Name	Designation	Committee Status
1.	Mr. Sayed Ahmed, FCMA	CAMLCO	Head of CCU
2.	Mr. Md. Ali Tareque	Head of IT	Member
3.	Mr. Md. Ismail Hossain Mazumder	Head of Treasury	Member
4.	Mr. Dilip Chandra Roy	Head of HR	Member
5.	Mr. Syed Sharif Ahmed Sumon	Head of Liability	Member
6.	Ms. Homayra Ashrafi	Sr. Officer	Member
7.	Mr. Prabir Shel	DCAMLCO	Member Secretary

Risk Analysis Unit (RAU)

SL	Name	Designation	Committee Status
1.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Member
2.	Mr. Md. Abdul Baten	Head of Recovery	Member
3.	Mr. Mezanur Rahman	Asst. Vice President	Member
4.	Mr. Md. Waliul Islam Chowdhury	Sr. Executive Officer	Member
5.	Mr. Md. Hamim Mia	Sr. Executive Officer	Member Secretary

Customer Service and Complaints Management Cell

SL	Name	Designation	Committee Status
1.	Mr. Md. Sarwar Kamal FCS	Company Secretary	Head of Complaint Cell
2.	Mr. Prabir Shel	Head of ICCD	Member
3.	Ms. Homayra Ashrafi	Sr. Officer	Member

Two officials (sub-manager & another officer) will work in each branch for Branch Level Customer Service & Complaints Management Desk (BLCS & CMD) under direct supervision of Branch Manager.

Women Entrepreneur Development Unit (WEDU)

SL	Name	Designation	Committee Status
1.	Ms. Anamica Das	Sr. Executive Officer	Head of WEDU
2.	Ms. Homayra Ashrafi	Sr. Officer	Member, Women Entrepreneur Help Desk

MANAGEMENT COMMITTEE

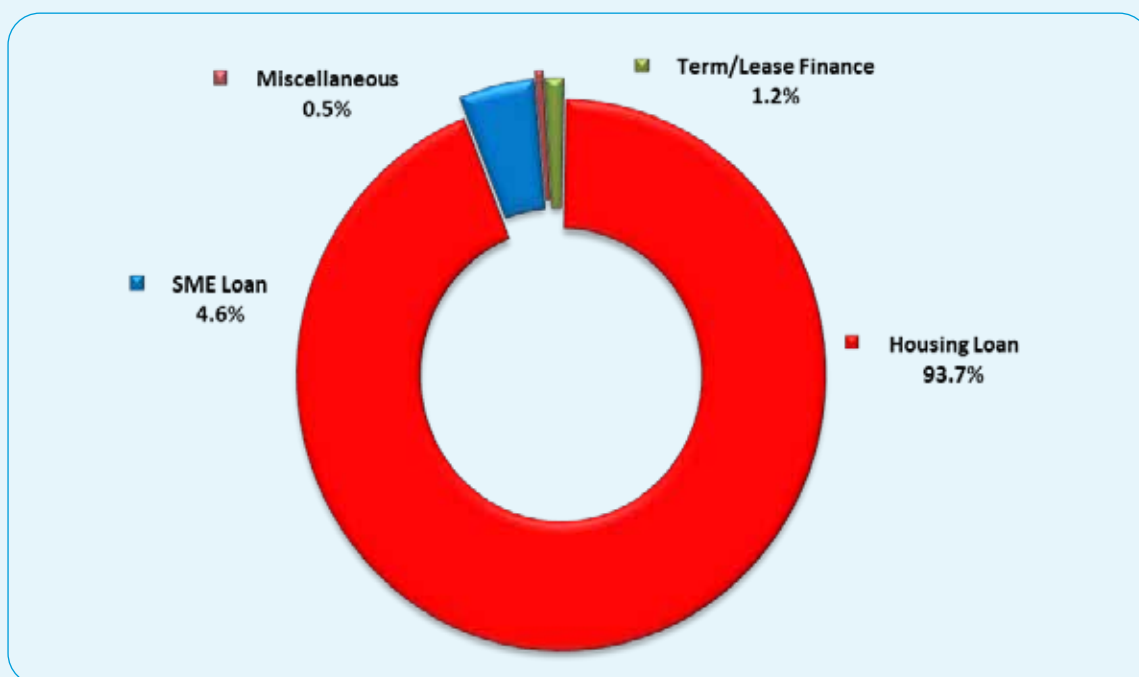


MANAGEMENT TEAM

Managing Director	Senior Executive Officer
Mohammad Shamsul Islam	Sheikh Farid Mohammad Mazharul Islam ACS Robiul Haque Adnan Imtiaz Iffat Ruhan Marufur Rahman Md. Mustafizur Rahaman Mohammed Saiful Islam Tania Afrose Abu Jafar Md. Abdullah K. M. Iftekhar Hossain A. Q. M. Ambia Touhid Md. Al-Amin Al Mamun Shiblu Md. Abu Bakar Shiddik Noor-ul-Muhaimen Talukder Anamica Das Nafisa Tasnim Samantha Sharmin Jahan Shawn Md. Waliul Islam Chowdhury Md. Hamim Mia Bijoy Kumar Saha Awlia Akter Brinta Ghosh
Executive Vice President	Executive Officer
Shital Chandra Saha	Md. Badiuzzaman Sarker Masum Walid Hassan Suvra Saha Rajesh Saha Jinat Ara Jesmin Sarfaraj Ahmed Sharmistha Datta Md. Mosharof Hossan
Vice President	Chief Financial Officer
Md. Nazrul Islam Md. Abdul Baten Sayed Ahmed, FCMA Abu Naser Md. Ahad Sarkar Md. Sarwar Kamal FCS Mahbubur Rashid Al-Amin Md. Mahbubur Rahman	Sayed Ahmed, FCMA
Senior Assistant Vice President	Company Secretary
Md. Jahedul Islam	Md. Sarwar Kamal FCS
Assistant Vice President	
Md. Mezanur Rahman Md. Ali Tareque Md. Mozaharul Islam Md. Ismail Hossain Mazumder Israt Jahan Sharmin Zahan Md. Mashiur Rahman A. M. Enayet Karim Nayan Malakar Dilip Chandra Roy Md. Anower Hossain Md. Azizur Rahman Reza Karim Md. Khaled	
First Assistant Vice President	
Prabir Shel Md. Ilious Zaved Purna Chandra Deb Sharma H. M. Mashiur Rahaman Masbha Uddin Rumana Amin Tanvir Ahmed Md. Abu Faysal Rony Abdullah Al Kafi Syed Sahrif Ahmed Sumon Md. Junayed Abedin Suraiya Yeasmin Md. Alimul Islam Ibrahim Khalil	

Branch In-Charge	
Md. Nazrul Islam	Principal Branch
Md. Mahbubur Rahman	Gulshan Branch
Suraiya Yeasmin	Motijheel Branch
Abu Naser Md. Ahad Sarkar	Bogura Branch
Md. Mozaharul Islam	Chattogram Branch
Md. Jahedul Islam	Rangpur Branch
A. M. Enayet Karim	Gazipur Branch
Md. Ilious Zaved	Rajshahi Branch
Mohammed Saiful Islam	Feni Branch

OUTSTANDING PORTFOLIO



FIVE YEARS 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:

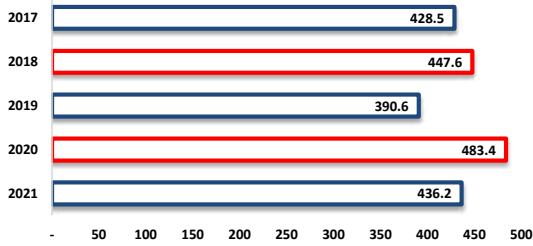
- Change in the country's general economic conditions.
- Changes in commodity price levels.
- Further volatility in interest rates.
- Changes in government policies
- Changes in Monetary policies of the Bangladesh Bank.
 - Increase in provisioning requirements.
 - Increase in statutory liquidity reserves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

Key Operating and Financial Highlights

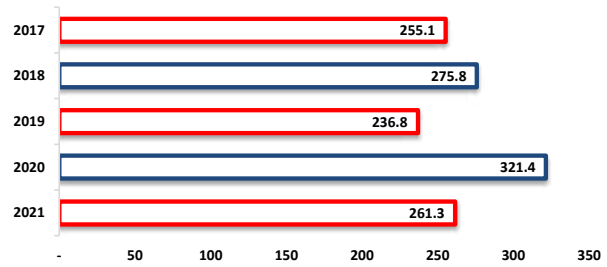
(Figures in Million Taka except ratios and per share data)

Particulars	2021	2020	2019	2018	2017
Operational Highlights					
Housing loan sanction	3,151.67	2,024.72	3,936.25	4,401.60	3,593.48
Lease, Term and SME loans sanction	86.70	23.80	2.00	151.60	573.20
Housing loan disbursed	2,008.21	1,348.61	2,540.13	3,021.22	2,174.44
Lease, Term and SME loans disbursed	67.20	61.79	86.88	228.72	519.56
Cumulative housing loan disbursed	23,729.72	21,721.51	20,372.90	17,832.78	14,811.55
Cumulative lease, Term and SME loans disbursed	8,111.65	8,044.45	8,023.15	7,936.27	7,707.55
Cumulative housing loan sanction	29,435.66	26,283.99	24,259.27	20,323.02	15,921.42
Cumulative lease, Term and SME loans sanction	8,252.70	8,166.00	8,142.20	8,140.20	7,988.60
Financial Highlights					
Operational income	727.49	739.70	588.97	684.22	626.52
Operational expenses	201.31	199.13	195.68	170.47	152.13
Financial expenses	972.02	1,343.66	1,486.02	1,344.11	814.69
Administrative Expenses	166.37	168.07	164.37	143.79	126.74
Profit before tax	436.22	483.36	390.62	447.59	428.52
Provision for taxes	174.93	161.97	153.82	171.82	173.37
Net profit after tax	261.29	321.39	236.81	275.77	255.15
Shareholders' fund	2,182.23	2,096.49	1,892.13	1,774.23	1,700.60
Total deposit	14,421.04	13,510.91	13,245.55	16,149.00	11,668.16
Total borrowing	882.19	849.73	1,629.48	1,760.75	1,720.84
Total loan portfolio	13,939.46	13,628.36	13,494.88	12,363.97	10,245.33
Total balance sheet size	19,059.22	17,782.57	18,239.70	20,980.85	16,163.20
NPL ratio (%)	5.88%	5.33%	5.16%	4.21%	5.06%
Financial ratios					
Earnings per share	2.23	2.75	2.02	2.36	2.40
Dividend per share	16.00%	15.00%	10.00%	20.00%	19.00%
Net asset value per share	18.65	17.91	16.17	15.16	15.98
Financial expenses coverage (times)	1.45	1.36	1.26	1.33	1.58
Profit margin (before tax)	25.67%	23.20%	18.83%	22.07%	29.73%
Profit margin (after tax)	15.37%	15.43%	11.41%	13.60%	17.70%
Return on equity	12.21%	16.12%	12.96%	15.60%	15.29%
Debt equity ratio	7.73	7.48	8.40	10.62	8.32

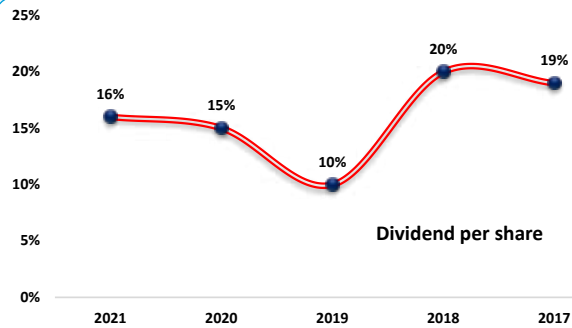
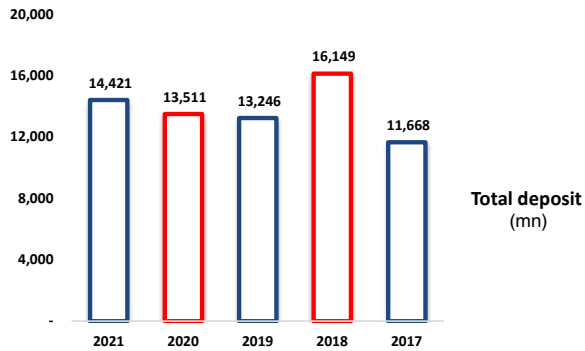
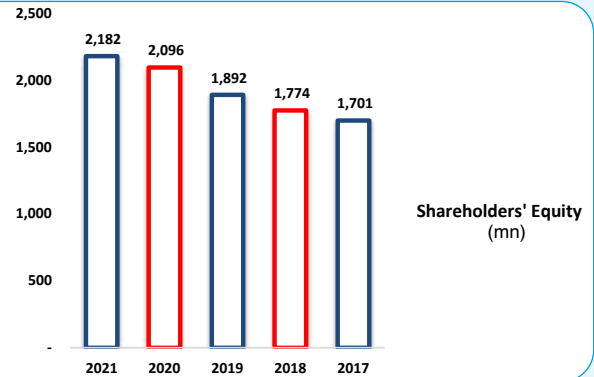
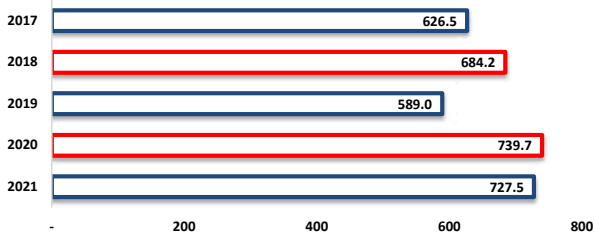
Profit before Tax (mn)



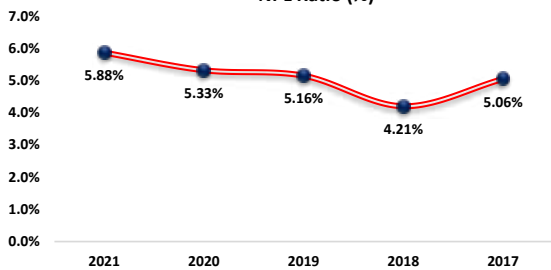
Net profit after Tax (mn)



Operational Income (mn)



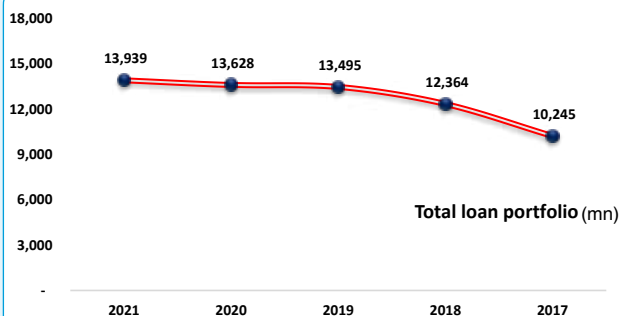
NPL Ratio (%)



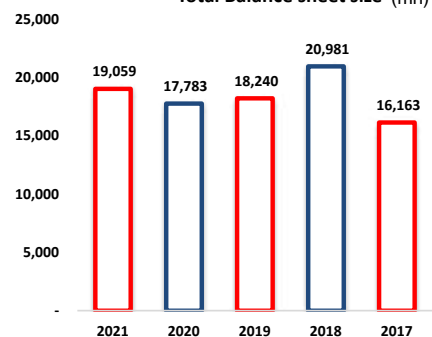
Housing loan disbursed (mn)



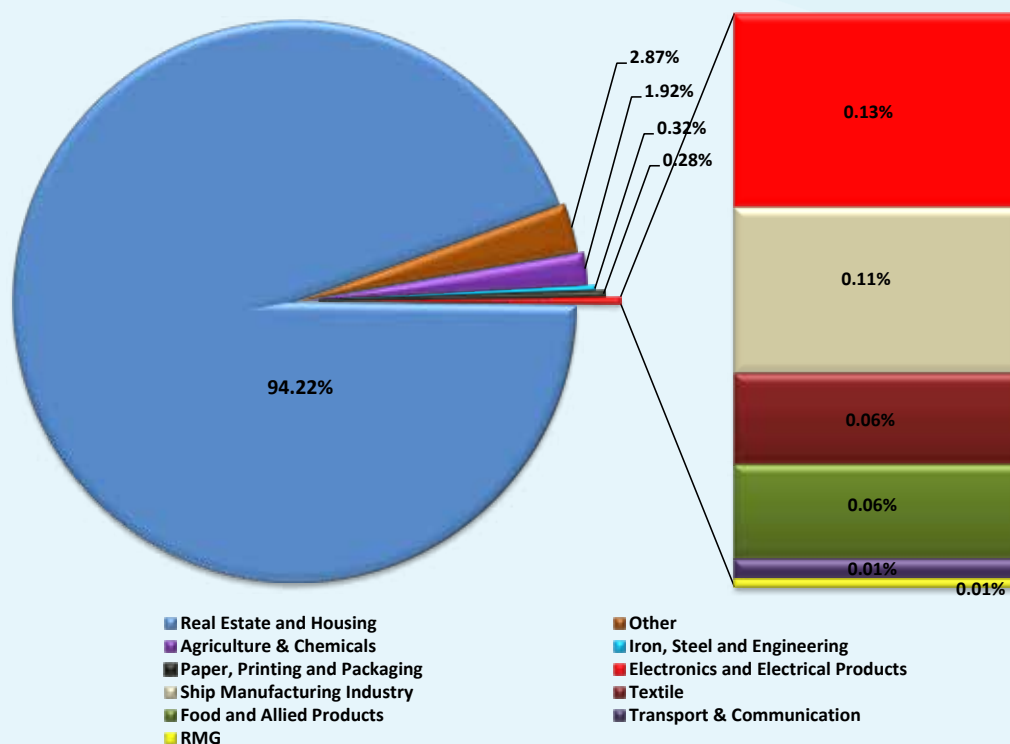
Total loan portfolio (mn)



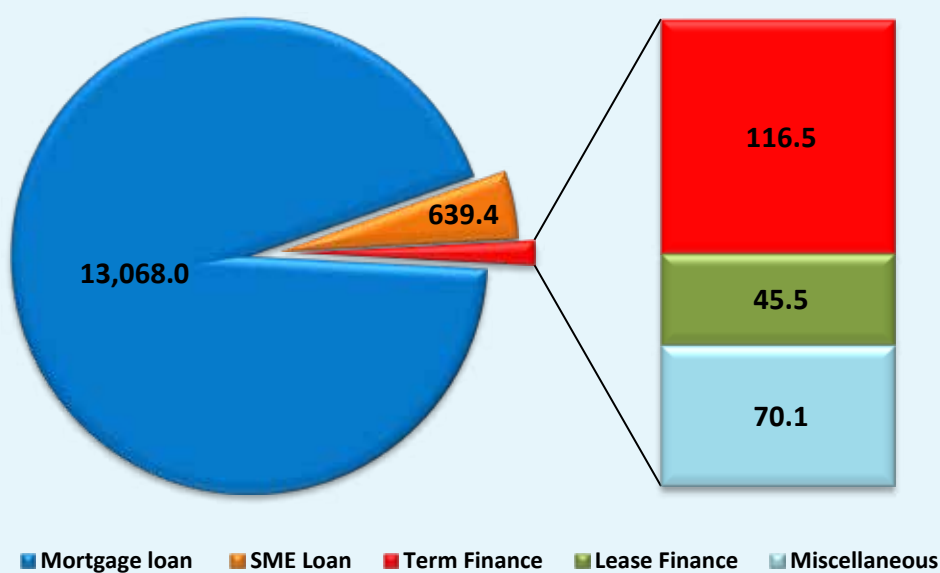
Total Balance sheet size (mn)



Sectoral Portfolio (%)



Portfolio Mix (Amount in mn)



VALUE ADDED STATEMENT

For the year ended December 31, 2021

Value added is the wealth created by NHFIL through extending lease financing, SME financing, Housing Finance (home loan, commercial mortgage loan and project mortgage loan), and Corporate Finance.

The Value Added Statement shows the total worth created and how it was distributed to meet certain obligation and the portion retained for the continued operation and expansion of the Company.

Figures in BDT

Particulars	31-Dec-21		31-Dec-20	
	Amount	%	Amount	%
Value added				
Operating revenue	1,683,946,093		2,072,297,450	
Cost of borrowing	(972,019,341)		(1,343,656,498)	
	711,926,752		728,640,952	
Other income	15,559,692		11,056,298	
	727,486,444		739,697,250	
Operating expenses excluding staff cost and depreciation	(47,625,581)		(54,252,433)	
Provision for loan, advances & investments	(89,960,879)		(57,204,139)	
Total value added by the company	589,899,984	100.00%	628,240,678	100.00%
Distribution of value addition				
Employees as remuneration	133,687,163	22.66%	125,474,269	19.97%
Dividend to ordinary shareholders	175,546,800	29.76%	175,546,800	27.94%
Income tax	174,929,833	29.65%	161,965,953	25.78%
	484,163,796	82.08%	462,987,022	73.70%
Retained for expansion and future growth				
Value retained in the business	85,742,043	14.54%	145,846,577	23.22%
Depreciation	19,994,145	3.39%	19,407,079	3.09%
Amount distributed	589,899,984	100%	628,240,678	100%

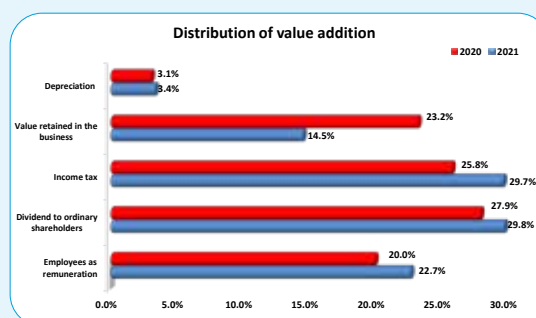
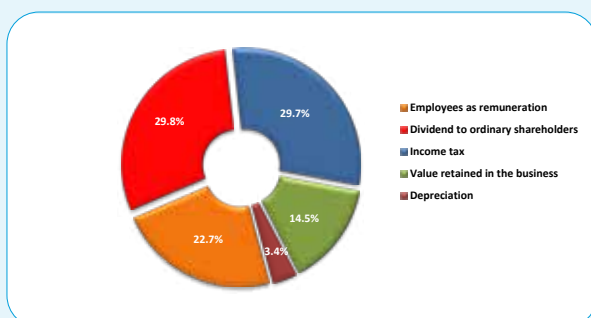
Number of employees at the end of the year 193 182

Value created per employee (BDT) 3,056,477 3,451,872

Number of shares 117,031,200 117,031,200

Value created per share (BDT) 5.04 5.37

	Distribution of value addition	Distribution of value addition
	2021	2020
Employees as remuneration	22.7%	20.0%
Dividend to ordinary shareholders	29.8%	27.9%
Income tax	29.7%	25.8%
Value retained in the business	14.5%	23.2%
Depreciation	3.4%	3.1%



ECONOMIC VALUE ADDED (EVA) STATEMENT

For the year ended December 31, 2021

Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder's value.

The aim of EVA is to provide management with a measure of their success in increasing shareholder's wealth: a better measure than profit of how much the company had made for shareholders.

EVA has been calculated by the following formula:

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

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-21	31-Dec-20
	Amount	Amount
Net operating profit	526,179,555	540,563,469
Provision for taxes	(174,929,833)	(161,965,953)
Net operating profit after tax (NOPAT)	351,249,722	378,597,516

Charges for capital		
Capital employed	2,485,068,958	2,283,763,632
Cost of equity (%)	8.55%	6.64%
Capital charge	212,473,396	151,641,905
Economic value added	138,776,326	226,955,611
Number of shares	117,031,200	117,031,200
Economic Value Added Per Share	1.19	1.94

Cost of equity

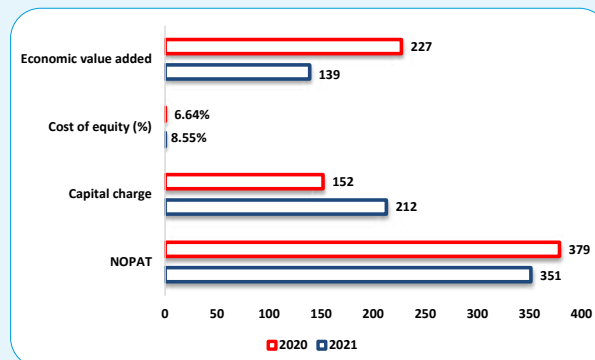
Cost of equity reflects shareholders' expected return. Eventually this is the opportunity cost for shareholders for investing their funds in the company. Interest on 5 (five) years Government Treasury Bond plus a standard risk premium has been assumed to be the cost of equity.

Interest rate on 5 (five) years Government Treasury Bond on December 31	6.55%	4.64%
Standard Risk Premium	2.00%	2.00%
Cost of equity	8.55%	6.64%

Capital employed as on December 31		
Shareholder's equity	2,182,233,947	2,096,491,904
Accumulated provision for doubtful accounts and future losses	385,283,568	306,128,498
Total capital employed	2,567,517,515	2,402,620,402
Average capital employed	2,485,068,958	2,283,763,632

Figures in BDT mn

Particulars	2021	2020
	Amount	Amount
NOPAT	351.25	378.60
Capital charge	212.47	151.64
Cost of equity (%)	8.55%	6.64%
Economic value added	138.78	226.96



MARKET VALUE ADDED (MVA) STATEMENT

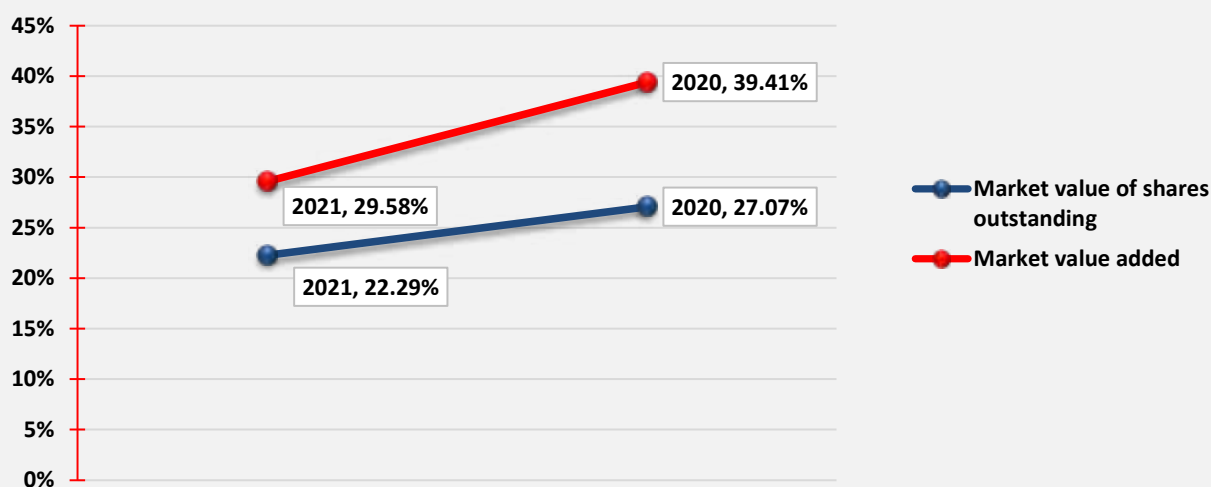
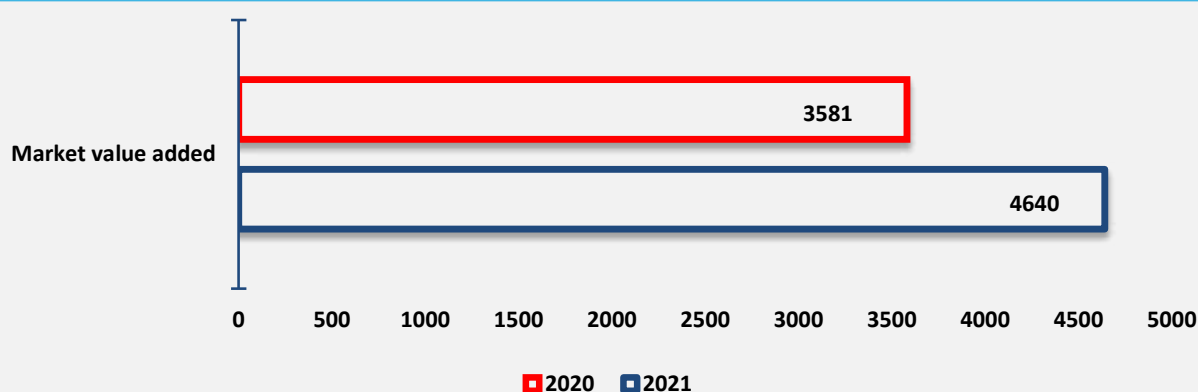
For the year ended December 31, 2021

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, 2021 and 2020.

Figures in BDT

Particulars	2021	2020
	Amount	Amount
Market value of shares outstanding	5,810,599,080	4,751,466,720
Book value of share outstanding	1,170,312,000	1,170,312,000
Market value added	4,640,287,080	3,581,154,720



TREASURY AT NATIONAL HOUSING FINANCE

Assuring Liquidity, Ensuring Profitability

Overview

Treasury Division 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 various financial intermediaries. The department ensures the efficient functioning of following areas:

1) Funding and Capital Management :

- 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.

2) Funding and Liquidity Management

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. 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 analyze 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.

3) Ensures Profitability after Effective Liquidity Management

The main focus of us is to maintain liquidity effectively and efficiently. After successful liquidity management, NHFIL's Treasury always searches best options to invest its idle fund for ensuring more profit. In the year 2021, our Treasury ensured a remarkable profit through participation in Auction and buy sell of Bangladesh Government Treasury Bond (BGTB).

4) Cost of Funds (CoF) Management

Market interest rate was in downward trend throughout the year 2020 and 2021 due to pandemic situation in the world. Moreover, the news of financial scam in Peoples Leasing and Financial Services Ltd. and International Leasing and Financial Services Ltd. (a Non Bank Financial Institution) hamper images of NBFI industry. Consequently, Money Market operations of NBFI were confined with other Banks. Despite of having image crisis about NBFI, National Housing Finance and Investments Ltd. (NHFIL) ensures the smooth transactions in money market through its prudent fund management system. Moreover, NHFIL collected remarkable "Core Deposit" at competitive rate of interest. By using diversified liability product (Like Money Market, Core deposit, Term Loan and BB Refinance etc.) Cost of Fund remains in favorable position throughout the year 2021.

5) 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.

6) Base Rate System

"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 2021 are as shown below:

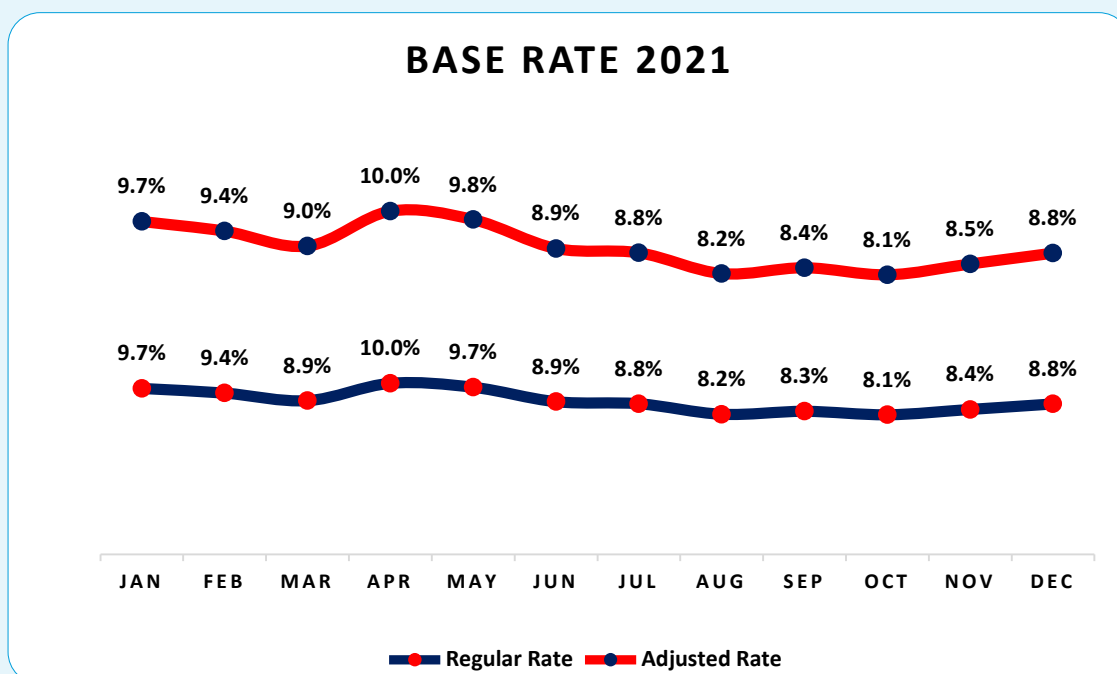
Our Treasury Vision

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:

- **Funding:** Formulating a long-term funding plan with improved models.
- **Liquidity management:** Developing 'best-in-class' liquidity capabilities such as high-quality stress testing and contingency plans.
- **Capital management:** Creating an optimal capital structure that maximises equity returns while meeting the requirements of regulators and markets.
- **Asset Liability Management (ALM):** Establishing a robust ALM procedure which will enable an effective monitoring of key ALM ratios in a prudent way.

Base Rate Analysis for the year 2021

Base Rate 2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Regular Rate	9.7%	9.4%	8.9%	10.0%	9.7%	8.9%	8.8%	8.2%	8.3%	8.1%	8.4%	8.8%
Adjusted Rate	9.7%	9.4%	9.0%	10.0%	9.8%	8.9%	8.8%	8.2%	8.4%	8.1%	8.5%	8.8%



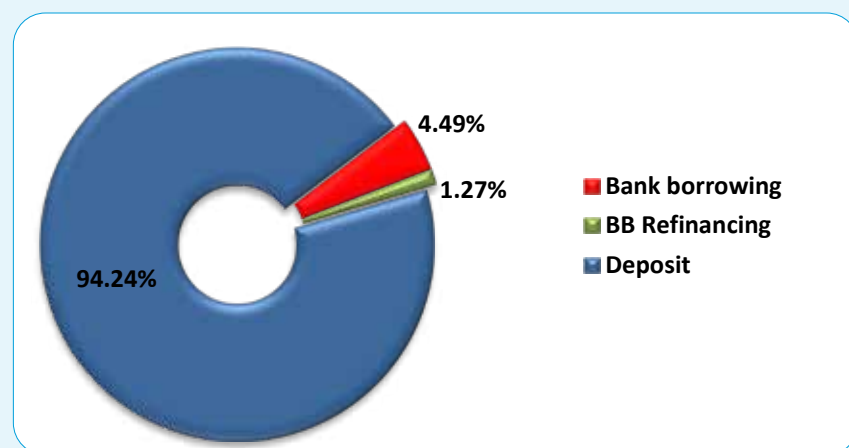
MANAGING OUR COST OF FUNDS (COF)

For the year ended December 31, 2021

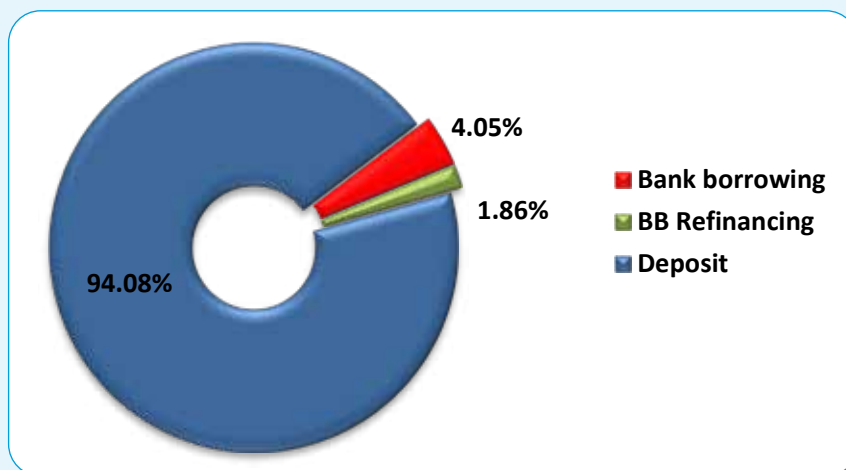
Despite assuming inherent shortcomings of not offering and savings accounts to clients on account of our status

Figures in BDT

Particulars	December 31, 2021	%	December 31, 2020	%
Bank borrowing	687,288,927	4.49%	582,171,386	4.05%
BB Refinancing	194,903,133	1.27%	267,559,452	1.86%
Deposit	14,421,038,329	94.24%	13,510,914,122	94.08%
	15,303,230,389		14,360,644,960	



December 31, 2021



December 31, 2020

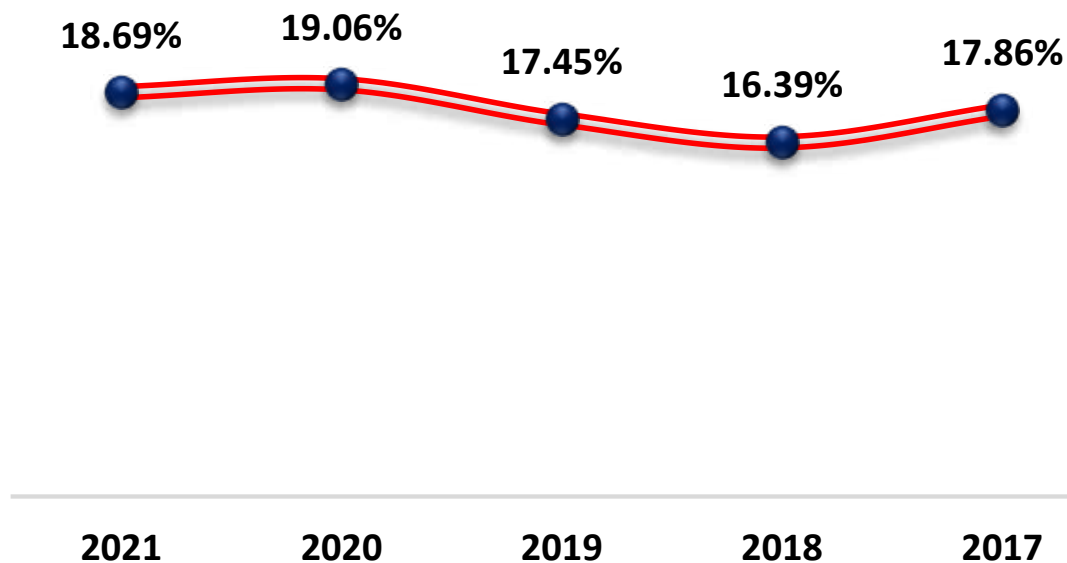
CAPITAL ADEQUACY RATIO

As per Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, Financial Institutions (FIs) are required to maintain a minimum capital adequacy ratio of 10%. At the end of 2021, capital adequacy ratio stood at 18.69%.

Amount BDT in million

Tier-1 (Core Capital)	2,182.23
Paid-up Capital	1,170.31
Statutory Reserve	630.44
Share premium account	
General Reserve	
Retained Earnings	381.48
Tier-2 (Supplementary Capital)	138.77
General Provision	138.77
Total Eligible Capital	2,321.00
Total risk weighted assets	12,419.41
Capital Adequacy Ratio	18.69%

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REPORTS TO THE SHAREHOLDERS





FROM THE DESK OF **CHAIRMAN**

Dear Shareholders,
Assalamualaikum

I extend a warm welcome to you all at the 23rd AGM of the company and also pleased to present you the Annual Report of the Company for the year ended 31st December 2021. Please note that in pursuant to the BSEC Directive No. SEC/SRMIC/94-231/91 dated 31 March 2021 we have arranged the meeting through Digital Platform.

You are fully aware that the repeated shocks of COVID-19 and subsequent nationwide lockdowns to contain the pandemic, Bangladesh economy is crawling back to the recovery phase. Badly thrashed by the pandemic, regular economic activities were disrupted nevertheless the country withstood its growth path while output growth in other South Asian countries severely tumbled.

As we look to move on from the worst of the pandemic and along a path to recovery, we also find ourselves looking to the future and the longer-term challenges facing the housing sector. This means thinking about how we enable attractive, practical, and sustainable Home loan policy. It also means thinking about how we can support our client respond to the issues affecting urban Housing sector across the country. While increasing the Home loan remains NHFIL's core focus, a key lesson from last year is that we should approach this holistically to ensure we're creating the more affordable Home loan policy and interest rate that can stand up to the 21st century. As we move into the next financial year, I'm looking forward to tackle these challenges and opportunities as a sector - and in those challenges are also opportunities.

You are going to be happy to know that your company is succeeding to maintain its profitability in the year 2021. National Housing's total portfolio stood at Tk. 1,393.95 crore. However, the NPL element and post-pandemic impacts corroded the prospects of higher profits and suppressed net profits to Tk. 26.13 crore in 2021 from Tk. 32.14 crore in 2020.

Considering the Company's overall growth, the Board has been pleased to recommend 16% cash Dividend for the year 2021 for final approval of our shareholders.

Finally, it is always an honour to be the Chairman of this Company together with a great team of our honorable Directors. In the face of adversity, everyone at National Housing has rallied together and responded with determination, resilience, kindness and compassion. The true measure of an organization can often best be seen when it faces tough challenges, and the team at National Housing has performed magnificently. I am humbled to represent our Directors, officials, our customers and our shareholders, both past and present, who have helped to make National Housing the successful and respected organization it is today. I am confident about our future and look forward to a bigger and better days ahead.

Thank you.



Mahbubur Rahman
Chairman



FROM THE DESK OF **MANAGING DIRECTOR**

Dear Shareholders, Ladies & Gentlemen,
Assalamualaikum wa Rahmatullah

It gives me immense pleasure to welcome you all on the occasion of the 23rd Annual General Meeting (AGM) of NHFIL. The Annual Report for the financial year ended 31st December, 2021 together with the Director's Report, Audited Financial Statements and the Auditor's Report of your Company have already been provided to you and with your permission, I take them as read.

Though the housing sector of Bangladesh has a promising future, which has been backpedalled due to pandemic outbreak. The sector contributes significantly into nation's GDP, as it is connected with many other sectors and employs several million people. The huge sector meets one of the basic needs -- housing, a roof over the head. Your company NHFIL has mainly been working on the sector- providing finances for meeting the basic human need. Though we have been facing several challenges in our operation due to the post pandemic situations and imposing of new regulations, you will be glad to know that we have succeeded to maintain a stable footing on the ground of the industry- keeping the tradition of NHFIL ongoing during the year 2021.

It is indeed a proud privilege to share that your Company has completed 23 years of successful journey and has demonstrated yet another year of excellent performance despite COVID-19 pandemic which was responsible for slowdown in economic activities. Despite all these hurdles, your Company has achieved a disbursement target of Tk. 207.54 crore and earned a profit after tax of Tk. 26.13 crore. I would like to share the highlights of NHFIL's performance during 2021, the economic environment, challenges faced and future outlook of the Company, which clearly depicts in the report that your Company is on growth path.

In this connection your company fared reasonably well in the year 2021 in terms of volume of business. The operating income during the period stood at Tk. 727.49 million. As a result, the Earnings per Share (EPS) stood at 2.23 in 2021 which may be marked as higher side in our capital market structure.

We placed greater emphasis on survival of our core business that rescued us from being caught in the financial ills that shattered many institutions during pandemic. Under the guidance of our experience board members we have been following the strategy of taking advantages in collaboration with the every buoyant of home loan market as our main agenda in operation of NHFIL. A simultaneous exploration of other avenues for procurement and deployment of funds for augmenting incomes are being continued. Additionally, the company will incessantly engage in observation and analysis of the changes in the business and financial atmosphere of the country and adjust strategies accordingly. Recovery of NPL, strengthening of risk management capacities and tools, and exploring new fields of business shall no doubt delineate the greater slice of our actions in days to come.

Lastly, I will take an opportunity to thanks our honorable shareholders for their support and keeping confidence on NHFIL Management, our sincere gratitude to the honorable Member of Board for guidance during the time of our operation. I also being new member of family, cherish all my colleagues at NHFIL for their unstinted supports, commitment and dedication without which NHFIL could not have become a shining star of the industry. I also express my gratitude to Bangladesh Bank, RJSC, BSEC, DSE, CSE, CDBL, our Auditors, customers, other stakeholders and all our well wishers for their full cooperation and support.

Thank you.



Mohammad Shamsul Islam
Managing Director

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, 2021, together with the Auditors' Report thereon.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, Corporate Governance Code of BSEC dated 03 June, 2018, the Listing Regulations of DSE and CSE, Guidelines of Bangladesh Bank and other applicable Rules and Regulations. A separate report titled 'Report on Corporate Governance' is furnished herewith, which may be treated as part of this Directors' Report.

2021 was a challenging year for whole world due to the 2nd & 3rd waves of COVID-19 and its massive adverse effects has pulled the global economic growth. The capital market also followed the scenario all through the year. The adverse effects of pandemic created heavy pressure on business operations and long term individual investments in housing and other areas. Despite the difficulties and challenges, your company maintained stable growth during the year 2021. Our Board of Directors is committed to maintain proper corporate governance, self-signaling internal control systems and sharpened compliance standards.

ECONOMIC REVIEW OF THE FINANCIAL YEAR

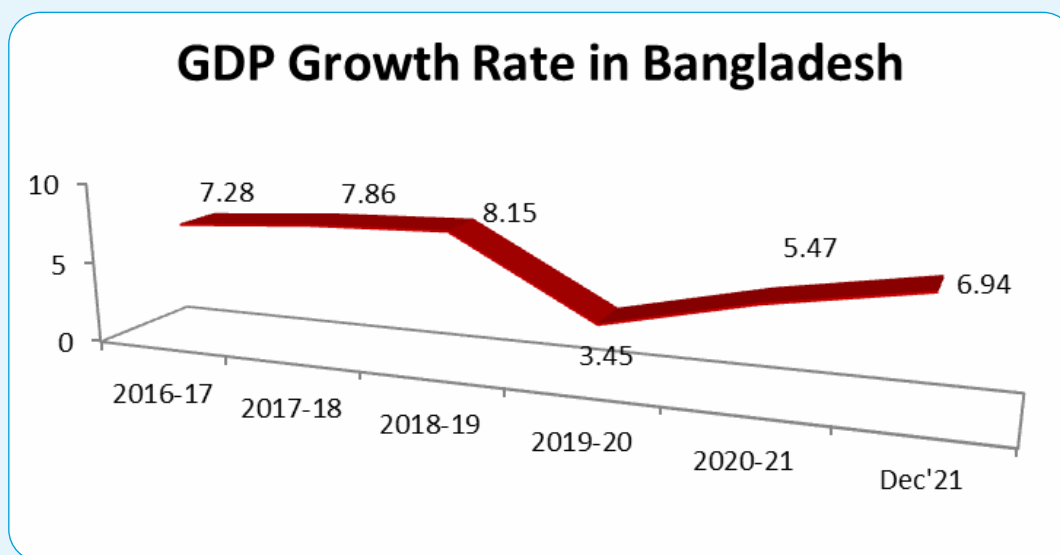
WORLD ECONOMY REVIEW

The global economic recovery is facing significant headwinds amid new waves of COVID-19 infections, commodities price hike, lingering supply-chain challenges and rising inflationary pressures. Despite the robust recovery in 2021 – driven by assumed strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels, the momentum for growth – especially in China, the United States and the European Union – slowed considerably by the end of 2021. After expanding by 5.5 per cent in 2021, the global output is projected to grow by only 4.0 per cent in 2022 and 3.5 per cent in 2023, according to the United Nations World Economic Situation and Prospects (WESP) 2022.

BANGLADESH ECONOMY REVIEW

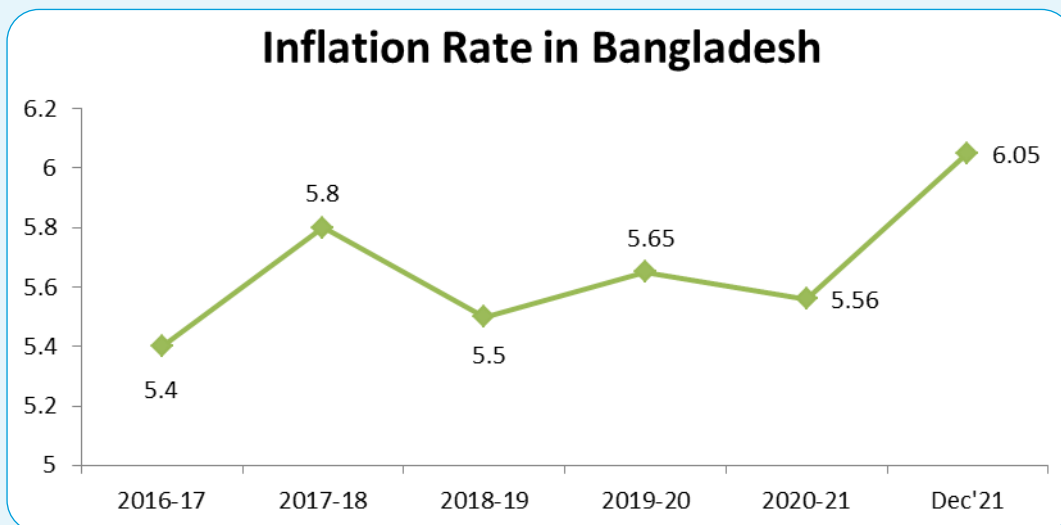
Before the COVID-19 pandemic, Bangladesh exhibited a steady and high GDP growth, averaging 7.4 percent per year during FY 2015-16 to FY 2018-19, and reached a record 8.15 percent growth rate in FY 2018-19. The global economy has come to a standstill due to the COVID-19 pandemic which has also had a huge negative impact on the economy of Bangladesh.

Due to the impact of pandemic in Bangladesh real GDP growth rate declined to 3.45 percent (after recent rebasing from FY06 to FY16 by BBS) in FY 2019-20 from a growth of 8.15 percent in FY 2018-19. However, Bangladesh made a recovery in FY 2020-21 and the annual GDP growth rose to 5.47 percent (BBS provisional estimate). GDP growth stood at 6.94 percent at the end of December 2021.



Inflation Rate

In FY 2019-20, the inflation rate stood at 5.65 percent, which is slightly higher than the target (5.50%). In this case, food inflation increased to 5.56 percent and non-food inflation stood at 5.85 percent. Despite the stagnation in the economy due to the coronavirus, inflation in FY2020-21 is slightly high (5.56%) than the target (5.4%) as a result of interruption in food production and supply chains. Inflation rate increased at the end of December 2021 and stood at 6.05 percent.



CAPITAL MARKET ACTIVITIES

In DSE total number of listed securities has increased from 589 in June 2020 to 609 in June 2021. Total Market Capitalisation of all listed securities was Tk. 3119.7 billion in June 2020, which stands at Tk. 5142.8 billion in June 2021, representing 64.85 percent increased. DSE Broad Index has increased from 3,989.09 points in June 2020 to 6150.48 points in June 2021, representing 54.18 percent increase. At the end of June 2021, the total number of listed securities in Chattogram Stock Exchange is 348. Towards the end of June 2021, Market Capitalisation of CSE was Tk. 4183.7 billion which was increased 79 percent from the last fiscal year. CSE All Share Price Index was 17,795 point at the end of June 2021 which was 11,332.59 point in the end of June 2020.

MONEY MARKET SCENARIO

Due to BB's expansionary and accommodative monetary policy stance, broad money (M2) growth accelerated in FY21 to 13.61 percent from 12.66 percent in FY20 but remained slightly short from the targeted monetary policy of 15.0 percent for the year FY21. Net foreign assets increased by 27.45 percent in FY21 against the programmed growth of 20.10 percent mainly due to record level of foreign exchange reserve of USD 46.4 billion.

PERFORMANCE OF NON-BANKING FINANCIAL SECTOR

Non-Bank Financial Institutions (NBFIs) are playing a significant role in the areas of financing in industry, trade, housing, transportation, and information technology (IT) of the country. At present 35 licensed non-bank financial institutions (NBFIs) are functioning in the country with a wide network of 277 branches spreading over 37 districts. Among those, 93 are set up in Dhaka district and the rest 184 are located in 36 districts across the country. As on June 2021 total asset of these financial institutions stood at Tk. 91,425 crore, total deposit was Tk. 44,540 crore, total outstanding loan/lease was Tk. 67,120 crore and total classified loan/lease stood at TK 10,328 crore which is 15.39 percent of the total loan/lease.

Apart from industrial, commercial and housing sectors, these companies also invest in the country's capital market. To strengthen the NonBank Financial Management Structure, to ensure transparency and minimize risk of financial institutions and in order to bring corporate good governance, various measures (guidelines, circulars and circular letters) have been taken at different times by Bangladesh Bank. As part of these, guidelines on products and services, base rate system, early warning system, commercial paper, Code of Conduct etc. have been introduced. In this connection, a number of measures were taken by Bangladesh Bank in 2020. Among these the noteworthy policies are: suitable and modified existing commercial paper and stress testing guidelines for financial institutions. It may be mentioned that in the year 2020, Bangladesh Bank has issued license to a new financial institution named Strategic Finance and Investment Limited.

Like elsewhere across the globe, the COVID-19 pandemic has brought uncertainties in financial and economic sector in Bangladesh. Bangladesh Bank has taken several policy measures to mitigate the impacts of COVID-19 on financial institutions and their clients. Some of those policies are: keeping classification status of loan/lease/advance unchanged from January to December 2020, lowering the Cash Reserve Requirement (CRR) from 2.50 percent to 1.50 percent on bi-weekly basis and from 2.0 percent to 1.0 percent on daily basis, restructuring and short term loan renewal facilities on easy terms and conditions. Furthermore, Bangladesh Bank facilitates interest rate subsidy and refinance scheme for pandemic affected clients of Financial Institutions under the government stimulus packages for lending working capital in industries and service sector.

INDUSTRY OUTLOOK

HOUSING FINANCE

In Bangladesh the housing sector is considered as an extensive and progressive sector as it fills one of the most significant basic needs - shelter. In recent years, developments in infrastructural sector, especially construction of industrial buildings, corporate offices, dwelling houses, roads, bridges, public installations like stadiums, transport stations, hospitals, markets etc., have increased significantly. The housing sector plays an important role in attaining economic stability.

Positive signs are already within sight – the total outstanding housing loans of banks and financial institutions are increasing, 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. 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.

The contemporary demographic features of Bangladesh are yet another booster: over 60% of the total population of about 165 million comprises of young people of the age between 25 and 45. This is where this country is now placed on a plateau from where to operate to command progress and development of all denominations – social, economic, environmental, entrepreneurial, and philosophical –and above all, a development that would hold a status of distinction for generations to come. The ensuing economic vibrancy, thus, bode well for the housing sector in future. However, political stability, investor confidence and availability of utilities will continue to play a crucial role in orchestrating the recovery of Bangladesh's Real Estate Sector.

Besides, land-population ratio in Bangladesh, especially in its urban areas is measurably low meaning there is significant scarcity of landed properties in urban areas. This makes vertical real estate developments imperative if housing facilities of a minimum standard are to be made available to at least a reasonable number of people living in cities and towns. Vertical development consists in constructing high-rise buildings accommodating large numbers of flats, apartments and office spaces under efficient use of land and construction materials. And construction of buildings and edifices on larger scales would jack up demands for housing and construction loans and credits. This indicates that there is all probabilities that business opportunities for lenders and investors in the real estate sector shall swell in days ahead.

With the increase of educated population and the emergence of a vibrant middle-class in the society, the prospects for housing sector business is also expected to enhance over time. Educated people with sufficient disposable income and access to loans and allied services, and exposure to modern amenities and styles of life are prone to aspire for and work hard to buy and live in own houses. This cosmopolitan social trend has additionally been expanding the limit of housing sector business, which is logically putting a demand-pull pressure on credit supply for house building and apartment purchases creating a buoyancy for lenders and suppliers. All these are good omens for businesses like National Housing are surely reasons for encouragement for all us – partners, shareholders and stakeholders of all varieties.

Unemployment and reduced income due to the impact of pandemic are creating financial pressure on the borrowers and turning them as defaulters. The tenants are failing to pay the rents properly and many household units are getting vacant, hurting the landlords who may have home loan installments to clear. The landlords are defaulting also. Although some options are there to solve the problems such as an increase in repayment period, refinancing facilities and financial packages of the government in case of genuinely affected borrowers.

The banking sector is now playing a dominant role in the housing sector, but the growth rate of NBFIs shows an upward trend at the same time. Finding investments in real estate schemes secured and taking advantage of cost of fund, banks are now channeling increased amounts of funds to this sector. Availability of huge funds for building and buying houses as a result of operations of banks has caused a demand-pull effect on the market enticing in new customers. Besides the general NBFIs, two private sector specialized housing finance companies including National Housing Finance and Investments Ltd. (NHFIL)

and Delta Brac Housing Finance Corporation Ltd. (DBH), and the lone state-owned housing finance organization, namely House Building Finance Corporation are operating in the market contributing profusely to mitigate the financial requirements of individual and corporate clients for fulfilling their plans and dreams for own homes and commercial installations respectively.

KEY STRENGTHS OF NHFIL

We specialize in the house financing sector; this is our forte. Our organizational knowledge and skill spanning every nook and cranny of the housing finance sector come as a great support to customers who venture into building or buying their own dwelling places, or structures for commercial purposes. Consequently, NHFIL has been successful in fabricating a brand image and niche in the market entirely unrivalled by other funding agencies.

This has helped us stay ahead in a highly competitive market. The consumer relationships we have built overtime, the high quality of services that we provide to our clients in terms of convenience and flexibility, and our focus on collections and controlling of non-performing loans (NPLs) have all contributed to increase in our revenues and profits, and in turn, creation of value for our shareholders.

Our proper and prompt services serve as our advertisements: our employees are fully geared by virtue of relevant knowledge, skill, experience and a motivational status of mind inculcated by constant training and counseling to follow through the best practices while dealing with customers. This is fine-tuned by our board of directors when they offer their advices and guidance and put forward policies and operational strategies. All these summed up represent our strength in the housing finance field. Our honorable shareholders and other stakeholders can thus stare-assured that we will always stand alert in taking advantage of this strength, and protect and preserve their interest.

HUMAN RESOURCES- A VITAL ELEMENT TO NHFIL'S SUCCESS

At NHFIL, at the very heart of our culture lies the ambition to stay at the top of the curve. And the only way to do so is to empower our most valuable asset – our human resources. Our organization is in the practice of executing on-the-job and off-the-job training and views-sharing sessions in order that employee skill and morale could be kept updated and refined. Talent and knowledge management activities form the most important agenda of the company and under a succession plan, a pipeline for supply of fresh hands and handpicked professionals is maintained, so gaps and vacuums could be filled in as soon as there is any requirement and urgency. This helps shun setbacks and keep works flowing smoothly. As we focus on enhancing productivity, we are increasingly linking Key Performance Indicators (KPIs) with compensation and incentives, fostering an environment that inspires decentralized decisions and a culture of cost consciousness and value addition in whatever we do.

In a highly competitive marketplace, we are also constantly looking at attracting and retaining the best talents. We believe, in addition to offering lucrative compensation packages, ensuring a challenging workplace environment that thrives on ideas, innovation and collaboration is critical to prevent frequent drop outs and retain best minds and best hands. These policies are paying us all and it is expected that framing, adjusting and adhering to such policies will in all possibilities greatly contribute to achieving company objectives, targeted growth and the desired position in the market in terms of brand image, image as a coveted employer, stability in financial and management status, and above all a company with commercial and social commitments and contributions.

SOME OF THE TECHNOLOGICAL INNOVATIONS ADOPTED BY NHFIL

- Increasing technology leverage to fully automate the indigenously developed credit appraisal and assessment that not only helps us proactively identify infected areas and take corrective measures, but also helps us in extensive portfolio and database analysis with a view to identifying cross selling opportunities and enlarge our loans exposure to quality accounts. With the online appraisal in place, we have also quickened our loan disbursal time and this has greatly benefitted us in terms of providing superior customer service and claiming wider customer loyalty.
- Enhancing customer service through our dedicated customer relationship management teams that regularly visit and stay in touch with our customers to identify their requirements and also provide advisory services. We are also looking at providing seamless and uniform services to our customers across all our branches as we focus on minimizing their need to visit us, thereby enhancing their convenience. A customer experience team has been formed to monitor activities of the relationship teams so that objectives in this regard are realized.
- Apart from these initiatives, we are continuously looking into opportunities of process re-engineering. The aim of this is to do away with inefficiencies that might exist in any of our operational processes, thereby lower costs and create more value for our shareholders, as well as provide faster solutions to our customers' issues. A change management team has been formed to oversee this transformation.

INTERNAL CONTROLS

NHFIL has adequate system of internal controls for business process, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations etc. These internal controls and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances. The Board of Directors has the responsibility for reviewing and approving the overall business strategies and major policies of the Company. Senior management has the responsibility for implementing strategies and policies approved by the board. Your company ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, and execution of the transactions in compliance with the authorized internal policies and strategies. The Board of Directors has instituted comprehensive systems of internal control for identifying, recording, evaluating and managing the risks faced by NHFIL throughout the year. The Board meticulously monitors the impact of internal control functions and comes up with suggestions containing corrective measures from time to time.

RISK MANAGEMENT

NHFIL has an ongoing process in place to identify, evaluate and manage Foreseeable Material Risk Factors. This process is detailed in the Risk Management Report. The Directors, review the above mentioned process on a regular basis.

CORPORATE GOVERNANCE

In the management of the Company, the Directors have placed emphasis on conforming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced or improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on Corporate Governance is given pursuant to Clause 5 (XXVII) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03June 2018 the Company's compliance status is shown in Annexure.

ENVIRONMENT FRIENDLY POLICY ADOPTED BY NHFIL

While the whole world is anxious about greenhouse effect and the impact of climate change on human civilization, we have started to explore the emerging possibilities of "Green Finance." In a bid to answer responsibly to the climate change issues particularly, the threats facing Bangladesh which is a small landmass forming a low lying delta called Ganges-Brahmaputra -Meghna Delta (GBM Delta) – we are sincerely exploring the scope and size of the business portfolio comprising green buildings, renewable energy and energy-efficient projects, waste management capacity development, initiatives to ensure safety and security of factory workers etc. The global climate and for that matter the climate of Bangladesh consists of an intensely connected network of the sun, earth, oceans, wind, rains, snow, forests, deserts, savannahs and very importantly, what we, the mankind do living in this network. As a pivotal element of the global climate system human actions bear great influence (positive and negative) on the global climate and have been causing perversions like abrupt sea-level rise, rise in temperature, excessive rainfall, drought, frequent incidence of floods & cyclones, worsening health hazards, and so on. We fully appreciate the gravity of these looming problems of colossal scales and thus, our Board has clear instructions to engage under a prioritized approach in "Green Finance" whenever and wherever possible and the company is poised accordingly.

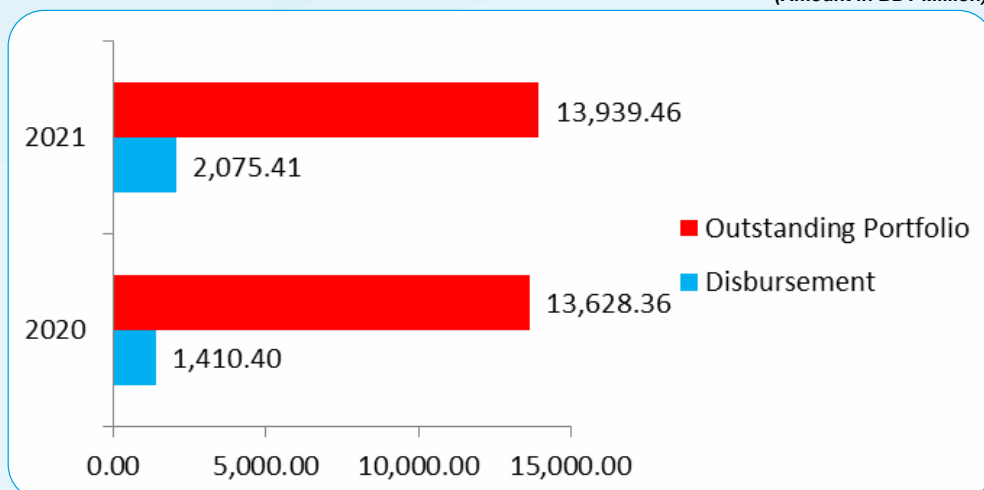
OPERATIONAL OVERVIEW OF NHFIL

NHFIL has been able to maintain a stable business volume during 2021 which can be seen from the data furnished below:

(Amount in BDT Million)

Particulars	2021		2020	
	Disbursement	Outstanding Portfolio	Disbursement	Outstanding Portfolio
Home mortgage loan	2,008.21	13,068.04	1,348.61	12,752.10
Lease & Term finance including SME and other	67.20	871.42	61.79	876.26
Total:	2,075.41	13,939.46	1,410.40	13,628.36

(Amount in BDT Million)



The total portfolio of the Company reached to Tk. 13,939.46 million from Tk. 13,628.36 million during 2021, registering a growth rate of 2.28%.

The demand for houses in urban areas in a developing country like Bangladesh has been dramatically increasing due to a natural process of urbanization and fast economic growth. 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.

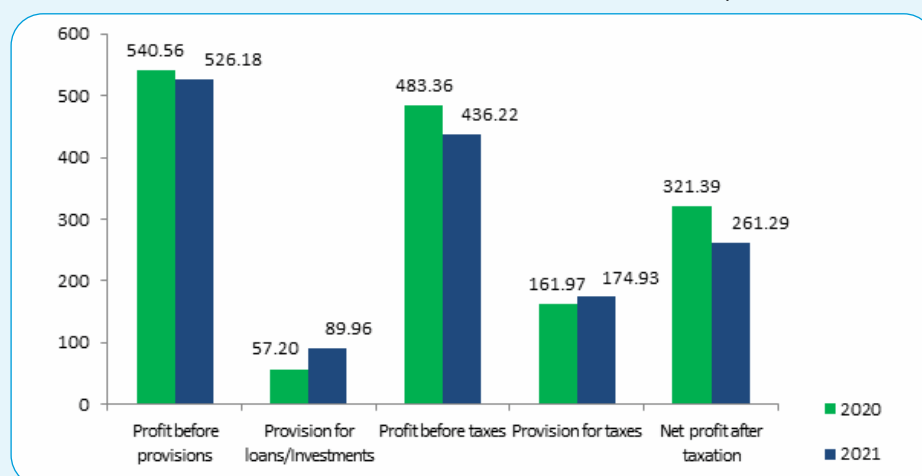
FINANCIAL PERFORMANCE DURING THE YEAR 2021

The Company's financial performance over 1st, 2nd, 3rd and 4th quarters of 2021 and the year in compare to the yearly performances of 2020 are given below in the context of its fair disclosure policy.

(Amount in BDT Million)

Particulars	2021					2020
	Q1	Q2	Q3	Q4	Yearly	
Net interest income	120.30	121.48	198.83	207.39	648.00	566.37
Total operating income	157.12	125.86	213.25	231.26	727.49	739.70
Total operating expenses	44.07	53.85	50.96	52.43	201.31	199.13
Profit before provisions	113.05	72.01	162.29	178.83	526.18	540.56
Provision for loans/ Investments	-4.87	-19.62	20.46	93.99	89.96	57.20
Profit before taxes	117.92	91.63	141.83	84.84	436.22	483.36
Provision for taxes	33.09	26.49	44.33	71.02	174.93	161.97
Net profit after taxation	84.83	65.14	97.50	13.82	261.29	321.39

(Amount in BDT Million)



The quarterly performance above clearly depicts the changing operating environment. Lockdowns were re-imposed at the end of the first quarter which effect into the whole year, resulting in a dip in the profit before provision during the second and fourth quarter result. The provision is significantly high in the second and fourth quarter as the Bangladesh Bank circular that restrained downgrading of classification was lifted that quickly led to classification of portfolio accounts. The second quarter decreased in profit before provisions due to significantly reduced economic activity in July due to Eid and extended holidays implemented to curtail the spread of the delta variant. The profit after tax decreased in fourth quarter due to implementation of Bangladesh Bank circular and increased of provisions. Capital gain from sale of marketable securities declined by 60.61% in 2021 due to decrease of capital gain from sale of Government Bond. On the other hand our total operating income decreased by 1.65% in 2021. In this regard our total net profit after tax decreased by 18.70% in 2021.

DEVELOPMENT ACTIVITIES

A number of measures were taken for business promotion during 2021. NHFIL strengthened its marketing activities by appointing an increased number of business associates in its marketing team. Besides, a number of MOUs were signed with promising real estate developer companies to procure new businesses. NHFIL has also planned for opening some branches and sales centers.

FINANCIAL STATEMENTS

The Financial Statements of NHFIL have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) adapted by the Institute of Chartered Accountants of Bangladesh, and complying the requirements of DFIM circular No # 11 dated 23 December 2009 issued by Department of Financial Institutions and Markets of Bangladesh Bank and Bangladesh Bank's other circulars and guidelines, the Companies Act 1994, the Securities and Exchange Rules 1987, the listing regulations of Dhaka and Chittagong Stock Exchanges 2015. The aforementioned Financial Statements for the year ended 31 December, 2021 duly signed by the Chairman, a Director, Managing Director and Company Secretary are given as an integral part of this Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of Financial Statements of NHFIL to reflect a true and fair view of its state of affairs. This report has been prepared in conformity with the requirements of the Bangladesh Financial Reporting Standards, the Companies Act 1994, the Financial Institutions Act 1993, the Listing Regulations of Dhaka Stock Exchange & Chittagong Stock Exchange 2015, Bangladesh Bank's Guidelines and the Corporate Governance Code. The Statement of Directors' Responsibility for Financial Reporting is given in the corporate governance report which forms an integral part of the report of the Board of Directors.

AUDITOR'S REPORT

The Auditor of NHFIL is M/s Islam Aftab Kamrul & Co. carried out the audit on the Financial Statements of NHFIL for the year ended 31 December, 2021 and their report on those Financial Statements, as required by the Companies Act 1994 is given as an integral part of this Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies adopted in the preparation of the Financial Statements have been stated in the notes to the Financial Statements in compliance with provisions of BFRSs and Companies Act 1994.

GOING CONCERN

The Directors, after making necessary inquiries and reviews including analysis of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed in the Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Bangladesh and the Bangladesh Securities and Exchange Commission, have concluded that NHFIL has adequate resources to continue operations into the future protecting and promoting the business interests of all shareholders and stakeholders. They also assume based on accounting facts and figures that the financial status of the company is stable enough to pay for its obligations in the foreseeable future, bear operational expenses and hold onto business in the face of unfavorable conditions and that there is no accounting or financial indications that the company may encounter any setback, or threat of closure or liquidation in the near future. Accordingly, they have adopted the principles of Going Concern in preparing the Financial Statements. Details about going concern assessment of NHFIL are presented in Statement of Going Concern.

CAPITAL EXPENDITURE

Total capital expenditure on acquisition of property, plant and equipment and intangible assets of NHFIL as at 31 December 2021 amounted to BDT 311.55 million which were BDT 319.66 million as at 31 December 2020. Details are given in Annexure A of Financial Statements

INTEREST IN OTHER ENTITIES

According to IFRS 12, National Housing Finance and Investments Ltd. does not have any interest in other entities.

RELATED PARTY TRANSACTIONS

Directors have also disclosed transactions that could be classified as Related Party Transactions in terms of Bangladesh Accounting Standard - BAS 24 (Related Party Disclosure) which is adopted in preparation of the Financial Statements. Those transactions disclosed by the Directors are given in note number 53.05 to the Financial Statements which form an integral part of the Annual Report.

CREDIT RATING

On 27 June 2021, CRISL assigned 'AA' rating in the Long Term, 'ST-2' in the Short Term and "Stable" outlook to the Company based on financial statements up to 31 December, 2020. Banks/FIs rated as 'AA' indicates 'High Safety for Timely Repayment'. In Short Term Rating Scales and Definitions ST-2 indicates 'High certainty of Timely Repayments of Financial Commitments'.

ADDITIONAL DISCLOSURES

The Directors do hereby confirm, in accordance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June, 2018, that compliance with the applicable financial reporting framework has been ensured as follows:

- The financial statements prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards and International Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- Key operating and financial data of at least preceding five (5) years have been disclosed;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There is no extraordinary gain or loss during the year;
- No significant difference occurs between quarterly financial performance and annual financial statements;
- There are no significant changes in the Company's fixed assets and the market value;
- The company had not enabled any of its directors to acquire benefits by means of acquisition of share or debentures of the company or anybody corporate.

ELECTION/RE-ELECTION OF DIRECTORS

In terms of the Shareholders' Agreement and as per provisions of the Companies Act 1994, the following Directors shall retire at the 23rd AGM:

Sl.	Name of Director	Nominating Organization
01	Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.
02	Mr. Md. Kabir Reza FCMA	Square Pharmaceuticals Ltd.
03	Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.

Each of the retiring Directors are eligible for re-election as Director at the 23rd AGM. Brief Resume of the said Directors mentioning their area of expertise and their interests in other companies has been disclosed separately.

SHAREHOLDING PATTERN

NHFIL's shareholding pattern as on December 31, 2021, is disclosed in the Report on Corporate Governance.

BOARD MEETING AND ATTENDANCE BY THE DIRECTORS

During the year 2021, a total of 11 meetings of the Board were held. Attendance of the Directors is disclosed in the Report on Corporate Governance.

REMUNERATION OF DIRECTORS INCLUDING INDEPENDENT DIRECTORS

Summary of remuneration paid to the Directors including Independent Directors is stated in the Report on Corporate Governance.

PROPOSED DIVIDEND

NHFIL has earned a net profit after tax of TK. 261.29 million as against TK. 321.39 million in the previous year. The Board of Directors recommended 16% Cash Dividend i.e. Tk. 1.60 for each share for the year ended 31 December, 2021, subject to approval at the 23rd Annual General Meeting. The Board herewith states that no stock dividend as interim dividend was considered during the year or will be considered in future.

MINORITY INTERESTS

In compliance with condition no. 1(5)(xvi) of the Corporate Governance, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.

PLAN FOR UTILIZATION OF UNDISTRIBUTED PROFITS

The Company requires substantial funds every year to carry out its regular business operation. The undistributed profits will be utilized to disburse fund for its new investments and will be used to meet contingencies in future as authorized under Regulation 100 of Schedule I of the Companies Act 1994. Additionally, with this retention a reasonable debt equity ratio would be maintained and the borrowing power of the Company would enhance.

RESERVES

A summary of the reserves of NHFIL is as follow:

(Amount in BDT)

Particulars	2021	2020
Statutory Reserve	630,437,167	578,179,399
Retained Earnings	381,484,780	348,000,505
Total Reserves	1,011,921,947	926,179,904

AUDIT INFORMATION

The Directors confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware of; and
- The Directors have taken all steps that they themselves ought to have taken as Directors in order to make themselves aware of any relevant information and to ensure that the company's Auditors are aware of that information.

AUDITORS

The Company's Auditors, M/s Islam Aftab Kamrul & Co., Chartered Accountants shall retire at the 23rd AGM. Being eligible for re-appointment for the year 2022 they have expressed their interest to be re-appointed. Upon appraisal by the Audit Committee, the Board of Directors of the Company recommended the re-appointment of M/s Islam Aftab Kamrul & Co., Chartered Accountants, for the year 2022 at a remuneration of Tk. 300,000.00.

COMPLIANCE AUDITORS

The Compliance Auditors, M/s. SARashid & Associates (Chartered Secretaries), were engaged as Compliance Auditor from 2013. As per regulation M/s SARashid & Associates were eligible for reappointment but the Audit Committee in their 48th meeting held on 21.03.2021 opined to appoint the Compliance Auditor for 3 years terms. Therefore, many Compliance Audit firm has expressed their interest to be appointed as Compliance Auditors of the Company. Upon appraisal by the Audit Committee, the Board of Directors of the Company recommended the appointment of M/s. Jasmin & Associates, Chartered Secretaries, for the year 2022 at a remuneration of Tk. 30,000.00.

APPRECIATION

I take this opportunity to thank you, the shareholders of the company, partners in business, and our clients of all strata for remaining with us through odds and ordeals and offering sustained patronage and support. Our purpose and our strong values are the reasons why we all work for NHFIL. They are fundamental to everything we do, particularly in times of significant challenges inside and outside the Company.



Mahbubur Rahman

Chairman

Dhaka, Dated 30 March, 2022

AUDIT COMMITTEE REPORT

Composition of the Audit Committee

- The Audit Committee is a sub-committee of the Board. The Audit Committee of the Company was last re-constituted on 15 July 2021.
- Present Composition of the Audit Committee is as follows:

Sl. No.	Name	Designation	Committee Status
01.	Mr. Abdul-Muyeed Chowdhury	Independent Director	Chairman
02.	Mr. Md. Kabir Reza, FCMA	Director	Member
03.	Mr. Akhtar Ahmed	Director	Member
04.	Mr. Azmal Hossain	Director	Member
05.	Mr. Siddiqur Rahman Choudhury	Independent Director	Member

- All the Committee Members are Non-Executive Directors.
- The Company Secretary Mr. Md. Sarwar Kamal FCS acts as the Secretary of the Audit Committee.

Terms of Reference (TOR) of the Audit Committee

- The Board has defined Terms of Reference (TOR) for the Audit Committee. Activities of the Committee are performed as per the said TOR.

Functions and Activities of the Audit Committee:

The Committee

- met 5 (five) times in the year 2021 on 14.01.2021, 21.03.2021, 05.05.2021, 15.07.2021 & 26.10.2021; Mr. Md. Khalilur Rahman, immediate past Managing Director was present in the first 03 (three) meetings, after his retirement Mr. Mohammad Shamsul Islam, Managing Director was present in the last 02 (two) meetings as invitee as Ex-officio and Mr. Prabir Shel, HIAC was present in all meetings;
- overseen the financial reporting process;
- monitored choice of accounting policies and principles;
- monitored Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- overseen hiring and performance of external auditors;
- held meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- reviewed along with the management, the annual financial statements before submission to the Board for approval;
- reviewed along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- reviewed the adequacy of internal audit function;
- reviewed the Management's Discussion and Analysis before disclosing in the Annual Report;
- reviewed statement of all related party transactions submitted by the management;
- reviewed Management Letters or letter of internal control weakness issued by statutory auditors;
- overseen the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- considered the tenure, quality and fees of the auditors the committee recommended to the Board for appointment of M/s. Islam Aftab Kamrul & Co., Chartered Accountant, as Auditor at the 22nd AGM on 18 May 2021;

- reviewed impairment methodologies;
- 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;
- reviewed issues concerning inspection report of Bangladesh Bank;
- reviewed compliance with existing laws & regulations;
- reviewed its Terms of Reference to satisfy itself that they enable the Committee to fulfill its responsibilities;
- reviewed Credit Risk Management Manual;
- reviewed Anti Money Laundering and Combating the Financing of Terrorism Policy;
- reviewed IT policy;
- monitored prevailing of appropriate administration culture as prevailing;

Reporting by the Audit Committee:

- The audit Committee reports on its activities to the Board of Directors.
- Pursuant to Condition No. 5(6) of the Corporate Governance Code issued by BSEC, the Committee reports that it did not find any conflict of interest, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee



Abdul-Muyeed Chowdhury
Chairman
Audit Committee
Dhaka, Dated 28 March, 2022

REPORT ON CORPORATE GOVERNANCE



BOARD OF DIRECTORS, CHAIRMAN AND MANAGING DIRECTOR

NHFIL's Policy on Appointment of Directors

In relation to the selection and appointment of new Director, the existing Board of Directors possesses the following duties and responsibilities:

- Regularly reviewing the size and composition of the Board and the level of expertise, skills, experience and perspectives that are required to perform its activities;
- Appoint a new Director according to the required competencies of the Board;
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM).
- Vacancies, if any, are filled by the Board in accordance to the Companies Act, 1994, and the Articles of Association of the Company;
- The Managing Director is appointed by the Board subject to approval of Bangladesh Bank;

The Chairman of the Board and the Managing Director of the Company is different individuals

The Chairman and the Managing Director are separate individuals. The role of the Chairman and the CEO & Managing Director are independent and separate.

Role and Responsibilities of the Chairman is defined by the Board

The Chairman is taking care of the Board of Directors. The Chairman serves as the primary link between the Board and the management and works with the Managing Director and Company Secretary to set the agenda for the Board meetings. It is the Chairman's responsibility to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities as Directors of the Company. The role and responsibilities of the Chairman of the Board is defined and set by the Board.

Appraisal of Performance of the Board

Both new and existing Directors are provided with the Code of Conduct for the Board members on general aspects of their Directorship and industry-specific matters. Moreover, the Board is immediately informed of any new rules, regulations and/or changes in existing regulations. The Board is also always kept updated on any development and changes in the business environment, risk and industry outlook to assist them to carry out their duties as Directors. Evaluation of the Board's performance is conducted by analyzing the performance of the projects and proposals approved by it. A quarterly review of classified and non-performing loans is always made by the Board to find out deviations and embrace course of corrections, if any.

Annual Evaluation of the Managing Director by the Board

The Board of Directors evaluates the performance of the Managing Director based on the goals set for him considering the company vision and mission in each year. The annual financial budget and other job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The Board considers both financial and non-financial goals during the appraisal.

VISION, MISSION AND STRATEGY

Vision and Mission are approved by Directors

The Board of Directors has approved the vision and mission statements of National Housing and strictly maintains it and ensures every individual in the organization complies with them. There is strong belief about it within the organization. The Vision and Mission statements can be found in this annual report.

Business Objectives and Areas of Business Focus

NHFIL's Board always sets business objectives and areas of concentration are set according to their own objectives and the market condition. The latest business objectives and areas of business focus can be found in the annual report.

Strategies to achieve the Business Objectives

A Strategic Plan is set up by NHFIL's Board at the start of the financial year to align with the business objectives and strategies for the year. The Board always gives direction to the management of the NHFIL on how it is to be managed for the upcoming year. Strategies set to achieve the business objectives can be found in the annual report.

AUDIT COMMITTEE

Audit Committee Chairman is an Independent Non-Executive Director

The Chairman of the Audit Committee is an independent non-executive Director who is not involved in the day to day operations of the Company. He is an experienced individual and qualified to be the Chairman of the Audit Committee. Mr. Abdul-Muyeed Chowdhury is an Independent Director of the Company and the Chairman of the Audit Committee. Mr. Abdul-Muyeed Chowdhury joined the erstwhile Civil Service of Pakistan (CSP) in 1967. For almost 33 years worked in administrative, management, policy level posts in different tiers of the government as a career civil servant. His last position was the Secretary of Internal Resources Division (IRD) of the Ministry of Finance and ex-officio Chairman of National Board of Revenue (NRB). He was an Advisor to the non-party Caretaker Government of Bangladesh. Mr. Muyeed holds Bachelor of Arts in History and Masters of Arts (1st Class) from Dhaka University. He also attended Certificate of Participation in an acceptable program of special study in Political Science, Public Administration in the University of Tennessee, Knoxville.

Composition of the Audit Committee

As per BSEC notification no, BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 on Corporate Governance Code and Bangladesh Bank Guidelines, the current Audit Committee consists of 5 members including 2 independent directors.

Internal Audit Activity Investigation

The Audit Committee follows its terms of reference (ToR) so that it could function effectively and smoothly. These ToR defines the roles and responsibilities of the Audit Committee. The committee is also empowered to investigate/question employees and retain external counsel if required.

All members are suitably qualified

All members of the audit committee are qualified and have years of experience in banking and financial sector reforms. They are also very competent and come from a variety of educational backgrounds, which brings diversity in the committee. A member of the audit committee is a fellow Cost and Management Accountant; hence he brings a high level of expertise in the areas of finance and accounting to the committee.

Head of Internal Audit's access in the Audit Committee

In NHFIL the duties and responsibilities of Head of Internal Audit functions are vested upon Head of Internal Audit and Compliance (HIAC) who has always access to the audit committee and can raise his concerns whenever required.

Ensuring effective coordination of external audit function

It is vital that there is open communication between the auditor and the audit committee to ensure the best utilization of their resources. This communication also helps in assessing the auditor's performance.

The Audit committee analyses the audited financial statements with management and the external auditors to ensure that the Company's financial statements are objectively presented in compliance with the relevant Bangladesh Financial Reporting Standards, International Financial Reporting Standards and Bangladesh Accounting Standards in all substantial aspects. Based on its review and consultations with management and external auditors, External Auditors are requested to attend the audit committee meeting where financial statement of National Housing is placed for review and recommendation. The Committee also implements an annual assessment of the efficiency of the Company's internal Audit functions and certifies that internal audit has sufficient resources to accomplish its duties.

The external auditors always maintain communication with the audit committee based on the requirement of the key audit issues raised regarding accounting or auditing during the course of the audit, which gives rise to a greater risk of material misstatement of the financial statements and concerns regarding the audit committee.

The Audit Committee has quite a few roles regarding the external audit functions;

Ensuring independence of external audit function

The auditors of National Housing Finance and Investment Limited must be independent. Audit committee is familiar with the statutory and regulatory independence requirements for auditors. It is important that the auditor is technically competent and exercise a high level of objectivity and professional Skepticism. The Audit Committee's interactions with the auditors during the audit to evaluate whether the auditors demonstrated integrity, objectivity and professional skepticism as stated above.

Reviewing the external auditors' findings

The Audit Committee extensively reviews all findings of the external auditors and ensures that management is informed and is taking action for resolving any discrepancies. Before the financial statements are signed, the audit committee reviews all the findings and ensures that they are satisfied with the actions that management has taken.

Review and approve non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditor

External auditors are not involved in any engagement that directly or indirectly threatens their independence. The Audit Committee must ensure this matter. If any work is being done by the external auditors, the Audit Committee must approve before the work commences. In short, the Audit Committee is responsible that the independence of the external auditors is not comprised under any circumstance.

Recommending for appointment/re-appointment for External Auditor

The Audit Committee does an extensive review on the audit work done by the auditors after the audited financial statements have been signed. The Audit Committee evaluates the auditors on a very detailed level, and ensures that there were no threats to independence or any other issues with the auditors. The Audit Committee scrutinizes the applications of the auditors and recommends for appointment/ reappointment. In this appointment process, DFIM circular No 04, dated 30th April 2015 is strictly followed without any deviation.

Reviewing of Annual and Interim Financial Reports

As per the Corporate Governance guideline of BSEC, the Audit Committee is expected to assess alongside with management, the interim and annual financial statements before proposing to the Board for consent. NHFIL's Audit Committee appraises the interim and annual financial releases whether audited or unaudited and places it before the Board for approval. The Audit Committee always ensures that the financial statements reflect a true and fair view of the company.

INTERNAL CONTROL & RISK MANAGEMENT

Director's Responsibility to establish appropriate system of Internal Control

The Board of Directors has always been extremely active in establishing appropriate systems of internal control. The Board of Directors has no sympathy for any type of fraud in the FI, and always promotes a sound and strong internal control system inside the FI. The Board of Directors has always appreciated the internal controls that have been set up by management and have also given advice on any matters when required. The Board has always been very responsible and active in establishing an appropriate system of internal control.

The Company has taken sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis to ensure the establishment of appropriate system of internal control. The internal control and compliance department of the Company demeanors periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Key features of the internal control system

The Company defines internal control as a process which is designed to provide equitable assurance regarding the achievements of objectives relating to the effectiveness and efficiency of operations, reliability of both external and internal financial and non-financial reporting and compliance with applicable laws and regulations.

The Company's internal control system consists of five interrelated components:

The control environment

The control environment refers to the orientation, awareness and actions of those in the governance and management roles with regards to the Company's internal control and its importance in the entity. Elements under NHFIL's control environment include:

- Active participation by those charged with governance as evidenced through regular meetings of its Board of Directors and Audit Committee.
- The communication and fostering of an environment that consistently requires integrity and ethical behaviour as evidenced by regular communication and confirmation of its Code of Conduct and zero tolerance for illegal or unethical behavior.

- A formal well-defined organizational structure, setting out key areas of authority and responsibility and appropriate reporting lines that is relevant to the nature and size of the Company's business.
- Human resource policies that demonstrate the Company's commitment towards recruiting employees who meet established standards of competence and ethical behaviour.

Risk assessment

Risk assessment refers to the process(es) with which the Company identifies and assesses risks in the achievement of its objectives. A changing external and internal environment means that risk assessment is a dynamic process and must occur at all levels of the organizational structure, ranging from branch and department level reviews of portfolios, functions and operations to MANCOM and ALCO meetings at the very top level of the management.

Control activities are the policies and procedures that help ensure that the management directives are carried out. Control activities have various objectives and are applied throughout the Company at all levels and in all functions. These include activities such as authorization, reviews, reconciliations and verifications.

Information and communication

The information and communication component facilitates the functioning of the other components by providing information that is necessary for the attainment of Company objectives and by establishing a continuous process for collecting, sharing and disseminating necessary information from both within and outside the Company. In a more general sense, the NHFIL culture encourages sharing of information and opinions across the management hierarchy and among different businesses, functions and departments.

Monitoring

Monitoring ensures that controls are operating as intended and that they are appropriately modified in response to changing conditions. At NHFIL, this is achieved through a variety of measures including ongoing monitoring which occurs in the course of, and as a part of, day-to-day operations as well as separate management reviews, evaluations and periodic internal audits of various departments and business functions. A prudently designed management structure, clearly defined responsibilities, delegation of authorities, risk awareness, establishment of accountability at each level and a system of periodic reporting and performance monitoring represent the key elements of the internal control frame employed at NHFIL.

Review of the adequacy of the system of internal controls by Directors

In almost every Audit Committee meeting the issue of adequacy of the system of internal controls is a factor that is taken into consideration. The Audit Committee is responsible to the Board of Directors to ensure that the system of internal controls is adequate to protect against any type of fraud. The Committee has reviewed the corrective measures taken by management relating to fraud-forgery and deficiencies in internal control. The Audit Committee places all the compliance report before the Board of Directors and regulators on a timely basis and has performed all other oversight functions in relation to Internal Control System of the FI. In this way, the Directors review the adequacy of the system of internal controls.

Identification of key risks NHFIL is exposed to – both internally and externally

Risk is the element of uncertainty or the possibility of loss that prevails in any business transaction in any place, in any mode and at any time. Risk is an integral part of the financing business. Risk management entails the adoption of several measures to strengthen the ability of an organization to cope with the vagaries of the complex business environment in which it operates. NHFIL also considers guidelines for managing core risks of financial institutions issued by Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and, more recently, DFIM Circular No. 03 dated 24 January 2016. A well-structured and proactive risk management system is in place within the Company to address risks relating to:

- Credit risk
- Asset and Liability-Balance Sheet Risk
- Internal Control and Compliance Risk
- IT security Risk

The new Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage and to report in a more structured manner. The key among these are:

Strategic risk

Strategic risk has been defined as the risk of potential losses that might arise from adverse business decisions, sub-standard execution and failure to respond adequately to changes in the business environment. The guidelines set out the respective roles of the Board of Directors, senior management and business units in managing strategic risks, identify the minimum steps to be followed in the strategic risk management process and also suggest measures for strategic risk control. NHFIL has been managing strategic risks ever since its inception. The culmination of all these efforts are reflected in annual strategy and budget sessions, where the Company sets out its plans for the next year. With the introduction of the new guidelines, more changes will be made to the strategic risk management process as and when required.

Compliance risk

Compliance risk is defined as the current or prospective risk of legal actions and / or material financial losses that an organization may suffer as a result of its failure to comply with laws, its own regulations, code of conduct and standards of the best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the Board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy. Historically, NHFIL has always fostered a compliance-oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the NHFIL Code of Conduct (requiring compliance with the laws and regulations) to ongoing communication from the senior management stressing the need to do business under the highest levels of compliance. In general, compliance risk management is embedded in the day-to-day management of business processes and practices of the Company. With the introduction of the Integrated Risk Management Guidelines, the overall management of compliance risk is reviewed and appropriately amended to ensure conformity with the guidelines.

Reputation risk

Reputation risk may be defined as the risk of loss arising from damages to an organization's reputation. The guidelines set out the respective roles of the Board and the senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks. NHFIL has already established a set of non-financial reputational risk indicators and put in place a structured process for monitoring these and any other matters that might give rise to potential reputational risks. Till date, no material reputational risk issue involving the Company has been identified.

Environmental and social risk

NHFIL is focused on sustainability, shifting from the traditional financing approach. In this regard, the Company is strengthening its credit appraisal process to be much more stringent from an environment and social (E&S) perspective, evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to sanctioning a loan.

A detailed discussion of these risks and the strategies adopted to manage and mitigate these are given in the Statement of Risk Management. The adequacy of the system of internal controls is reviewed by the Board of Directors as well.

Strategies adopted to manage and mitigate risks

NHFIL's Board of Directors acknowledges its overall responsibility for maintaining the adequacy and efficiency of the system of internal controls. The Board is of the view that the internal control framework is designed to manage the Company's risks within an acceptable risk profile, rather than completely eliminate the risk of failure to achieve the policies, goals and objectives of the Company. The Board therefore believes that it can provide only reasonable, rather than absolute, assurance regarding effectiveness against material misstatements of management and financial information or against financial losses and fraud.

In a nutshell, the National Housing adopted the following strategies to manage and mitigate the risk:

- Setting targets for capital ratios and capital composition
- Managing the balance sheet and the funding structure
- Determining general principles for measuring, managing and reporting the FI's risks
- Developing risk policies for business units
- Determining the overall investment strategy

ETHICS AND COMPLIANCE

Ethics and Values

National Housing has an 'Employee Code of Ethics'—a framework of ethical behavior for all the employees of the organization.

The leaders/managers are required to exemplify the highest standards of conduct and ethical behavior. The leaders/managers are expected to:

- Lead according to National Housing standards of ethical conduct, in both words and actions.
- Create and maintain an environment where employees feel comfortable asking questions or reporting concerns.
- Be diligent in enforcing the FI's ethical standards and taking appropriate action if violations occur.
- Contact the Human Resources Division when in need of assistance.

The code of employee ethical behavior gives focus on the followings:

- Protecting Privacy of Customers' and Confidential Company Information,
- Preventing Money Laundering and/or Fraud,
- Avoiding Drug/ Substance/ Alcohol Abuse in the Workplace
- Protecting FI's assets
- Avoiding any conflict of interest etc.

The Board of Directors of National Housing has approved the 'Employee Code of Ethics' with a commitment to setting high ethical standards so that customers' expectations and interests are protected in a compliant manner.

The Board has a commitment to establish the highest levels of ethics and compliance. The NHFIL remains committed to upholding the highest standards of ethics and compliance by its employees. This commitment is reflected in its Code of Conduct that covers, among other issues, the following areas:

- Their relationship with and responsibilities to NHFIL.
- Their relationship with and responsibilities to customers.
- Compliance with laws and regulations.
- Acting in a professional and ethical manner.
- Protection of business assets.
- Disclosure of conflicts of interest.
- Prohibition of any conduct involving dishonesty, fraud, deceit or misrepresentation including insider trading.

Dissemination of the statement of ethics and business practices

All NHFIL employees are required to sign a declaration form confirming that they have read and understood the Code of Conduct. The Human Resources department circulates the required declaration, and ensures that all employees signed the declaration. The Internal Control and Compliance (ICC) department, through regular audits, assesses whether any employees have breached the Code of Conduct.

Board's commitment to establish high levels of ethics and compliance within NHFIL

The NHFIL's Board acknowledges its responsibility for ensuring that the Company's business activities are conducted in accordance with the highest standards of ethics and compliance. The Board views adherence to ethical standards and compliance as an integral part of the broader corporate governance framework and seeks to adopt a holistic approach in ensuring its implementation. As part of this, it has instituted a number of approaches to underline its commitment to high standards of ethical behaviour:

- Setting down standards of expected behaviour through the formulation and communication of a Code of Conduct.
- Installing a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis.
- Positioning Company policies and procedures on ethical foundations to ensure that ethical considerations are integrated in the day-to-day decision-making, activities and processes.

- Establishing a clearly-defined organizational structure that assigns responsibility and authority for the conduct of organizational functions while at the same time ensuring accountability for individual actions.
- Establishing a variety of monitoring mechanisms including the creation and empowerment of an operationally independent internal audit team with reporting responsibilities to the audit committee.
- Ensuring instant action with zero tolerance for identified instances of unethical and/or non-compliant behaviour.

Existence of effective anti-fraud programs and controls through whistle-blower mechanism

In recent times, the Company has come to identify the risk of fraud as one of the emerging issues in the overall risk management framework. Planned anti-fraud initiatives include the introduction of a whistle-blower mechanism. A whistleblower policy has already been formulated and placed before the senior management for review and approval. Additionally, emphasis is placed on strengthening existing processes or activity levels and anti-fraud controls are embedded within the overall system of internal controls.

Employees are encouraged to report any wrong-doing within the FI. The Head of Internal Control and Compliance and Human Resources Divisions are the primary channel to report any incident. The Reporting channels offer the employees the opportunity to report while maintain their identity confidential. However, from experience National Housing understands that an effective whistle blowing policy demands for a shift in the culture. The National Housing has a division named Internal Control and Compliance Division which dedicatedly works to ensure effective controls mechanism in the entire business entity

REMUNERATION COMMITTEE

As per the Bangladesh Bank Circular Directors cannot be part of any committee except for Board Audit Committee and Board Executive committee. For this reason the Remuneration committee is comprised of the management of NHFIL.

Composition of the Remuneration Committee

Remuneration Committee of NHFIL consists of three members. It's comprises Managing Director, a Vice President and the Head of HR. While the Head of HR act as the Member Secretary to the Committee.

The Roles and responsibilities of the Committee are the followings;

- Review the effectiveness of remuneration policy to ensure that whether the Board's set objectives and expectations are being met.
- Ensure that an effective remuneration policy, procedure and practice are in place, aligned with the organization's strategy, and is applied consistently for all employee levels.
- Ensure that the structure and mix of fixed and variable pay and other elements are in alignment with the overall business objectives.
- Guide and give suggestion to HR team during preparation and review of any policy or process related to compensation and benefits.
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified, appropriately valued and promoting the performance based reward & recognition etc.

Work conducted and meetings performed by the Committee

Meeting regarding overseeing the remuneration related policy by the Committee was held on need basis at a regular interval throughout the year. So, if any remuneration related issue needs committee's attention, it is placed as agenda for necessary review. However, if required, the meeting is held on need basis to review and discuss any remuneration related issue exclusively.

In addition to the regular roles and responsibilities, the Committee assist in formulation of Remuneration related policies and practices in alignment of the National Housing's short and long-term business objectives.

Remuneration of Directors, Chairman, Managing Director and Senior Executives

The Directors of the Board are paid only honorarium for attending Board or Committee meetings. A Director receives an honorarium of Tk. 8,000.00 for attending each of the Board Meetings, Audit Committee Meetings and Executive Committee Meetings. During 2021, the expenditures incurred related to remuneration of Directors, Managing Director and senior executive have been shown in the notes to the Financial Statements.

HUMAN RESOURCE MANAGEMENT

Human Resource Development and Management

Employees are the key driving force of National Housing's continuous success. A group of motivated and engaged employees with diverse talents are the key asset of National Housing. National Housing is highly reputed in the market as an employer of choice. The FI has positioned itself with a performance-driven rewarding work culture; where employees are treated with respect and receive NHFIL considers its employees as the most precious capital of the organization that play the crucial role in materializing the mission, vision, goals and objectives of the Company.

To ensure long term sustainability, NHFIL has a special focus on skill and merit based recruitment and selection process, highly competitive remuneration package, adequate training and development programs, career growth with succession planning, high performance culture and pleasant working atmosphere.

COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS

Communication with shareholders and other stakeholders

NHFIL strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives.

Communication through quarterly reports

The Company reports to its shareholders four times a year through quarterly and a detailed Annual Report.

Communication through AGM

All shareholders have the right to attend the Annual General Meeting where they can communicate with the directors and express views regarding the company's business.

Communication through website

The Company's website www.nationalhousingbd.com displays, inter-alia, the Annual Reports, quarterly reports, monthly business reviews, product offerings, recent announcements, presentations and event updates.

Shareholder's participation in the AGM

All shareholders have the right to attend the Annual General Meeting where they can meet and communicate with the Directors and express their views regarding the Company's business, its future prospects and other matters of interest. The shareholders are always encouraged to attend the meetings or, if they are unable to attend, to appoint proxies.

Notice of the AGM is sent to the Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Bangladesh Securities and Exchange Commission (BSEC), online newspapers and print media. The notice of the AGM is also made available on the company website.

ENVIRONMENTAL AND SOCIAL OBLIGATIONS

Social and environmental responsibilities

At NHFIL, we believe in the concept of a sustainable business, one that integrates good governance, environmental issues and social concerns with its business strategies to maximize value for stakeholders. NHFIL's sustainability model is based on the 3P approach – People, Planet and Profit:

- People, our stakeholders with whom we engage for our business and the community where we live
- Planet, our surrounding environment and the planet
- Profit, our profit-generating capacity for long-term sustenance

Accordingly, NHFIL has aligned its CSR (Corporate Social Responsibility) initiatives to deliver on this commitment and aid community empowerment and responsible environmental management in a sustainable manner. At NHFIL, we are also focusing on Earth and its sustainability, shifting from the traditional financing approach.

Description of the Company's Policies and practices relating to social and environmental responsibility of National Housing:

In harmony with a natural and fresh environment, efficient use of reserves and appreciation for people's well-being and safety, National Housing is constantly working towards decreasing consumption of energy (especially electricity, water and gas) at its branches, removal of use of hazardous substances from its practices and reducing waste generation. National Housing is moving forward and thinking about implementing it more through the branches.

Bangladesh Bank has taken steps to inspire green banking in Bangladesh through the issuance of guidelines on green banking and Environmental Risk Management (ERM). It is always inspiring banks in lessening paper communications and fitting solar power system in branches and giving refinance to the solar energy, bio-gas and Effluent Treatment Plant (ETP) sectors at eased interest rates.

National Housing has always been committed to the environment and also been active in social activities throughout the year and will remain to do so in the future.

Statement of Managing Director and CFO regarding Financial Statements

A statement as to the fairness and presentation of the Financial Statements of the Company is submitted before the Board and the same is disclosed in the Annual Report.

Dividend distribution policy

A separate policy as to the dividend distribution of the Company has been formulated and is disclosed in the Annual 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. 22nd AGM held on 18 May 2021

Details of the previous AGM are as follows:

Particulars	Day, Date & Time	Venue
22 nd AGM	Tuesday, 18 May 2021 at 12.00 noon.	Digital Platform

The matters approved by the shareholders in the 22nd AGM are as follows:

- Approval of Financial Statements, Auditors Report and Directors Report for the year ended December 31, 2020;
- Declaration of Cash Dividend @ 15.00%;
- Election/re-election of Syed M. Altaf Hossain, representing Pragati Insurance Ltd., Mr. Azmal Hossain, representing Eastern Insurance Ltd., Mr. Md. Kazim Uddin, representing National Life Insurance Co. Ltd.
- Appointment of M/s Islam Aftab Kamrul & Co., Chartered Accountants as External Auditor of the Company;
- Appointment of M/s SARashid & Associates, Chartered Secretaries as Corporate Governance Compliance Auditor of the Company;

General Shareholders' Information for 23rd AGM:

- Date : June 02, 2022; Time 12.00 noon.
- Venue: Virtual Meeting through online Digital Platform.
- Virtual AGM link: <https://nhfil23agm.digitalagmbd.net>
- Financial Reporting Calendar : 1st January 2021 to 31st December 2021
- Dates of Book Closure/Record date: 20 April, 2022.

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/132



Date of issue : February 15, 2022

Renewed Certificate

This is to certify that

NATIONAL HOUSING FINANCE & INVESTMENTS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2022.




Secretary General

BOARD MEETING AND ATTENDANCE OF DIRECTORS

During the year 2021 the 11 meetings of the Board were held.
Attendance of the Directors is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2021
			Held	Attended	
Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.	Chairman	11	11	
Syed M. Altaf Hussain	Pragati Insurance Ltd.	Vice-Chairman	11	11	
Mr. Md. Kazim Uddin	National Life Insurance Co. Ltd.	Director	06	06	Appointed on 18.05.2021
Mr. Akhtar Ahmed	Reliance Insurance Co. Ltd.	Director	11	10	
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	11	11	
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	11	11	
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Director	11	10	
Mr. Abdullah Al Mamun	Bangladesh Lamps Ltd.	Director	06	05	Resigned on 13.06.2021
Mr. A.K.M. Moinuddin	Bangladesh Lamps Ltd.	Director	05	05	Appointed on 13.06.2021
Mr. Abdul-Muyeed Chowdhury		Independent Director	11	11	
Mr. Siddiquir Rahman Choudhury		Independent Director	09	09	Appointed on 28.02.2021
Mr. Md. Khalilur Rahman		Managing Director (Ex-Officio member)	03	03	Retired on 19.05.2021
Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio member)	08	08	Appointed on 20.05.2021

EXECUTIVE COMMITTEE MEETING AND ATTENDANCE OF DIRECTORS

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2021
			Held	Attended	
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Chairman	13	13	
Syed M. Altaf Hussain	Pragati Insurance Ltd.	Member	13	13	
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Member	13	13	
Mr. Abdul-Muyeed Chowdhury	Independent Director	Member	13	12	
Mr. Md. Khalilur Rahman		Managing Director (Ex-Officio member)	04	04	Retired on 19.05.2021
Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio member)	09	09	Appointed on 20.05.2021

AUDIT COMMITTEE MEETING AND ATTENDANCE OF DIRECTORS

During the year 2021 the 05 meetings of the Audit Committee were held.
Attendance of the Directors is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2021
			Held	Attended	
Mr. Abdul Mueyed Chowdhury	Independent Director	Chairman	05	05	
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Member	05	05	
Mr. Akhtar Ahmed	Reliance Insurance Ltd.	Member	05	04	
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Member	05	05	
Mr. Siddiqui Rahman Choudhury	Independent Director	Member	02	02	Appointed on 09.05.2021
Mr. Md. Khalilur Rahman		Managing Director (Ex-Officio)	03	03	Retired on 19.05.2021
Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio)	02	02	Appointed on 20.05.2021

REMUNERATION PAID TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

(including AIT Excluding VAT) during the year 2021

(Amount in Taka)

Name of the Directors	Nominated by	Designation	Board Meeting	EC Meeting	Audit Committee Meeting	Total
Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.	Chairman	88,000	-	-	88,000
Syed M. Altaf Hussain	Pragati Insurance Ltd.	Vice-Chairman	88,000	104,000	-	192,000
Mr. Md. Kazim Uddin	National Life Insurance Co. Ltd.	Director	48,000	-	-	48,000
Mr. Akhtar Ahmed	Reliance Insurance Co. Ltd.	Director	80,000	-	32,000	112,000
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	88,000	104,000	-	192,000
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	88,000	-	40,000	128,000
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Director	80,000	104,000	40,000	224,000
Mr. Abdullah Al Mamun	Bangladesh Lamps Ltd.	Director	40,000	-	-	40,000
Mr. A.K.M. Moinuddin	Bangladesh Lamps Ltd.	Director	40,000	-	-	40,000
Mr. Abdul-Mueyed Chowdhury		Independent Director	88,000	96,000	40,000	224,000
Mr. Siddiqui Rahman Choudhury		Independent Director	72,000	-	16,000	88,000
Mr. Md. Khalilur Rahman		Managing Director (Ex-Officio member)	-	-	-	-
Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio member)	-	-	-	-
Total			800,000	408,000	168,000	1,376,000

PATTERN OF SHAREHOLDING AS ON 31ST DECEMBER 2021

On the basis of shareholders types:

Group Name	No. of Shareholder (s)	No. of Shares	Percentage
Institutional Shareholders	230	14,638,694	12.51%
General Public	5,934	28,435,039	24.30%
Investor Account	88	938,983	0.80%
Mutual Fund	1	200,000	0.17%
NRB	28	11,123	0.01%
Sponsor Shareholders	15	72,807,361	62.21%
Total	6,296	117,031,200	100.00%

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

Shareholding Range	No. of Shareholder (s)	No. of Shares	Percentage
1-500	2,603	449,369	0.38%
501-5000	2,631	5,305,113	4.53%
5001-10000	463	3,555,387	3.04%
10001-20000	312	4,526,977	3.87%
20001-30000	88	2,215,544	1.89%
30001-40000	42	1,507,629	1.29%
40001-50000	21	1,007,181	0.86%
50001-100000	53	3,895,066	3.33%
100001-1000000	63	17,311,626	14.79%
1000001-above	20	77,257,308	66.01%
Total	6,296	117,031,200	100.00%

ON THE BASIS OF RELATED PARTIES

A. Shareholding status of Parent/Subsidiary/Associated Companies and other related parties (Name wise details)

Sl. No	Name of Shareholder	Designation	No. of Share(s) held	Percent (%)
1	Eastland Insurance Co. Ltd.	Director Nominating Company	2,635,624	2.25
2	Pragati Insurance Ltd.	Director Nominating Company	5,324,462	4.55
3	National Life Insurance Co. Ltd.	Director Nominating Company	5,635,624	4.82
4	Borak Travels (Pvt.) Ltd.	Director Nominating Company	2,341,000	2.00
5	Eastern Insurance Co. Ltd.	Director Nominating Company	4,669,067	3.99
6	Reliance Insurance Ltd.	Director Nominating Company	5,635,624	4.82
7	Bangladesh Lamps Ltd.	Director Nominating Company	5,635,603	4.82
8	Square Pharmaceuticals Ltd.	Director Nominating Company	5,525,795	4.72
9	Sadharan Bima Corporation	Sponsor Company	5,635,604	4.82
10	Jiban Bima Corporation	Sponsor Company	5,288,910	4.52
11	United Commercial Bank Ltd	Sponsor Company	5,635,624	4.82
12	IFIC Bank Ltd	Sponsor Company	5,288,910	4.52
13	National Bank Ltd	Sponsor Company	5,643,000	4.82
14	Shaw Wallace Bangladesh Ltd.	Sponsor Company	3,288,910	2.81
15	HRC Bangladesh Ltd	Sponsor Company	4,623,604	3.95

ON THE BASIS OF RELATED PARTIES

B (i) Directors and their spouses and minor children (name wise details)

Sl. No	Name of the Director/ Shareholder	Nominated by	Designation	No. of Share(s) held	Percentage (%)
1	Mr. Mahbubur Rahman	Eastland Insurance Co. Ltd.	Chairman	Nil	Nil
2	Syed M. Altaf Hussain	Pragati Insurance Ltd.	Vice-Chairman	Nil	Nil
3	Mr. Md. Kazim Uddin	National Life Insurance Co. Ltd.	Director	Nil	Nil
4	Mr. Akhtar Ahmed	Reliance Insurance Co. Ltd.	Director	Nil	Nil
5	Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	Nil	Nil
6	Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	Nil	Nil
7	Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals Ltd.	Director	Nil	Nil
8	Mr. Abdullah Al Mamun	Bangladesh Lamps Ltd.	Director	Nil	Nil
9	Mr. A.K.M. Moinuddin	Bangladesh Lamps Ltd.	Director	Nil	Nil
10	Mr. Abdul-Muyeed Chowdhury		Independent Director	Nil	Nil
11	Mr. Siddiqur Rahman Choudhury		Independent Director	Nil	Nil
12	Mr. Md. Khalilur Rahman		Managing Director (Ex-Officio member)	Nil	Nil
13	Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio member)	Nil	Nil

B. (ii) Shareholding status of CFO, CS and Head of Internal Audit & their spouses & minor children (name wise details)

Name of the Executive	Designation	No. of Share(s) held	Percent (%)
Mr. Sayed Ahmed FCMA	Chief Financial Officer (CFO)	Nil	Nil
Mr. Md. Sarwar Kamal FCS	Company Secretary (CS)	Nil	Nil
Mr. Prabir Shel	Head of Internal Audit (HIA)	Nil	Nil

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

Name of the Executive	Designation	No. of Share(s) held	Percent (%)
Mr. Shital Chandra Saha	Executive Vice President	Nil	Nil
Mr. Md. Nazrul Islam	VP & Head of Principal Branch	Nil	Nil
Mr. Md. Abdul Baten	VP & Head of Recovery	Nil	Nil
Mr. Mahbubur Rashid Al-Amin	VP & Head of Business	Nil	Nil
Mr. Abu Naser Md. Ahad Sarkar	VP & Head of Bogura Branch	Nil	Nil

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRC/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	BOARD OF DIRECTORS			
1(1)	Board Size (number of Board members to be 5-20)	√		
1(2)	Independent Directors			
1(2)(a)	Number of Independent Directors [at least one-fifth]	√		
1(2)(b)	Independent Director (ID) means a director:			
1(2)(b)(i)	Holding no share or holding less than 1% shares	√		
1(2)(b)(ii)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1(2)(b)(iii)	Who has not been an executive of the company	√		
1(2)(b)(iv)	Does not have any other relationship	√		
1(2)(b)(v)	Not a Member, Director or Officer of any Stock Exchange	√		
1(2)(b)(vi)	Not a Shareholder, Director or Officer of any Member of Stock Exchange.	√		
1(2)(b)(vii)	Not a partner of an Executive or was not a partner of an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1(2)(b)(viii)	Not an Independent Director in more than five (5) listed Companies.	√		
1(2)(b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution.	√		
1(2)(b)(x)	Not convicted for a Criminal Offence	√		
1(2)(c)	Appointment by the Board and approved in AGM	√		
1(2)(d)	Post cannot remain vacant more than 90 days			N/A
1(2)(e)	Tenure of the Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	√		
1(3)	QUALIFICATION OF INDEPENDENT DIRECTOR			
1(3)(a)	Independent Director shall be a knowledgeable individual	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million			N/A
1(3)(b)(ii)	Should be a Corporate Leader/Business Leader			N/A
1(3)(b)(iii)	Former official of government.	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law			N/A
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.			N/A
1(3)(c)	The independent director shall have at least 10(ten) years of experiences	√		
1(3)(d)	Relaxation in special cases			N/A

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(4)	Duality of Chairperson of the Board of Directors and Managing-Director or Chief Executive Officer			
1(4)(a)	The posts of Chairman of the board and Chief Executive Officer are filled by different individuals.	√		
1(4)(b)	The MD and CEO of a listed Company shall not hold the same position in another listed Company.	√		
1(4)(c)	The Chairperson shall be elected form among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	√		
1(4)(e)	The reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1(5)	The Directors’ Report to Shareholders :			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance			N/A
1(5)(iii)	Risks and concerns including internal and external risk factor.	√		
1(5)(iv)	A discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or Loss)			N/A
1(5)(vi)	Basis for related party transactions-a statement of all related party transactions	√		
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat public Offering(RPO), Rights Offer, Direct Listing etc.			N/A
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√		
1(5)(x)	Statement on remuneration to Directors including Independent Director	√		
1(5)(xi)	A Statement that the financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	A Statement that Proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	A Statement that Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	A Statement that International Accounting Statement (IAS) and International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or indirectly and have effective means of redress	√		
1(5)(xvii)	A Statement that there are no significant doubts upon the issuer company's ability to continue as a going concern	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given			N/A
1(5)(xxi)	Statement regarding declaration of no stock dividend as interim dividend.	√		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details)			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1(5)(xxiii)(c)	Executives (Top five salaried persons other than CEO, CFO, CS & HIA)	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)			N/A
1(5)(xxiv)	In case of the appointment or re-appointment of a Director, a discloser on the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board	√		
1(5)(xxv)	A Management's Discussion and Analysis Report signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv).(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A of the Code	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		
1(6)	Meeting related activities of the Board of Directors shall be complied under Bangladesh Secretarial Standards (BSS) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)			The Board has laid down a code of conduct
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior, rules and regulations , prohibition of insider trading, relationship with environment, employees, customers and suppliers, and independency.			The code of conduct as laid down by the Board has been posted on the website
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			N/A
2(b)	One Independent Director of holding company also in the subsidiary company			N/A
2(c)	Minutes of subsidiary company to be placed in the meeting of holding company			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company			N/A
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer, a Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	The positions of the MD, CEO, CS, CFO, HIAC shall be filled by different individuals	√		

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the commission and stock exchange			N/A
3(2)	Requirement to attend Board of Directors’ Meetings			
3(2)(i)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company’s affairs and are in compliance	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4	Board of Directors’ Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee			As per Bangladesh Bank DFIM Circular Letter No. 07 Dt: 25.09.2007, FI's are allowed to form only Audit Committee & Executive Committee as the sub-committee of the Board
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	√		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall report on its activities to the Board of Directors	√		
5(2)	Constitution of the Audit committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	√		
5(2)(b)	The Board appoint members of the Audit Committee who shall be non-executive Directors	√		

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2)(c)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month			N/A
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) independent director	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee whichever is higher	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced	√		
5(5)(d)	oversee hiring and Performance of external auditors	√		
5(5)(e)	Hold meeting on annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Review the annual financial statements before submission to the Board for approval	√		
5(5)(g)	Review the Quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	The review adequacy of internal audit function	√		
5(5)(i)	Review the management’s Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors			N/A

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)(l)	Oversee determination of audit fees based on scope and magnitude	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	Report on conflicts of interests			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulation			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			N/A
5(6)(b)	Reporting to the Authorities			N/A
5(7)	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board			As stated against condition 4(ii)
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications			“
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing covering the areas stated at the condition			“
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director			“
6(2)(b)	All members of the Committee shall be nonexecutive directors			“
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board			“
6(2)(d)	The Board shall have authority to remove and appoint any member of the committee			“
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			“
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert members			“
6(2)(g)	The company secretary shall act as the secretary of the committee			“

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			“
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			“
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (One) member of the NRC to be Chairperson of the Committee			“
6(3)(b)	The absence of chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting			“
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM)			“
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			“
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting			“
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee			“
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting			“
6(5)	Role of NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			“
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			“
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance			“
6(5)(b)(i)(c)	The remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance			“
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.			“
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.			“
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board			“
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement			“
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies			“
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			“

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7	External or Statutory Auditors			
7(1)(i)	External or Statutory Auditors shall not be engaged in Appraisal or valuation services or fairness opinions	√		
7(1)(ii)	External or Statutory Auditors shall not be engaged in Financial information systems design and implementation	√		
7(1)(iii)	External or Statutory Auditors shall not be engaged in Book- keeping or other service related to the accounting records	√		
7(1)(iv)	External or Statutory Auditors shall not be engaged in Broker –dealer services	√		
7(1)(v)	External or Statutory Auditors shall not be engaged in Actuarial services	√		
7(1)(vi)	External or Statutory Auditors shall not engage Internal audit services	√		
7(1)(vii)	External or Statutory Auditors shall not be engaged in any services that the Audit Committee may determine	√		
7(1)(viii)	External or Statutory Auditors shall not be engaged in Certification services on compliance of corporate governance	√		
7(1)(ix)	External or Statutory Auditors shall not be engaged in any other service that may create conflict of interest	√		
7(2)	No partner or employees of the External or Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	√		
7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting)	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of listing	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance and such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the Annual General Meeting	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C of the code attached, in the directors report whether the company has complied with these conditions	√		

Management Discussion and Analysis Report



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

1. Comparative financial performances with the peer industry

Housing Finance Industry

The banking sector is now playing a dominant role in the housing sector. In recent years, significant changes have taken place in total housing loan portfolios. An overall positivity, propelled by a combination of factors, is expected to push growth in the housing finance industry over the long term. The Government is also continuously strengthening its focus on its "Housing for all" mission. According to this mission, Government Employees are getting house loan @5.00% (with a Govt. subsidy of 5.00%). Above all a boost to the affordable housing sector will definitely drive the affordable housing finance industry.

The Non bank financial institution industry is marked by high levels of competition with 34 NBFIs operating in the space. The major housing loan providers are commercial banks, BHFC, DBH, NHFIL, IDLC and other few NBFIs. But NHFIL is doing much better and also disburse a huge amount of money in real estate sector.

NHFIL continued keeping pace outperforming the industry in 2021 in terms of growth of different performance and financial position measures. The movement of growth can be seen by comparing financial data of NHFIL with industry's financial information.

	NHFIL	Average of Top Four NBFIs (In terms of Asset Size)
Total Asset (MN Taka)	19,059.22	89,704.81
Total Equity	2,182.23	9,304.87
HML Loan Portfolio (MN Taka)	13,068.04	21,832.73
Growth	2.48%	2.21%
Deposit	14,421.04	57,081.51
Growth	6.74%	2.54%
Operating Income	727.49	3,590.13
Profit/ (Loss) before provisions	526.18	2,172.39
Net Profit	261.29	1,081.72
Growth	-18.70%	3.38%
NPL Ratio	5.88%	2.88%
Cumulative Written off loan amount (MN Taka)	316.14	738.00
ROA (Annualized)	1.42%	1.31%
ROE (Annualized)	12.21%	12.50%

Source: Financial Statements as on 31 Dec, 2021

The industry is still burdened with an alarming rate of non-performing loans (NPLs) that make funds costlier and operations riskier. NHFIL has achieved moderate level of NPL. Most significantly, NHFIL has tightened its belt and 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.

The rising trend and volume of written-off loans of NBFIs indicate lack of due diligence while sanctioning credits. In order to reflect the actual position of classified loan, written off loan must be added to the existing amount of classified loan. There is a relationship between NPL and written off loan, if the loan had not been written off, the NPL ratio would have reached too much higher level.

Among all financial institutions & local banks of Bangladesh NHFIL has been rated long term 'AA-' credit rating for the last five years. The level of credit rating provides a very important indication of the financial safety, security and strength of the concerned bank or financial institution and is particularly relevant to its depositors and other investors such as shareholders and lenders.

2. Comparative analysis of financial performance and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof

The financial year 2021 has been challenging one with an operating environment, constrained margins and rate volatility both deposits and loans rate. However, we have managed to end the year with satisfactory results.

Considering our management excellence in understanding the home loan business and specialization in human capital, we are pleased with the progress of the company. The following DuPont analysis contains in-depth financial performances, dissecting our current year's results.

Comparative analysis of financial performance

In mn Taka

Particulars	2021	2020	2019	2018	2017	2016
A. Interest Income	1,620.02	1,910.03	2,051.84	1,995.67	1,392.63	1,187.79
B. Profit After Tax	261.29	321.39	236.81	275.77	255.15	243.77
C. Total Asset	19,059.22	17,782.57	18,239.70	20,978.67	16,163.20	12,250.39
D. Shareholders' Equity	2,182.23	2,096.49	1,892.13	1,774.23	1,700.60	1,636.96
E. Profit Margin (B/A)	16.13%	16.83%	11.54%	13.82%	18.32%	20.52%
F. Asset Turnover (A/C)	8.79%	10.60%	10.46%	10.75%	9.80%	11.27%
G. Financial Leverage (C/D)	8.61	9.03	10.70	10.69	8.51	6.56
H. Return on Equity (E*F*G)	12.21%	16.12%	12.92%	15.87%	15.29%	15.18%

Highlights of Key Strengths (DuPont Analysis)

Despite facing numerous external challenges, NHFIL fared well in 2021 in terms of liquidity, solvency and profitability. Our focus has been on improving asset quality, recovering classified loans, enhancing service excellence and rationalizing costs. The underlying reasons behind this year's financial performance has been noted below:

Interest Income (-15.18%)

Company's total interest income decreased by 15.18% (BDT 290.00 mn). Total interest income decreased mainly for following reason:

Due to reduction of Interest rate on loan and advances by Bangladesh Bank, interest income decreased by 15.18% (BDT 290.00 mn) in 2021 compare to the previous year. Besides, Loans and advances grew only by 2.28% to BDT 311.10 mn at year-end 2021 characterized by not a positive turnaround of 2021 which eventually affected the average loan balances and interest income.

Interest Expense (-27.66%)

Company's interest expense on deposit and borrowing decreased by 27.66% (BDT 371.64 mn) primarily due to following reason:

Reduction of Interest rate by Bangladesh Bank on deposit & borrowings decreased interest expense by 27.66 % (BDT 371.64 mn) in 2021 compared to previous year. Bangladesh Bank fixed up a cap to collect deposit. As a result, the average cost of deposit decreased by 27.64% as on December 2021 compared to the previous year.

Net Operating Profit (-9.75%)

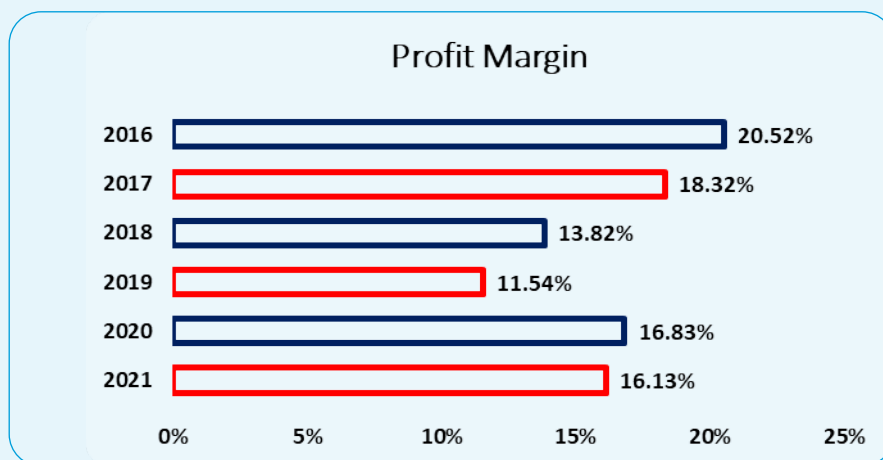
Due to negative growth of investment income 60.61% in 2021 and increase of operating expense 1.09%, Net operating profit of the company decreased by 9.75% and reached at BDT 436.22 million in 2021.

Profit after Tax (-18.70%)

Eventually, the profit after tax of the company decreased by 18.70% and stands at BDT 261.29 million due to the factors mentioned above. As a result, our earnings per share (EPS) in 2021 have also decreased to BDT 2.23 (BDT 2.75 in 2020).

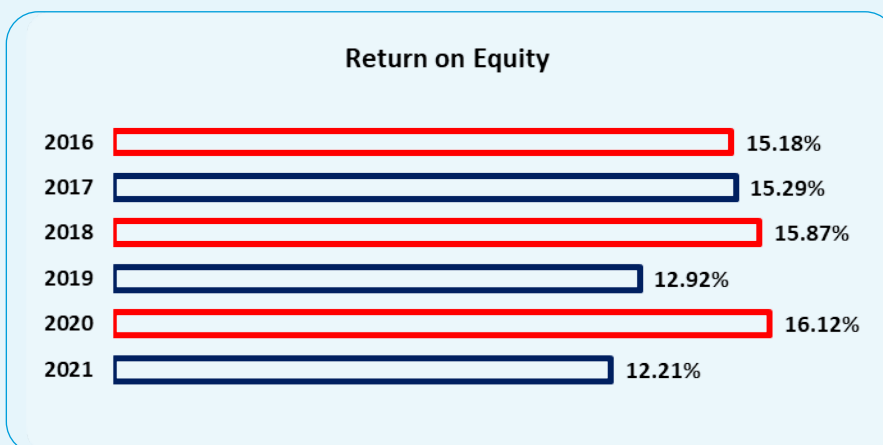
Profit Margin

There is a satisfactory profit margin consistently in the last 6 years. Consistent Profit margin achieved by increasing interest income and reducing costs.



Return on Equity

Average Return on Equity has been consistently around 15% in the last 6 consecutive years. There are three major financial metrics that drive return on equity (ROE) of NHFIL: operating efficiency, asset use efficiency and financial leverage. Though faced with numerous challenges, NHFIL has been able to make highest average ROE compared to major competitors in the industry.



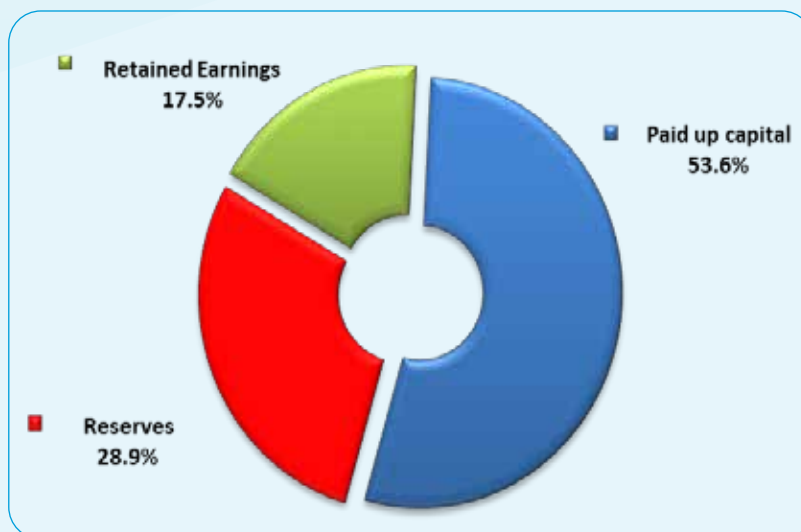
Outlook

Interest rates volatility during the year appears to have calmed down at the end and expected to have within this range going forward as banks have already more or less adjusted their Advance to deposit (A/D) ratio.

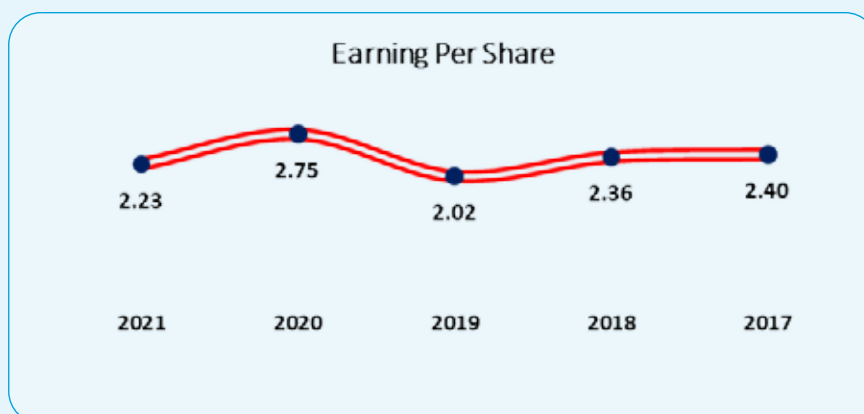
Capital Adequacy Ratio

NHFIL has been maintaining the healthy CAR since long to comply with the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for FIs.

Shareholders Fund: Shareholders' Funds-2021



Earnings per share (BDT)



The earnings per share of the company has decreased to Tk. 2.23 in 2021 from Tk. 2.75 in 2020

Cash Flow Analysis

(Amount in BDT Million)

Particulars	2021	2020	2019	2018	2017
i) Net cash flows from operating activities	1,077.43	592.01	(3,515.98)	2,777.07	2,111.12
ii) Net cash used in investing activities	(32.89)	(691.85)	(94.43)	(1.94)	(59.94)
iii) Net cash used in financing activities	(143.09)	(896.78)	(237.67)	(162.23)	519.38
iv) Net increase /(decrease) in cash and cash equivalents (i+ii+iii)	901.45	(996.63)	(3,848.08)	2,612.90	2,570.56
v) Cash and cash equivalents at the beginning of the year	2,795.05	3,791.67	7,639.75	5,026.86	2,456.30
vi) Cash and cash equivalents at the end of the year (iv+v)	3,696.50	2,795.05	3,791.67	7,639.75	5,026.86

Cash Flow from Operating Activities

Cash raised/(payment) from operating activities before changes in operating assets and liabilities by BDT 1,077.43 mn in 2021 due to more cash received from term deposit and less interest payment against deposits.

Cash Flow from financing activities

The company paid BDT 175.55 mn as cash dividend in the year 2021 for the year ended on December 2020.

Overall scenario

The cash and cash equivalent balance of the company rose to Tk. 3,696.50 mn in 2021 compared to Tk. 2,795.05 mn in 2020.

3. Accounting policies and estimation for preparation of financial statements

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

As Bangladesh Bank is the primary regulator of Financial Institutions, Bangladesh Bank's guidelines, circulars, notifications and any other requirements are given preference to IAS and IFRS, where any contradictions arises. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

4. Changes in accounting policies and estimation

The principle accounting policies had been consistently maintained since inception of the Company except the changes in the Depreciation Method from Straight Line Method to Reducing Balance Method. The Board of Directors approved the changes (Depreciation Method) in the accounting policies on June 29, 2011. Thus, the cost of the fixed asset is recovered through charging in Profit & Loss Account within a reasonable time.

During the year under consideration, the Company has not adopted any change in the accounting policies and estimates as well as cash flows on absolute figure for such changes.

5. Risk and concerns as well as the mitigation plan related to the financial statements

NHFIL always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to credit, market, liquidity and operations. Details of the Risk Management have been described at notes 3.13 of the Financial Statements.

6. Future plan for Company's operation, performance and financial position with justification thereof

Company is planning to continue its operation with a steady outlook. Considering the market condition, NHFIL planned its Annual Business Plan for the year 2021, where the total disbursement target is projected to Tk. 3,649.50 mn.

The Company expects to maintain healthy returns to its shareholders in line with previous years.

Conclusion

Our ear-on-the-ground approach has enabled us to continually innovate our products to meet newer customer requirements. Additionally, one of our key strengths lies in our ability to have consistently hired the right talent for the right job, especially in key management positions. Combined with a Board of Directors that is well-informed about the industry and empowering about the matters that require swift decision-making, we are able to optimize our resource allocation strategy quickly in response to market variables.

Considering the overall situation, our efforts at enhancing our capability to anticipate key trends through various stakeholder engagement programs, combined with constant reviewing of our operating environment and the competitive landscape help us utilized and transform our capitals for value creation. Our ability to meet and exceed customer expectations with the right set of execution strategies, ensure quicker loan disbursement (for those who are eligible). And our willingness and capacity to help them navigate through their business challenges has ensured that we remain one of Bangladesh's most respected and trusted Financial Institution.



Mohammad Shamsul Islam
Managing Director

Dhaka, Dated 30 March 2022

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Balance Sheet (Horizontal Analysis)

As at December 31, 2021

	2021	2020	2019	2018	2017
Property and Assets					
Cash:					
In hand (including foreign currencies)	-48.22%	-38.68%	-38.08%	-0.26%	100.00%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	-1.62%	-13.06%	21.37%	-8.64%	100.00%
	-1.64%	-13.07%	21.35%	-8.64%	100.00%
Balance with banks and other financial institutions:					
In Bangladesh	-27.56%	-45.78%	-26.60%	54.66%	100.00%
Outside Bangladesh	-	-	-	-	-
	-27.56%	-45.78%	-26.60%	54.66%	100.00%
Money at call and on short notice	-	-	-	-	-
Investments:					
Government	-	-	-	-	-
Others	13.62%	-2.56%	-6.69%	-1.67%	100.00%
	357.78%	498.00%	-6.69%	-1.67%	100.00%
Loans and advances:					
Loans, cash credits, overdrafts etc.	36.06%	33.02%	31.72%	20.68%	100.00%
Bills purchased and discounted	-	-	-	-	-
	36.06%	33.02%	31.72%	20.68%	100.00%
Fixed assets including premises, furniture and fixtures	33.05%	36.51%	33.92%	-2.65%	100.00%
Other assets	-3.38%	-52.44%	-1.61%	17.60%	100.00%
Non-banking assets					
Total Assets	17.92%	10.02%	12.85%	29.79%	100.00%
Liabilities and capital					
Liabilities:					
Borrowing from other banks, financial institutions and agents	-48.73%	-50.62%	-5.31%	2.32%	100.00%
Deposits and other accounts:					
Current accounts and other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-87.28%	-87.28%	-2.80%	108.14%	100.00%
Fixed deposits	80.16%	68.28%	21.86%	3.00%	100.00%
Bearer certificate of deposits	-	-	-	-	-
Other deposits	-70.91%	-12.38%	-11.22%	-8.07%	100.00%
	23.59%	15.79%	13.52%	38.40%	100.00%
Other liabilities	46.59%	23.46%	37.16%	21.76%	100.00%
Total Liabilities	16.69%	8.46%	13.03%	32.87%	100.00%
Capital/Shareholders' equity:					
Paid up capital	10.00%	10.00%	10.00%	0.00%	0.00%
Statutory reserve	53.25%	40.54%	24.92%	13.41%	100.00%
Retained earnings	69.32%	54.46%	-7.72%	2.64%	100.00%
Total Shareholders' equity	28.32%	23.28%	11.26%	3.59%	100.00%
Total liabilities and Shareholders' equity	17.92%	10.02%	12.85%	29.79%	100.00%

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Profit and Loss Account (Horizontal Analysis)

For the year ended December 31, 2021

	2021	2020	2019	2018	2017
Interest Income	16.3%	37.2%	47.3%	43.3%	100%
Interest paid on deposits, borrowings etc.	19.3%	64.9%	82.4%	65.0%	100%
Net interest income	12.1%	-2.0%	-2.1%	12.7%	100%
Investment Income	196.0%	651.3%	-79.6%	-64.6%	100%
Commission, exchange and brokerage	-100.0%	-97.4%	-91.5%	-24.8%	100%
Other operating income	-42.2%	-58.9%	-30.3%	-7.2%	100%
	63.6%	256.8%	-52.4%	-32.7%	100%
Total operating income	16.1%	18.1%	-6.0%	9.2%	100%
Salaries and allowances	54.6%	45.1%	47.7%	16.1%	100%
Rent, taxes, insurance, electricity etc.	50.0%	27.4%	33.8%	12.9%	100%
Legal expenses	-89.3%	11.2%	70.0%	-13.0%	100%
Postage, stamps, telecommunication etc.	-19.3%	-22.7%	-41.2%	-47.3%	100%
Stationery, printing, advertisement etc.	-50.6%	1.9%	-43.0%	12.8%	100%
Managing Director's salary and fees	1.4%	19.9%	26.6%	27.0%	100%
Directors' fees and expenses	-22.4%	-56.7%	-42.3%	0.0%	100%
Auditors' fees	10.0%	0.0%	0.0%	0.0%	100%
Charges on loan losses	0.0%	0.0%	0.0%	0.0%	-
Depreciation and repairs to assets	83.4%	78.0%	45.0%	-1.7%	100%
Other expenses	3.1%	-19.6%	7.0%	10.2%	100%
Total operating expenses	32.3%	30.9%	28.6%	12.1%	100%
Profit/ (Loss) before provisions	10.9%	14.0%	-17.1%	8.3%	100%
Provisions for					
Loans, advances and leases	134.6%	84.2%	-163.4%	25.9%	100%
Diminution in value of investments	-121.2%	-399.3%	195.7%	71.6%	100%
Others	-2184.8%	-8690.9%	-1921.9%	-3338.1%	100%
Total provisions	96.1%	24.7%	-94.2%	44.2%	100%
Total profit/(loss) before taxation	1.8%	12.8%	-8.8%	4.5%	100%
Provisions for taxation					
Current	7.9%	-7.9%	-12.9%	-1.2%	100%
Deffered	-3210.8%	578.0%	741.2%	120.7%	100%
	0.9%	-6.6%	-11.3%	-0.9%	100%
Net Profit/(loss) after taxation	2.4%	26.0%	-7.2%	8.1%	100%
Earnings per share	2.4%	26.0%	-7.2%	8.1%	100%

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Balance Sheet (Vertical Analysis)

As at December 31, 2021

	2021	2020	2019	2018	2017
Property and Assets					
Cash:					
In hand (including foreign currencies)	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.10%	1.04%	1.42%	0.93%	1.32%
	1.10%	1.04%	1.42%	0.93%	1.32%
Balance with banks and other financial institutions:					
In Bangladesh	18.30%	14.68%	19.37%	35.49%	29.78%
Outside Bangladesh	-	-	-	-	-
	18.30%	14.68%	19.37%	35.49%	29.78%
Money at call and on short notice Investments:					
Government	2.39%	3.72%	-	-	-
Others	0.79%	0.72%	0.68%	0.62%	0.82%
	3.17%	4.44%	0.68%	0.62%	0.82%
Loans and advances:					
Loans, cash credits, overdrafts etc.	73.14%	76.64%	73.99%	58.94%	63.39%
Bills purchased and discounted	-	-	-	-	-
	73.14%	76.64%	73.99%	58.94%	63.39%
Fixed assets including premises, furniture and fixtures	1.63%	1.80%	1.72%	1.09%	1.45%
Other assets	2.66%	1.40%	2.83%	2.94%	3.25%
Non-banking assets					
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities and capital Liabilities:					
Borrowing from other banks, financial institutions and agents	4.63%	4.78%	8.93%	8.39%	10.65%
Deposits and other accounts:					
Current accounts and other accounts etc.					
Bills payable					
Savings bank deposits	2.62%	2.81%	20.94%	38.99%	24.31%
Fixed deposits	73.02%	73.10%	51.61%	37.93%	47.79%
Bearer certificate of deposits	-	-	-	-	-
Other deposits	0.02%	0.06%	0.06%	0.06%	0.08%
	75.66%	75.98%	72.62%	76.98%	72.19%
Other liabilities	8.26%	7.45%	8.07%	6.23%	6.64%
Total Liabilities	88.55%	88.21%	89.63%	91.60%	89.48%
Capital/Shareholders' equity:					
Paid up capital	6.14%	6.58%	6.42%	5.07%	6.58%
Statutory reserve	3.31%	3.25%	2.82%	2.22%	2.55%
Retained earnings	2.00%	1.96%	1.14%	1.10%	1.39%
Total Shareholders' equity	11.45%	11.79%	10.37%	8.40%	10.52%
Total liabilities and Shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Profit and Loss Account (Vertical Analysis)

For the year ended December 31, 2021

	2021	2020	2019	2018	2017
Interest Income	95.32%	91.68%	98.88%	98.39%	96.63%
Interest paid on deposits, borrowings etc.	57.19%	64.49%	71.62%	66.27%	56.53%
Net interest income	38.13%	27.19%	27.27%	32.12%	40.10%
Investment Income	3.76%	7.79%	0.21%	0.38%	1.50%
Commission, exchange and brokerage	0.00%	0.00%	0.00%	0.00%	0.01%
Other operating income	0.92%	0.53%	0.90%	1.23%	1.87%
	4.68%	8.32%	1.12%	1.61%	3.37%
Total operating income	42.81%	35.51%	28.38%	33.73%	43.47%
Salaries and allowances	7.87%	6.02%	6.15%	4.95%	6.00%
Rent, taxes, insurance, electricity etc.	0.77%	0.53%	0.56%	0.49%	0.61%
Legal expenses	0.01%	0.13%	0.19%	0.10%	0.16%
Postage, stamps, telecommunication etc.	0.16%	0.12%	0.10%	0.09%	0.23%
Stationery, printing, advertisement etc.	0.51%	0.86%	0.48%	0.98%	1.22%
Managing Director's salary and fees	0.36%	0.35%	0.37%	0.38%	0.42%
Directors' fees and expenses	0.09%	0.04%	0.05%	0.10%	0.14%
Auditors' fees	0.02%	0.01%	0.01%	0.01%	0.02%
Charges on loan losses	-	-	-	-	-
Depreciation and repairs to assets	1.18%	0.93%	0.76%	0.53%	0.76%
Other expenses	0.88%	0.56%	0.75%	0.79%	1.01%
Total operating expenses	11.85%	9.56%	9.43%	8.40%	10.56%
Profit/ (Loss) before provisions	30.96%	25.95%	18.95%	25.33%	32.92%
Provisions for					
Loans, advances and leases	5.22%	3.35%	-1.16%	2.35%	2.63%
Diminution in value of investments	-0.10%	-1.17%	1.16%	0.69%	0.57%
Others	0.17%	0.57%	0.12%	0.22%	-0.01%
Total provisions	5.29%	2.75%	0.13%	3.26%	3.18%
Total profit/(loss) before taxation	25.67%	23.20%	18.83%	22.07%	29.73%
Provisions for taxation					
Current	-10.98%	-7.65%	-7.26%	-8.43%	-12.00%
Deferred	0.69%	-0.12%	-0.15%	-0.04%	-0.03%
	-10.29%	-7.77%	-7.41%	-8.47%	-12.03%
Net Profit/(loss) after taxation	15.37%	15.43%	11.41%	13.60%	17.70%

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Disclosures under Pillar-III Market Discipline

A) Scope of Application

Qualitative Disclosures:

- These guidelines apply to National Housing Finance and Investments Limited.
- NHFIL has no subsidiary companies.
- Not Applicable

Quantitative Disclosures:

Not Applicable

B) Capital Structure:

Qualitative Disclosures:

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

Tier 2 Capital includes:

- General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
- All other preference shares.

Conditions for maintaining regulatory capital:

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

Quantitative Disclosures:

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

Particulars	Amount in Crore Taka
Paid-up Capital	117.03
Non-repayable share premium account	-
Statutory reserve	63.04
General reserve & other reserve	-
Retained earning	38.15
Dividend equalization account	-

- The total amount of Tier 2 capital Taka 13.88 crore
- Other deductions from capital -
- Total Eligible Capital Taka 232.10 crore

C) Capital Adequacy

Qualitative Disclosures:

- summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.

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

- NHFIL has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.
- **Strategy to achieve the required Capital Adequacy:**

Operational level:

Immediate measures:

- Rigorous monitoring of overdue loans to bring those under 90 days overdue
- Financing clients having good rating as per Company's policy
- Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.
- Using benefit of credit risk mitigation by taking eligible collaterals against transactions
- Focusing more to increase the spread on housing loan and thus increasing retained earnings.
- Raise fresh capital by issuing bonus share/ right issue.
- Asking unrated Corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank;

	Quantitative Disclosures:	Amount in crore Taka
a)	Capital requirement for Credit Risk	1,110.13
b)	Capital requirement for Market Risk	29.01
c)	Capital requirement for Operational Risk	102.81
d)	Total and Tier 1 Capital ratio:	
	CAR on Total capital basis (%)	18.69%
	CAR on Tier 1 capital basis (%)	17.57%

D) Credit Risk

Qualitative Disclosures

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

Definitions of past due and impaired (for accounting purposes)

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

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

Specific and General provisions are maintained according to the relevant Bangladesh Bank guideline. For Example, 0.25% provision is maintained against SME-Standard loan/ lease, 1% provision is maintained against good loans (other than SME- Standard loan/ lease, 5% against SMA loan/ lease, 20% against sub-standard loan/ lease, 50% against doubtful loan/ lease and 100% against bad/loss loan/ lease after deducting the amount of interest expenses and value of eligible securities from the outstanding balance of classified accounts.

Discussion on FI's credit risk management policy:

Implementation of various strategies to minimize risk:

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

- ◆ Looking into payment performance of customer before financing.
- ◆ Annual review of clients.
- ◆ Adequate insurance coverage for funded assets
- ◆ Vigorous monitoring and follow up by Special Assets Management and collection Team
- ◆ Strong follow up of compliance of credit policies by Credit Administration Department
- ◆ Taking collateral and performing valuation and legal vetting on the proposed collateral
- ◆ Seeking legal opinion from internal and external lawyer for any legal issues
- ◆ Maintaining neutrality in politics and following arm's length approach in related party transactions
- ◆ Regular review of market situation and industry exposure
- ◆ Sector-wise portfolio is maintained within specific limits to ensure diversification of loan assets

In addition to the industry best practices for assessing, identifying and measuring risks, NHFIL also considers Guidelines for Managing Core Risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank; vide FID Circular No. 10 dated September 18, 2005 for management of risks.

Approved Credit Policy by the Board of Directors

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

Separate Credit Administration Department

An independent Credit Risk Management (CRM) Department is in place, at NHFIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets. Research team of CRM regularly reviews market situation and exposure of NHFIL in various industrial sub-sectors. CRM has been segregated from Credit Administration Department in line with Central Bank's Guidelines. CRM assess credit risks and suggest mitigations before recommendation of every credit proposal while Credit Administration confirms that adequate security documents are in place before disbursement.

Special Assets Management and Collection Team

A strong Law and Recovery Team monitors the performance of the loans & advances, identify early signs of delinquencies in portfolio, and take corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

Independent Internal Control and Compliances Department (ICC)

Appropriate internal control measures are in place at NHFIL. NHFIL has also established Internal Control and Compliances Department (ICC) to ensures, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICC frames and implements policies to encounter such risks.

Credit Evaluation

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

Credit Approval Process

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

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

Early Warning System

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

Methods used to measure Credit Risk

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

Quantitative Disclosures

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

Particulars	Amount in crore Taka
Housing Loan	1,306.80
Loan against fixed deposit	4.34
Staff Loan	2.67
SME Loan	63.94
Lease/Term Loan	4.54
Others	11.65
Total	1,393.94

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

Area	Amount in crore Taka
Dhaka	1,093.33
Chattogram	101.51
Rajshahi	136.29
Rangpur	62.81
Total	1,393.94

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

Sector	Amount in crore Taka
Real Estate and Housing	1,306.80
RMG	0.07
Paper, Printing and Packaging	0.90
Iron, Steel and Engineering	4.49
Textile & Industry	0.83
Food and Allied Products	0.78
Transport & Communication	0.18
Electronics and Electrical Products	1.76
Ship Manufacturing Industry	1.52
Agriculture & Chemicals	26.69
Plastic Industry	3.03
Others	46.89
Total	1,393.94

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

Particulars	Amount in crore Taka
Repayable on demand	25.25
Not more than 3 months	1.65
Over 3 months but not more than 1 year	15.04
Over 1 year but not more than 5 years	117.79
Over 5 years	1,234.21
Total	1,393.94

(f) By major industry or counter party type:

(i) Amount of impaired loans and if available, past due loans, provided separately

Particulars	Amount in crore Taka
Loan up to 5 years	159.73
Loan over 5 years	1,234.21
Total	1,393.94

(ii) Specific and general provision

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

Particulars	Amount in crore Taka
Provision on classified loans and advances	18.15
Provision on unclassified loans and advances	17.50
Total	35.65

- (iii) Charges for specific allowances and charge-offs during the year.
During the year the specific and general provisions were made on the amount of classified and unclassified loans and advances of NHFIL.

Particulars	Amount in crore Taka
Provision on classified loans and advances	6.88
Provision on unclassified loans and advances	1.99
Total	8.87

- (g) Gross Non Performing Assets (NPA) (Amount in crore) Taka 81.95 crore
Non-Performing Assets (NPAs) to outstanding Loans and Advances 5.88%

Movement of Non-Performing Assets (NPAs)

Particulars	Amount in crore Taka
Opening Balance	72.58
Additions	25.74
Reductions	(16.37)
Closing Balance	81.95

Movement of Specific Provisions of Non-Performing Assets (NPAs)

Particulars	Amount in crore Taka
Opening Balance	11.27
Provisions made during the period	7.93
Write-off	-
Written-back of excess provisions	(1.05)
Closing Balance	18.15

E) Equities: Banking book positions

Qualitative Disclosures

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

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

Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and conditions of regulatory authority. On the other, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

- (b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particulars	Amount in crore Taka
Quoted shares (Market price)	12.98
Quoted shares (Cost Price)	14.50
Unquoted shares	0.51

Break up of Total Investment	
Particulars	Amount in crore Taka
Government securities	-
Non marketable securities	-
Preference share	0.51
Investment in share (lock-in)	-
Marketable Securities	14.50
Commercial paper	-

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

Particulars	Amount in crore Taka
Cumulative realized gain/(loss)	2.19

(d)

Particulars	Amount in crore Taka
Total unrealized gains (Losses)	(1.53)
Total latent revaluation gains (Losses)	-
Any amounts of the above included in Tier 2 Capital	-

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

Specific Risk- Market value of investment in equities is BDT 14.50 crore. Capital Requirement is 10% of the said value which stand to BDT 1.45 crore.

General Risk- Market value of investment in equities is BDT 14.50 crore. Capital Requirement is 10% of the said value which stand to BDT 1.45 crore.

F) Interest rate in the banking book

Qualitative Disclosures

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

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

NHFIL measure the Interest Rate Risk by calculation Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increase the company's profitability with the reduction of interest rate.

Quantitative Disclosure

The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Interest Rate Risk-Increase in Interest Rate: (BDT in Crore) Where applicable

Particulars	Maturity wise distribution of Assets-liabilities				
	1 to 30/31 day (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 month to 1 year
A. Total Rate Sensitive Liabilities (A)	74.62	96.51	104.87	177.79	278.84
B. Total Rate Sensitive Assets (B)	77.32	106.67	118.05	191.89	287.28
C. Mismatch	2.69	10.16	13.18	14.10	8.43
D. Cumulative Mismatch	2.69	12.85	26.03	40.13	48.56
E. Mismatch (%)	3.61%	10.52%	12.57%	7.93%	3.02%

Magnitude of Shock	Interest rate risk		
	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio (BDT in Crore)	0.00	0.00	0.00
Net Interest Income (BDT in Crore)	0.97	1.94	2.91
Revised Regulatory Capital (BDT in Crore)	233.07	234.04	235.01
Risk Weighted Assets (BDT in Crore)	1,241.94	1,241.94	1,241.94
Revised CAR (%)	18.77%	18.84%	18.92%

(G) Market risk

Qualitative Disclosures

Views of BOD on trading/investment activities

All the Market Risk related policies/guidelines are duly approved by BOD. The BOD sets limit and review and updates the compliance on regular basis aiming to mitigate the Market risk.

Methods used to measure Market risk

Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach. Capital charge for interest rate risk and foreign exchange risk is not applicable to our company as because we do not have such Balance Sheet Items.

Market Risk Management System

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

Interest Risk Management

Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest rates. In the normal course of business, NHFIL tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market analysis

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

GAP analysis

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

Continuous Monitoring

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

Equity Risk Management

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

NHFIL minimizes the Equity Risks by Portfolio diversification as per investment policy of the company.

Quantitative Disclosures

The capital requirements for Market Risk:

Interest rate risk	Amount in crore Taka
Interest rate risk	-
Equity position risk	2.90
Foreign Exchange Position and Commodity risk (If any)	-

(H) Operational Risk:

Qualitative disclosure:

(a) Views of Board on system to reduce Operational Risk:

All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and to Man Com members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Securities and Exchange Commission.

Performance gap of executives and staffs

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

Potential external events

No such potential external event exists to rise operational risk of NHFIL at the time of reporting.

Policies and procedures for mitigating operational risk:

NHFIL has also established Internal Control and Compliances Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Approach for calculating capital charge for operational risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. NHFIL uses basic indicator approach for calculation capital charge against operational risk i.e. 15% of average positive annual gross income of the company over last three years.

Quantitative Disclosures:

(b) Capital requirement for operational risk:

Particulars	Amount in crore Taka
Capital requirement for operational risk:	10.28

DIVIDEND DISTRIBUTION POLICY FOR NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

This policy will be applicable to National Housing Finance and Investments Limited ("The Company"). This policy is for payment of dividend to shareholders of the company.

- (1) The company pay off the annual or final dividend to the entitled shareholder, within 30 (thirty) days of approval in the AGM;
Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (thirty) days of record date.
- (2) Cash dividend distributed in the following manner and procedures, namely:-
 - (i) The company pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN)
Provided that the company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
 - (ii) The company, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;
 - (iii) The company, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, issue cash dividend warrant and send it by post to the shareholder;
 - (iv) The company pay off cash dividend to non-resident sponsor, director, shareholder, or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
 - (v) The company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;
 - (vi) The company maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder;
Provided that the company publish the year-wise summary of its unpaid or unclaimed dividend in the website:
Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the company as maintained for this purpose, within 1 (one) year from the date of approval or record date, as the case may be.
- (3) The company credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);
- (4) The company follow the provisions of প্রবিধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, 2003 for issuance of bonus shares:

Provided that the company maintains a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

 - (i) The company send at least 3 (three) reminders to the entitled shareholder;
 - (ii) The Suspense BO Account held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the company:
Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares credited to the Suspense BO Account.
 - (iii) The company, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange(s);
 - (iv) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares remain suspended till the rightful ownership claim of the shareholder is established.
- (5) The company submit a compliance report to the Commission and the exchange(s) in a specified format, within 7 (seven) working days of completion of dividend distribution:
Provided that the company publish the compliance report in its website.
- (6) The company not forfeits any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Declaration by MD and CFO

Date: 30.03.2022

The Board of Directors
National Housing Finance and Investments Limited
National Plaza (7th & 8th Floor)
109, Bir Uttam C.R Datta Road (Ex-Sonargaon Road)
Dhaka-1205

Subject: Declaration on Financial Statements for the year ended on 31st December 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 Dated 03.06.2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of National Housing Finance and Investments Limited for the year ended on 31st December, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December, 2021 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Mohammad Shamsur Rahman)
Managing Director
Date: 30 March, 2022



(Sayed Ahmed FCMA)
Chief Financial Officer
Date: 30 March, 2022

SARashid & Associates

(Chartered Secretaries)

Noakhali Tower (12th Floor, 13-D)

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S. Abdur Rashid FCS

MBS, MBA (Finance), PGDHRM, LLB, FIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

Report to the Shareholders of National Housing Finance and Investments Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by National Housing Finance and Investments Limited for the year ended on 31 December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column of the Statement on Status of Compliance prepared by the Directors of the Company;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Company is satisfactory.

Place : Dhaka
Dated : 11 May 2022



For
SARashid & Associates

A handwritten signature in blue ink, appearing to read 'Rashid'.

S. Abdur Rashid FCS
Chartered Secretary in Practice

AUDITOR'S REPORT & Audited Financial Statement



Independent Auditor's Report To the Shareholders of National Housing Finance and Investments Limited on the Audit of the Financial Statements For the Year Ended 31st December 2021

Opinion

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

In our opinion, the accompanying Financial Statements gives true and fair view of the financial position of the company as at 31st December 2021, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 to the financial statements.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Loans & Advances

Risk	Our response to the risk
<p><u>Classification</u></p> <p>The classification of loans & advances are determined by specific Bangladesh Bank's circulars which have wide ranging effect on the financial position and performance of the FI, namely through provisioning requirements.</p> <p>Furthermore, the calculation of RWA (Risk Weighted Assets) is, to some extent, dependent on the classification of loans and advances which ultimately impact the CAR (Capital Adequacy Ratio) – a significant indicators of FI's health under the BASEL - II regime.</p> <p>Furthermore, the recognitions and measurement of these Loans & Advances are dictated by Bangladesh Bank's circulars namely FID circular No. 08 dated 03 August 2002, FID circular No. 03 dated May 2006, FID circular No. 05 dated 18 July 2006, FID circular No. 06 dated 20 August 2006, FID circular No. 02 dated 05 May 2007 and DFIM Circular No. 04 dated 28 June 2007, FIDM Circular No. 1, dated 24th March, 2020 and FIDM Circular Letter No. 05, dated 26th August 2020, DFIM Circular No. 04, Dated 26th July 2021, DFIM Circular</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> The credit appraisal, loan disbursement procedures, monitoring and provisioning process; Identification of loss events, including early warning and default warning indicators; Reviewed quarterly Financial Institution Classification of Loans (CL); <p>Furthermore, we have assessed on test basis the loan application receipt, assessment, documentation and authorization process against Company's policy and Bangladesh Bank's requirements. Legal expert's views regarding securitization of the loans have also been considered.</p>

<p>No. 09, Dated 14th September 2021, DFIM Circular Letter No. 33, Dated 19th December 2021 and DFIM(P) 1052/27/2022-26, Dated 2nd January 2022 (Effective 1st January 2021 to 31st December 2021) respectively which limits the fair implementation of respective IFRSs.</p> <p>The Company's disclosures about classifications of loans & advances are included in note 8.07, 8.08 & 8.11 to the financial statements.</p>	<p>As part of our process, we have reviewed the loan files, bank statements, and its provisioning requirements.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines</p>
<p><u>Provisioning & write off:</u></p> <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Company reported total gross loans and advances of Tk. 13,939,457,867 (2020: Tk. 13,628,361,018) and provision for loans and advances of Tk. 356,543,227 including general provision Tk. 175,001,378 & specific provision Tk. 181,541,849 (2020: Tk. 267,747,108)).</p> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p> <p>Classified Loans & Advances are written off from the financial statements in accordance with specific Bangladesh Bank's circulars. Writing off loans & advances has drastic impact on the NPL (Non-Performing Loan). Additionally, the write-off of loans and advances are undertaken in line with Bangladesh Bank's circulars which overrides the requirements of IFRSs.</p> <p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events (provisioning requirements) in accordance with criteria set out in FID circular no-3; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Complete identification and timing of loans write-offs including final provisioning adjustment and recognition of qualifying mortgaged assets under non-banking assets. <p>The Company's disclosures about provisioning and write-off of Loans & Advances are included in note. 14.01, 14.02 & 31 and 8.11 respectively.</p>	<p>We tasted the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

Interest Income and Investment Income

Risk	Our response to the risk
<p>At year end the National Housing Finance and Investments Limited reported total Interest Income BDT 1,620,020,397. This interest income includes interest on Home Mortgage Loan, Commercial Mortgage Loan, Project Mortgage Loan, Lease of Industrial Equipment, Vehicles, Delinquent Interest, Interest on Term Finance, Interest on Fixed Deposits, Interest on Short Term Deposit, Interest on Loan against FDR and Interest on Staff Loan. (Note # 19)</p> <p>The National Housing Finance and Investments Limited also reported Investment income TK. 63,925,696 from dividend income, interest income from Govt. treasury bond, capital gain from sales of Govt. treasury bond and gain from sales of shares. (Note #21)</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Verify and calculate interest income based on cut of date with the value of investment, amortization or appreciation by security value adjustment (Treasury Bond), applicable interest rate; Verify proper revenue recognition through cut of date for interest receivable; Verify the authentication of documents; Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> Obtaining supporting documentation for transactions recorded for Interest on Investment such as make loans and advance, Purchase date of FDR and Treasury Bond, physical verification of FDR to confirm maturity date and amount of interest, bank statement and interest receivable at the year ended date to determine whether revenue was recognized in the correct period; Verified the interest revenue from Treasury Bond by measuring holding period interest, adjustment by security value adjustment, Coupon rate, Yield rate, Board authorization of investment, ledger and calculation of interest; Critically assessing manual journals posted to revenue to identify unusual or irregular items; and Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards

IT systems and controls

Risk	Our response to the risk
<p>Our audit procedures have a focus on IT system and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>The Company's disclosures relating to its IT systems and controls are included in note 3.13 of the financial statements.</p>	<p>Our firm's own IT Specialist tested the design and operating effectiveness of the Company's It access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other</p> <p>application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Legal & Regulatory Matters

Risk	Our response to the risk
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>Significant Legal & Regulatory matters pertaining to the Company were:</p> <ul style="list-style-type: none"> • Compliance of rules & regulations, including submission of returns to various regulators: and • Litigation (cases) filed on behalf of or against the Company including any provisioning requirements. <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p> <p>The Company's disclosures relating to its legal & regulatory compliance are included in note 3.11 & 2.12 of the financial statements.</p> <p><u>Current Tax:</u></p> <p>The Company reported net current tax liability of Tk. 443,566,929 as at 31 December 2021 (2020: Tk. 256,882,433).</p> <p>The Company's disclosures relating to current tax are include in note 3.07.01, 14.07, 14.07.01 & 14.08 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingency process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We obtained an understanding evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of current tax and the assumption used in estimating the Company's tax liability for the current year.</p> <p>Furthermore, we reviewed the correspondences, assessment orders and appeal documents to evaluate the basis of the provisions maintained in the financial statements</p>

Deferred Tax Liability

Risk	Our response to the risk
<p><u>Deferred Tax:</u></p> <p>The Company reported net deferred tax Liabilities to totaling Tk. 4,315,528 as at 31 December 2021. (2020: 16,070,191)</p> <p>Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>The Company's disclosure relating to deferred tax are included in note- 3.07.02, 14.09 & 14.09.01 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

Materiality

The scope of our audit was influenced by materiality point of view. We set certain quantitative thresholds for materiality. These together with qualitative consideration, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

Overall materiality	Tk. 13,504,094 (2020: Tk. 21,679,140)
How we determined it	5% of average profit or loss before tax of the recent 5 years
Rational for benchmark applied	Based on the benchmarks used in the Annual Report, profit or loss before tax is a key measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2020: 75%) of our planning materiality namely tk. 10,128,071 (2020: Tk. 16,259,355). We have set performance materiality at this percentage due to our previous experience as auditors of the Company from which we concluded that there is a lower expectation of material financial statement inaccuracies due to the Company's limited business nature and only minor audit differences resulting from our prior and current year work. Our approach is consistent with prior year.

Other Information

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

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for maintenance of the required books of accounts & records and preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2 to the financial statements, and for such internal control as management determines in necessary to enable the preparation of financial statements that are

free from material misstatement, whether due to fraud or error. The Financial Institutions Act, 1993 & the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Company. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosed in note 2.10.13, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (viii) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (ix) taxes and other duties were collected and deposited in the government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (x) nothing has come to our attention that the Company has adopted any unethical means i.e. 'Window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xi) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

- (xiv) the company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) we have reviewed over 80% risk weighted assets as shown in note-15.05 to the financial statements of the Company and we have spent around 2,062 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements;



AKM Kamrul Islam, FCA
Senior Partner
Enrollment No.- 670
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC No.: 2204060670AS414720

Dhaka
Dated: 30th March 2022

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Balance Sheet
As at December 31, 2021

	Note	2021 Taka	2020 Taka
Property and Assets			
Cash:	4.00		
In hand (including foreign currencies)		40,358	47,790
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		209,358,124	185,018,179
		209,398,482	185,065,969
Balance with banks and other financial institutions:	5.00		
In Bangladesh		3,487,102,841	2,609,982,215
Outside Bangladesh		-	-
		3,487,102,841	2,609,982,215
Money at call and on short notice	6.00	-	-
Investments:	7.00		
Government		454,620,200	661,207,674
Others		150,086,381	128,711,410
		604,706,581	789,919,084
Loans and advances:	8.00		
Loans, cash credits, overdrafts etc.		13,939,457,867	13,628,361,018
Bills purchased and discounted		-	-
		13,939,457,867	13,628,361,018
Fixed assets including premises, furniture and fixtures	9.00	311,551,809	319,660,502
Other assets	10.00	507,002,758	249,581,107
Non-banking assets	11.00	-	-
Total Assets		19,059,220,338	17,782,569,894
Liabilities and capital			
Liabilities:			
Borrowing from other banks, financial institutions and agents	12.00	882,192,060	849,730,838
Deposits and other accounts:	13.00		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		500,000,000	500,000,000
Fixed deposits		13,917,204,471	12,999,364,530
Bearer certificate of deposits		-	-
Other deposits		3,833,858	11,549,592
		14,421,038,329	13,510,914,122
Other liabilities	14.00	1,573,756,003	1,325,433,030
Total Liabilities		16,876,986,392	15,686,077,990
Capital/Shareholders' equity:			
Paid up capital	15.02	1,170,312,000	1,170,312,000
Statutory reserve	16.00	630,437,167	578,179,399
Retained earnings	17.00	381,484,780	348,000,505
Other reserves		-	-
Total Shareholders' equity		2,182,233,947	2,096,491,904
Total liabilities and Shareholders' equity		19,059,220,338	17,782,569,894

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED



Balance Sheet
As at December 31, 2021

	Note	2021 Taka	2020 Taka
Off-Balance Sheet Items			
Contingent Liabilities:			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
Other Commitments:			
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	1,162,959,288	453,660,951
Undrawn formal standby facilities, credit lines and other commitments		-	-
		1,162,959,288	453,660,951
Total Off-Balance Sheet Items including contingent liabilities		1,162,959,288	453,660,951
Net Asset Value (NAV) per share	42.00	18.65	17.91

Annexed notes from an integral part of these financial statements


Md. Sarwar Kamal FCS
Company Secretary


Mohammad Shamsul Islam
Managing Director


Md. Kabir Reza, FCMA
Director


Mahbubur Rahman
Chairman

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Profit and Loss Account

For the year ended December 31, 2021

	Note	2021 Taka	2020 Taka
Interest Income	19.00	1,620,020,397	1,910,025,179
Interest paid on deposits, borrowings etc.	20.00	972,019,341	1,343,656,498
Net interest income		648,001,056	566,368,680
Investment Income	21.00	63,925,696	162,270,271
Commission, exchange and brokerage	22.00	-	2,000
Other operating income	23.00	15,559,692	11,056,298
		79,485,388	173,328,569
Total operating income		727,486,444	739,697,250
Salaries and allowances	24.02	133,687,163	125,474,269
Rent, taxes, insurance, electricity etc.	24.03	13,087,570	13,459,068
Legal expenses	24.04	250,500	259,125
Postage, stamps, telecommunication etc.	25.00	2,709,307	2,594,945
Stationery, printing, advertisement etc.	26.00	8,712,019	17,951,025
Managing Director's salary and fees	27.00	6,090,001	7,200,000
Directors' fees and expenses	24.01	1,513,600	844,800
Auditors' fees	28.00	316,250	287,500
Charges on loan losses		-	-
Depreciation and repairs to assets	29.00	19,994,145	19,407,079
Other expenses	30.00	14,946,334	11,655,970
Total operating expenses		201,306,889	199,133,781
Profit/ (Loss) before provisions		526,179,555	540,563,469
Provisions for			
Loans, advances and leases	31.00	88,796,120	69,707,865
Diminution in value of investments	31.01	(1,727,647)	(24,422,500)
Others	31.02	2,892,406	11,918,774
Total provisions		89,960,879	57,204,139
Total profit/(loss) before taxation		436,218,676	483,359,330
Provisions for taxation			
Current	14.08	(186,684,496)	(159,403,849)
Deffered	14.08	11,754,663	(2,562,103)
		(174,929,833)	(161,965,953)
Net Profit/(loss) after taxation		261,288,843	321,393,377
Appropriations:			
Statutory reserve	16.00	52,257,769	64,278,675
General reserve		-	-
Dividend etc.		-	-
		52,257,769	64,278,675
Retained surplus		209,031,074	257,114,702
Earnings per share	32	2.23	2.75

Annexed notes from an integral part of these financial statements


Md. Sarwar Kamal FCS
Company Secretary


Mohammad Shamsul Islam
Managing Director


Md. Kabir Reza, FCMA
Director


Mahbubur Rahman
Chairman


NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Statement of Changes in Equity

For the year ended December 31, 2021

Particulars	Figures in Taka				
	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation reserve on Govt. Securities	Retained Earnings
Balance as at January 01, 2021	1,170,312,000	578,179,399	-	-	348,000,506
Changes in accounting policy	-	-	-	-	-
Restated balance	1,170,312,000	578,179,399	-	-	348,000,506
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	-	-	-	-	261,288,843
Dividends	-	-	-	-	(175,546,800)
Issue of Bonus share	-	-	-	-	-
Transfer to statutory reserve	-	52,257,769	-	-	(52,257,769)
Balance as at December 31, 2021	1,170,312,000	630,437,168	-	-	381,484,780
					2,182,233,947

Annexed notes from an integral part of these financial statements


Md. Sarwar Kamal FCS
 Company Secretary


Mohammad Shamsul Islam
 Managing Director


Md. Kabir Reza, FCMA
 Director


Mahbubur Rahman
 Chairman

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED


Cash Flow Statement

For the year ended December 31, 2021

	2021 Taka	2020 Taka
A. Cash flows from operating activities		
Interest receipts in cash	1,604,767,353	1,993,794,832
Interest payments	(1,046,293,774)	(1,432,564,604)
Dividend receipts	7,045,236	7,037,290
Fees and commissions receipts in cash	-	2,000
Recoveries on loans previously written off	-	-
Cash payments to employees	(139,212,496)	(127,457,955)
Cash payments to suppliers	(11,786,912)	(20,829,989)
Income taxes paid	(186,176,862)	(129,344,755)
Income received from Investments	34,993,466	163,049,755
Receipts from other operating activities	37,446,687	12,216,628
Payments for other operating activities	(28,200,758)	(26,506,463)
Cash generated from operating activities before changes in operating assets and liabilities	272,581,939	439,396,739
Increase/(decrease) in operating assets and liabilities:		
Statutory deposits	-	-
Purchase/sale of trading securities	206,587,474	-
Loans, advances and leases to the client	(311,096,849)	(147,146,118)
Other assets	(46,981,517)	(15,800,842)
Right-of use Assets	(10,459,498)	(8,008,958)
Term deposits	917,839,941	265,517,111
Other deposits	(7,715,734)	(152,729)
Trading liabilities	-	-
Other liabilities	56,677,799	58,200,817
	804,851,615	152,609,281
Net cash flow from operating activities	1,077,433,555	592,006,020
B. Cash flows from investing activities		
Proceeds from sale of securities	(21,374,971)	(5,452,238)
Payments for purchase of securities	-	(661,207,674)
Purchase /sale of property, plant & equipment	(11,519,866)	(25,195,676)
Purchase /sale of subsidiary	-	-
Net cash from investing activities	(32,894,837)	(691,855,588)
C. Cash flows from financing activities		
Receipts from issue of loan capital & debt securities	-	-
Payments for redemption of loan capital & debt securities	-	-
Receipt from ordinary shares	-	-
Loan from banks	32,461,222	(779,746,074)
Dividend paid	(175,546,800)	(117,031,200)
Net cash from financing activities	(143,085,578)	(896,777,274)
D. Net increase/(decrease) in cash	901,453,139	(996,626,841)
E. Effects of exchange rate changes on cash and cash equivalent	-	-
F. Cash and cash equivalent at beginning of the year	2,795,048,183	3,791,675,024
G. Cash and cash equivalent at end of the year	3,696,501,323	2,795,048,183
Cash and cash equivalent at end of the year		
Cash in hand (including foreign currencies)	40,358	47,790
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	209,358,124	185,018,179
Balance with banks and other financial institutions	3,487,102,841	2,609,982,215
Money at call and on short notice	-	-
	3,696,501,323	2,795,048,183
Net Operating Cash Flow Per Share (NOCFPS) (Note- 42.01)	9.21	5.06

Annexed notes from an integral part of these financial statements


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Company Secretary


Mohammad Shamsul Islam
Managing Director


Md. Kabir Reza, FCMA
Director


Mahbubur Rahman
Chairman

NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Liquidity Statement (Maturity Analysis of Assets & Liabilities) As at December 31, 2021

Figures in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Asset						
Cash in hand	40,358	-	-	-	-	40,358
Balance with Bangladesh Bank and its agents	209,358,124	-	-	-	-	209,358,124
Balance with other banks and FIs	827,102,841	2,210,000,000	450,000,000	-	-	3,487,102,841
Investments	150,086,381	0	-	454,620,200	-	604,706,581
Money at call and on short notice	-	-	-	-	-	-
Loans, advances and leases	252,467,985	16,506,617	150,455,893	1,177,925,436	12,342,101,936	13,939,457,867
Fixed assets including premises, furnitures and fixtures	-	-	-	-	311,551,809	311,551,809
Other assets	186,034,141	-	320,374,157	-	594,460	507,002,758
Non-financial institution assets	-	-	-	-	-	-
Total Asset	1,625,089,829	2,226,506,617	920,830,050	1,632,545,636	12,654,248,206	19,059,220,339
Liabilities						
Borrowing from banks, other financial institutions and agents	475,058,600	35,000,000.00	230,000,000	142,133,460	-	882,192,060
Deposits and other accounts	793,965,471	-	1,633,752,150	11,837,268,638	156,052,070	14,421,038,329
Provision & other liabilities	409,917,029	19,737,205	447,882,457	692,010,814	4,208,499	1,573,756,003
Total Liabilities	1,678,941,100	54,737,205	2,311,634,607	12,671,412,912	160,260,569	16,876,986,392
Net Liquidity Gap	(53,851,270)	2,171,769,412	(1,390,804,557)	(11,038,867,276)	12,493,987,637	2,182,233,947

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

Annexed notes form an integral part of these financial statements


Md. Sarwar Kamal FCS
Company Secretary


Mohammad Shamsul Islam
Managing Director


Md. Kabir Reza, FCMA
Director


Mahbubur Rahman
Chairman



NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Notes to the Financial Statements For the year ended December 31, 2021

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 corporate office of the Company is located at Concord Baksh Tower (7th floor), Plot #11-A, Road # 48, Block # CWN(A), Gulshan-2, Dhaka-1212.

The registered office of the Company is located at National Plaza (7th 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, International Accounting Standard (IASs), International Financial Reporting Standards (IFRSs), 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 IAS/IFRS 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 IAS and IFRS. As such the Company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed along with impact where applicable.

2.03.01 Valuation of Investments in quoted and unquoted shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income 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. 02 dated January 31, 2012 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 IFRS 9 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 comprehensive income respectively.

2.03.02 Provision on loans and advances/investments

IFRS : As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

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 and DFIM circular no. 04, dated 26 July 2021 (Master Circular: Loan/Lease classification and provisioning) and other related circulars of Bangladesh Bank a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on loans and advances. However such general provision satisfy the conditions of provision as per IFRS 9. At the year end the Company has recognized an accumulated general provision of BDT 175,001,378 (out of accumulated provision of BDT 356,543,228) under liabilities.

2.03.03 Recognition of interest income in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per DFIM circular no. 08 dated 23 September 2012 and DFIM circular no. 04, dated July 2021, once an investment on loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be created as a liability account in the balance sheet like "Interest suspense account".

2.03.04 Other comprehensive income

IFRS: As per IAS 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

IFRS 7 "Financial Instruments: Discloser"

IAS 32 "Financial Instruments: Presentation"

IAS 32 and IFRS 7 is require specific presentation and discloser relation to all Financial Instruments.

Treatment adopted as per Bangladesh Bank:

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

As per Bangladesh Bank Guidelines, financial instruments are categorised, recognised and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.

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 30 March, 2022.

2.04.01 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- a) Balance Sheet as at 31 December 2021.
- b) Profit and Loss Account for the year ended 31 December 2021.
- c) Statement of Cash Flows for the year ended 31 December 2021.
- d) Statement of Changes in Equity for the year ended 31 December 2021.
- e) Liquidity Statement for the year ended 31 December 2021 and
- f) Notes to the Financial Statements for the year ended 31 December 2021.

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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) 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 Branch accounting

The Company has nine branches and two sales centre, with no overseas branch as on 31 December 2021. Accounts of the branches and sales centre are maintained at the corporate office from which these accounts are drawn up.

2.08 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

2.09 Reporting Period

These financial statements have been prepared for the period from January 01, 2021 to December 31, 2021.

2.10 IAS 7: Cash Flow Statement

IAS: 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.

2.10.01 Cash and cash equivalent

IAS: Cash and cash equivalent items should be reported as cash item as per IAS 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.

2.10.02 Non-banking asset

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

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

2.10.03 Going concern

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient funds to meet the present requirements of its existing business and operation.

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

2.10.04 Materiality and aggregation

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

2.10.05 Accounting for leases

Following IFRS 16: Leases, accounting for lease transactions have been recorded under finance lease method since all the risks and rewards incidental to ownership are substantially transferred to the lessee as per agreement. Accordingly the aggregate lease receivables excluding un-guaranteed residual value throughout the primary lease term are recorded as gross lease receivables while the excess of net lease receivables over the total acquisition cost constitutes the unearned lease income.

The unearned lease income is amortised to revenue over the primary lease term yielding a constant rate of return over the period. Initial direct costs, if any, are charged in the year in which such costs are incurred.

2.10.06 Accounting for leases for office rent (IFRS-16)

National Housing Finance, as a lessee, recognises a right-of-use (ROU) asset representing its right to use of the underlying leased assets and corresponding lease liability representing its obligation to make lease payments for office rent agreements with effect from 01 January 2020. The ROU asset and lease liability are recognised in the financial statements considering the incremental borrowing rate.

The ROU asset is depreciated using the straight line method from the beginning to the end of useful life of the ROU asset or end of the lease term, note reference number 9.

The lease liability is initially measured at the present value of the lease payments that are adjusted for monthly payments. Lease payments are recorded to Profit and Loss account as depreciation and finance charges, note reference numbers 14.13, 20.02 & 29.

The ROU asset and lease liability will be re-measured when there is a change in future lease payments arising from a change in borrowing rate and corresponding adjustments will be recorded.

2.11 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 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance.

As per CAMD guidelines National Housing Finance and Investments Limited management should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, NHFIL has already formed BASEL-II implementation unit (BIU) headed by Managing Director to ensure timely implementation of BASEL-II accord.

2.12 Legal proceedings

NHFIL has got strong legal team for efficiently handling of company's legal matters including favorable disposal of court cases (both civil and criminal) for recovery of Non Performing Loans (NPL). For which company's asset quality is being improved. At present, relating to legal proceedings, we have no material adverse effect on business, financial conditions or results of operations.

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 IAS 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 and also additional @2.00% for unclassified deferred loan as advised by Bangladesh Bank for COVID-19 situation 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 International Accounting Standard (IAS) 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
Building		10.00%
Newly acquired Building		3.00%
Furniture		10.00%
Office Equipment		20.00%
Motor Vehicle		20.00%
Intangible Assets		20.00%

Right-use of Assets : Different rates are charged on assets based on respective agreement tenures

Intangible assets: In accordance with 38 " Intangible assets" (computer software) are recorded at historical cost less accumulated amortization. Amortization is calculated on straight line method using the rate of 20.00% (estimated five years useful life).

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, 2021 and consistent with the past practice.

3.07.02 Deferred Tax

Deferred Tax has been accounted for as per International Accounting Standard (IAS)-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 December 31, 2021. 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 2021 has been stated as post balance sheet events in note 47.00.

3.10 Related party disclosure

As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party disclosures have been given in note-53 .

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 Financial Institutions Regulations, 1994
- i) The Income Tax Ordinance 1984;
- j) The VAT and Suplimentary Duty Act 2012.
- k) The VAT and Suplimentary Duty Rule 2016.
- l) The 1st Schedule (under section 38) of Banking Companies Act 1991 for preparation of Financial Statements.

3.12 Compliance of International Accounting Standard (IAS) & International Financial Reporting Standard (IFRS)

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

Name of the IAS	IAS No	Status of Compliance
Presentation of Financial Statements	IAS-01	Applied
Inventories	IAS-02	Not Applicable
Cash Flow Statements	IAS-07	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	IAS-08	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Segment Reporting	IAS-14	Not Applicable
Property, Plant & Equipment	IAS-16	Applied
Leases	IAS-17	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not Applicable
The Effect of Changes in Foreign Exchange Rates	IAS-21	Not Applicable
Borrowing Costs	IAS-23	Applied
Related Party Disclosure	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Consolidated and Separate Financial Statements	IAS-27	Not Applicable
Investments in Associates and Joint Ventures	IAS-28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS-29	Not Applicable
Interest in Joint Venture	IAS-31	Not Applicable
Financial Instrument Presentation	IAS-32	Applied
Earnings Per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable
First Time adoption of IFRS	IFRS-1	Not Applicable
Share Based Payment	IFRS-2	Not Applicable
Business Combination	IFRS-3	Not Applicable
Insurance Contracts	IFRS-4	Not Applicable
Non-current Assets held for Sale and Discontinued Operations	IFRS-5	Not Applicable
Explanation for and Evaluation of Mineral Resources	IFRS-6	Not Applicable
Financial Instruments: Disclosures	IFRS-7	Applied*
Operating Segments	IFRS-8	Applied
Financial Instruments	IFRS-9	Applied*
Consolidated Financial Statements	IFRS-10	Not Applicable
Joint Arrangements	IFRS-11	Not Applicable
Disclosure of Interests in Other Entities Financial Institutions	IFRS-12	Not Applicable
Fair Value Measurement	IFRS-13	Applied*
Revenue from Contracts with customers	IFRS-15	Applied
Leases	IFRS-16	Applied

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.03).

3.13 Financial risk management

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

Credit Risk

The Credit Risk Management Committee (CRM) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CRM critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at NHFIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Market Risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. NHFIL has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Operational Risk

Appropriate internal control measures are in place, at NHFIL, to address operational risks. NHFIL has also established an Operational Risk Management (ORM) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of the ORM department is to exercise constant vigilance against erosion of Shareholders' value by identifying, assessing, measuring and managing operational risk resulting from inadequate or failed internal processes, people and systems or from external events.

Money Laundering and Terrorist Financing Risk

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

- a) Business risk which is the risk that NHFIL may be used for money laundering or for the financing of terrorism and
- b) Regulatory risk which is the risk that NHFIL fails to meet regulatory obligations under the Money Laundering Prevention Act, 2012 (subsequently amended in 2015) and the Anti-Terrorism Act, 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, NHFIL, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

- a) Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing.

- b) A dedicated structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance.
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU.
- d) Independent audit functions, including internal and external audit, to test the programs.
- e) Ongoing employee training programs.

Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are:

Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the minimum steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.

NHFIL has been managing strategic risks ever since its inception. This is evident from the constantly evolving business model of the company over the years. The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the NHFIL Board. Over the past few years, a separate Strategic Planning department has been set up to assist senior management in this regard.

Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

Historically, NHFIL has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the NHFIL code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel.

Reputation Risk

Reputation risk may be defined as the risk of loss arising from damages to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

NHFIL has already established a set of non-financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

Environmental & Social Risk

As the best financial brand in promoting sustainable business practices, NHFIL have adopted Environmental & Social Risk Management System as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from our financial footprints. NHFIL is one of the front runners to add “Environmental & Social Management System (ESMS)” within its framework, to minimize environmental & social risks from the organizational activities. NHFIL also have a dedicated E & S team to rollout the operations of ESMS across the organization, capacity building of the business unit as well as the credit risk management officials to strengthen the core of our in E & S Risk management.

ICT Risks

Risks arising due to system breakdown, non-availability of systems, errors and disruptions or not keeping pace with the technological changes, there was continuous monitoring of employees and users of ICT systems to ensure strict adherence to information security policies, pertaining to safeguard confidentiality of information and to secure accuracy of information. Company's IT Department conducted a comprehensive staff training program on information system security awareness to all users. NHFIL is in process to implement fully automated software having adequate safety & security measures.

Future technological needs of the Company is to be reviewed and identified as a part of the strategic plan development process for next three financial years. IT department reviewed policies in relation to, hardware and software procurement and maintenance procedures, business contingency plan on ICT, system licensing procedures etc.

4.00 Cash

Cash in hand:

Local currency

Foreign currencies

Balance with Bangladesh Bank and its agent Bank:

Local currency

Foreign currencies

2021 Taka	2020 Taka
40,358	47,790
-	-
40,358	47,790
209,358,124	185,018,179
-	-
209,358,124	185,018,179
209,398,482	185,065,969

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

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institutions Act, 1993 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated 06 November 2003, FID Circular No. 02 dated 10 November 2004, DFIM Circular Letter No. 01, dated 12 January 2017 and DFIM Circular Letter No. 03, dated 21 June 2020.

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposit' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions) and Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bill, bond and any other assets approved by Government gazette or by Bangladesh Bank. 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

Actual reserve held

Surplus/(deficit)

200,452,125	181,307,727
209,358,124	185,018,179
8,905,999	3,710,452

4.01.02 Statutory Liquidity Reserve (SLR)

Required reserve

Actual reserve held (including CRR)

Surplus/(deficit)

696,520,158	670,477,746
3,282,459,965	3,211,628,498
2,585,939,806	2,541,150,753

5.00 Balance with banks and other financial institutions

5.01 In Bangladesh

On current accounts (note: 5.01.01)

On Short Term Deposit (STD) Accounts (note: 5.01.02)

On Fixed Deposit Account (note: 5.01.03)

7,175,187	6,899,149
819,927,654	616,564,128
2,660,000,000	1,986,518,938
3,487,102,841	2,609,982,215

Outside Bangladesh

-	-
3,487,102,841	2,609,982,215

5.01.01 On Current Accounts

AB Bank Limited
Agrani Bank Limited
Bank Asia Limited
Janata Bank Limited
EXIM Bank Limited
National Bank Limited
Woori Bank Limited
Trust Bank Limited
Mercantile Bank Limited
The City Bank Limited

181,050	181,050
368,481	505,820
3,793,411	4,632,257
1,430	11,983
906,759	908,179
1,255,709	484,264
269,580	20,305
10,910	11,600
387,856	143,691
-	-
7,175,187	6,899,149

2021
Taka

2020
Taka

5.01.02 On Short Term Deposit (STD) Accounts

Schedule Banks:

Islami Bank Bangladesh Limited	2,438,468	2,783,678
AB Bank Limited	179,482	179,089
Commercial Bank of Ceylon PLC	2,194,861	65,468
Dutch Bangla Bank Limited	601,777	919,983
Bank Asia Limited	7,807,008	1,441,858
Mutual Trust Bank Limited	95,956	136,511.55
Eastern Bank Limited	644,749	6,183,775
Exim Bank Limited	446,667,121	40,923,436
Jamuna Bank Limited	26,235,945	23,664,236
Jamuna Bank Limited (Unclaimed Dividend Account)	17,597	-
National Bank Limited	10,398,503	5,497,173
National Credit and Commerce Bank Limited	1,984,013	1,365,653
NRB Bank Limited	67,651,613	3,472,639
One Bank Limited	3,371,493	2,582,539
Prime Bank Limited	766,636	813,801
Premier Bank Limited	217,805	342,756
Pubali Bank Limited	2,063,900	378,203
Shahjalal Islami Bank Limited	1,111,158	2,925,640
Social Islami Bank Limited	1,030,127	1,308,177
Standard Bank Limited	1,249,722	346,038
Standard Chartered Bank Limited	99,096	249,370
Sonali Bank Limited	532,446	117,990
SBAC Bank Limited	155,928	107,510
Southeast Bank Limited	1,817,851	276,641,241
Trust Bank Limited	345,184	187,918
Dhaka Bank Limited	12,521,578	13,332,864
Padma Bank Limited	51,553	50,711
Uttara Bank Limited	34,069	2,258,642
Bank Alfalah Limited	551,984	52,329
Mercantile Bank Limited	1,504,697	2,349,565

Sub-Total

594,342,321

390,678,795

Non-Bank Financial Institutions:

International Leasing and Financial Services Limited	152,085,333	152,085,333
Premier leasing & Finance Limited	61,000,000	61,000,000
Fareast Finance Limited	12,500,000	12,800,000

Sub-Total

225,585,333

225,885,333

Total Short Term Deposit (STD) Accounts

819,927,654

616,564,128

	2021 Taka	2020 Taka
5.01.03 On Fixed Deposit Account		
Dhaka Bank Limited	-	500,000,000
One Bank Limited	200,000,000	-
Exim Bank Limited	230,000,000	216,518,938
Jamuna Bank Limited	-	50,000,000
NRBC Bank Limited	150,000,000	-
Uttara Bank Limited	-	150,000,000
SBAC Bank Limited	-	500,000,000
Social Islami Bank Limited	100,000,000	70,000,000
Agrani Bank Limited	1,980,000,000	500,000,000
	2,660,000,000	1,986,518,938
5.02 Maturity Grouping of Balance with other Banks and Financial Institutions		
On demand	827,102,841	623,463,277
Up to 3 (three) months	2,210,000,000	1,020,000,000
More than 3 (three) months but not more than 1 (one) year	450,000,000	966,518,938
More than 1 (one) year but not more than 5 (five) years	-	-
More than 5 (five) years	-	-
	3,487,102,841	2,609,982,215
6.00 Money at call and on short notice With Banking Companies		
	-	-
	-	-
7.00 Investments		
Government securities	454,620,200	661,207,674
Other investments (note: 7.01)	150,086,381	128,711,410
	604,706,581	789,919,084
7.01 Other Investments		
Preference Shares (Union Capital)	5,059,496	9,492,839
Ordinary Shares (note: 7.01.01)	145,026,885	119,218,571
	150,086,381	128,711,410

7.01.01 Investment in ordinary shares

Name of Company	Cost Price	Number of Shares	Cost Value	Market Price	Market Value as on 31.12.2021	Provision for diminution in value of share
Eastland Insurance Company Ltd.	41.45	400,000	16,581,678	38.70	15,480,000	1,101,678
Jamuna Bank Limited	22.40	200,000	4,479,016	23.40	4,680,000	(200,984)
Square Pharmaceuticals Limited	233.54	290,000	67,725,840	214.30	62,147,000	5,578,840
Confidence Cement Limited	157.47	10,000	1,574,710	121.90	1,219,000	355,710
IDLC Finance Limited	67.15	400,000	26,860,372	60.30	24,120,000	2,740,372
Krishibid Feed Limited	10.00	86,526	865,260	10.00	865,260	-
LankaBangla Finance Limited	44.41	315,000	13,990,112	37.30	11,749,500	2,240,612
Asian Tiger Sandhani Life Growth Fund	12.68	1,020,000	12,935,454	9.30	9,486,000	3,449,454
Ring Shing Textiles Limited	11.06	1,306	14,443	9.60	12,538	1,905
Preference shares (Unquoted)	-	-	-	-	-	5,059,496
Total			145,026,885		129,759,298	20,327,083

Provision for diminution in value of share

	2021 Taka	2020 Taka
Opening Balance	22,054,730	46,477,230
Charge /(recovery) during the year	(1,727,647)	(24,422,500)
Balance as on December 31	20,327,083	22,054,730

7.01.02 Maturity-wise Grouping

On demand
Up to 3 (three) months
More than 3 (three) months but not more than 1 (one) year
More than 1 (one) year but not more than 5 (five) years

2021 Taka	2020 Taka
150,086,381	119,218,571
-	9,492,839
-	-
454,620,200	661,207,674
604,706,581	789,919,084

8.00 Loans and advances

Mortgage loans
Lease finance
Term loans
Small & Medium Enterprises Loan
Loan Against Fixed Deposits
Staff loan (note: 8.05)

13,068,035,423	12,752,099,748
45,454,621	47,381,358
116,450,023	152,592,270
639,393,717	632,953,975
43,408,540	23,204,692
26,715,543	20,128,975
13,939,457,867	13,628,361,018

8.01 Maturity-wise Grouping of loans and advances

Up to 1 (one) months
Up to 3 (three) months
More than 3 (three) months but not more than 1 (one) year
More than 1 (one) year but not more than 5 (five) years
More than 5 (five) years

252,467,985	400,734,612
16,506,617	42,671,276
150,455,893	4,767,617,088
1,177,925,436	1,689,819,116
12,342,101,936	6,727,518,926
13,939,457,867	13,628,361,018

8.02 Loans, Advances and Leases In Bangladesh

Loans
Leases
Overdraft
Cash Credit

13,894,003,246	13,580,979,660
45,454,621	47,381,358
-	-
-	-
13,939,457,867	13,628,361,018

Outside Bangladesh

-	-
13,939,457,867	13,628,361,018

8.03 Geographical Location-wise Grouping In Bangladesh

Dhaka division
Chattogram division
Khulna division
Sylhet division
Barisal division
Rangpur division
Rajshahi division

10,933,345,640	10,807,428,541
1,015,085,412	956,342,525
-	-
-	-
-	-
628,127,262	613,118,811
1,362,899,554	1,251,471,140
13,939,457,867	13,628,361,018

Outside Bangladesh

-	-
13,939,457,867	13,628,361,018

8.04 Significant Concentration-wise Grouping

Directors & their related parties (Note: 53.00)

Staff:

Managing Director

Senior Executives

Others

Industries:

Agricultural loan

Large and medium enterprises

Small and cottage

Mortgage Loan

Home mortgage loan

Commercial mortgage loan

Project mortgage loan

Trade & commercial

8.05 Staff Loan

Personal loan

Car loan

8.06 Details of Large Loan

As at 31 December 2021 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 2,320.99 million and Taka 2,226.97 million respectively as at 2021 & 2020 respectively (note: 15.05).

8.07 Grouping as per Classification Rules

Unclassified:

Standard

Special Mention Account

Classified:

Sub-standard

Doubtful

Bad/loss

8.08 Loan Type-wise Classified Loan

Mortgage loans

Lease finance

Term Finance

Small & Medium Enterprises

	2021 Taka	2020 Taka
	-	-
	-	-
	26,715,543	20,128,975
	43,408,540	23,204,692
	70,124,083	43,333,667
	158,182,995	276,372,245
	639,393,717	553,079,074
	3,721,649	3,476,284
	801,298,361	832,927,603
	11,401,383,803	10,935,761,855
	1,306,132,690	1,440,117,102
	360,518,930	376,220,791
	13,068,035,423	12,752,099,748
	-	-
	13,939,457,867	13,628,361,018
	19,979,501	18,359,347
	6,736,042	1,769,628
	26,715,543	20,128,975
	12,422,549,852	12,641,686,794
	697,380,550	260,903,166
	13,119,930,402	12,902,589,960
	130,050,984	118,091,702
	116,749,440	116,098,061
	572,727,040	491,581,295
	819,527,465	725,771,058
	13,939,457,867	13,628,361,018
	461,610,673	424,729,707
	34,612,672	34,978,202
	66,745,756	74,499,082
	256,558,364	191,564,067
	819,527,465	725,771,058

8.09 Sector-wise Allocation of Loans, Advances and Leases

Government

Private:

Mortgage loan

Industry

Term Finance

Commercial loan

SME Loan

Miscellaneous

2021
Taka

2020
Taka

11,761,902,733	11,311,982,646
45,454,621	47,381,358
116,450,023	152,592,270
1,306,132,690	1,440,117,102
639,393,717	632,953,975
70,124,083	43,333,667
13,939,457,867	13,628,361,018

8.10 Securities Against Loans, Advances and Leases

Collateral of moveable/immoveable assets

Fixed Deposit Receipts (FDR)

Fixed Deposit of other banks

Personal guarantee

Others

13,869,333,784	13,585,027,351
43,408,540	23,204,692
-	-
26,715,543	20,128,975
-	-
13,939,457,867	13,628,361,018

8.11 Particulars of Required Provision for Loans, Advances and Leases

2021
Taka

2020
Taka

Status	Outstanding Loans, Advances and Leases as at 31.12.2021	Base for Provision	Rate of Required Provision	Required Provision	Required Provision
For Loans, Advances and Leases:					
Unclassified-General Provision:					
All unclassified Loans	12,128,925,240	12,128,925,240	1.00%	123,221,945	125,135,370
Unclassified SME loan	293,624,612	293,624,612	0.25%	734,062	918,517
Additional provision on unclassified loan as per Bangladesh Bank Guideline		-	2.00%	29,457,877	
Special Mention Account (SMA)	697,380,550	622,358,104	5.00%	31,117,906	11,820,925
Sub-total:	13,119,930,402	13,044,907,956		184,531,790	137,874,812
Classified-Specific Provision:					
Sub-standard	130,050,984	49,534,454	20.00%	9,906,892	12,326,489
Doubtful	116,749,440	32,304,887	50.00%	16,152,446	4,552,337
Bad/Loss	572,727,040	145,952,100	100.00%	145,952,100	77,993,470
Sub-total:	819,527,465	227,791,441		172,011,438	94,872,297
Grand-total:	13,939,457,867	13,272,699,398		356,543,228	232,747,109

8.12 Particulars of Loans, Advances and Leases

Loans considered good in respect of which the Company is fully secured

Loans considered good against which the Company holds no security other than debtors' personal guarantee

Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors

Loans adversely classified-no provision not maintained there against

Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons

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 at 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 person

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

Classified loans, advances and leases:

a) Classified loans, advances and leases on which interest has not been charged (Note-8.07)

b) Loans written off

c) Realized from previous written off

d) Provision on bad loans, advances and leases

e) Interest credited to the interest suspense account (Note-14.05)

f) Cumulative amount of the written off loans/Leases:

Opening balance

Amount written off during the year

Cumulative to date

Recovery from write-off

Written off loans for which law suit filed

	2021 Taka	2020 Taka
	13,912,742,324	13,608,232,043
	19,979,501	18,359,347
	6,736,042	1,769,628
	-	-
	13,939,457,867	13,628,361,018
	26,715,543	20,128,975
	-	-
	-	-
	-	-
	-	-
	-	-
	572,727,040	491,581,295
	-	16,719,641
	-	-
	172,011,438	94,872,297
	306,727,246	225,578,590
	316,136,785	299,417,144
	-	16,719,641
	316,136,785	316,136,785
	-	-
	316,136,785	316,136,785

8.13 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 2021

Cost

Opening balance

Add: Addition during the year (Annexure - A)

Less: Disposed during the year (Annexure-A)

Balance as on 31.12.2021

Less: Accumulated depreciation (9.02)

Written down value as on 31.12.2021

	423,931,620	398,735,944
	11,519,866	25,195,676
	435,451,486	423,931,620
	-	-
	435,451,486	423,931,620
	(123,899,677)	(104,271,118)
	311,551,809	319,660,502
	104,271,118	85,148,058
	19,628,559	19,123,060
	123,899,677	104,271,118
	-	-
	123,899,677	104,271,118

9.02 Accumulated depreciation

Opening balance

Add: Depreciation charged during the year

Less: Adjustment during the year

Balance as on 31.12.2021

For details please refer to Annexure - A

	2021 Taka	2020 Taka
10.00 Other assets		
Income Generating Other Assets:	-	-
Non-income Generating Other Assets:		
Advance against fixed assets (note: 10.03)	-	240,000
Security deposits	594,460	594,460
Advance income tax (note: 10.01)	320,374,157	134,197,295
Advance against branch office	-	-
Advance against office rent (note: 10.04)	-	-
Stamp & Security Paper	594,057	587,200
Other receivables (note: 10.02)	185,440,084	113,962,152
	507,002,758	249,581,107
10.01 Advance Income Tax		
Balance as at 1st January	134,197,295	315,690,434
Add: Advance tax for the year:		
Tax paid during the year	170,213,048	95,614,674
Tax deducted at source	15,963,814	33,730,081
Less: Adjusted against tax provision	-	(310,837,894)
	186,176,862	(181,493,139)
Balance as at 31 December	320,374,157	134,197,295
10.02 Other Receivables		
Cheque dishonored charges	192,755	272,460
Accounts receivable	92,799,468	66,766,370
Interest on bank deposits	44,302,923	29,049,879
Receivable from Dhaka Stock Exchange Ltd.	22,083,930	-
Receivable from Multi Securities	5,320	5,770
Receivable from ETBL Securities	102,576	13,100
Receivable from UFT Co. Ltd	9,079,076	1,019,279
Legal charges receivable	16,246,759	16,300,539
Others	627,278	534,755
	185,440,084	113,962,152
10.03 Advance against fixed assets		
Opening balance	240,000	9,854,000
Add: Advance payment	-	-
Less : Transfer to fixed assets	240,000	9,614,000
	-	240,000
10.04 Advance against office rent		
Opening balance	-	1,629,501
Add: Advance payment	-	-
Less : Adjustment for the year	-	1,629,501
	-	-
11.00 Non-banking assets	-	-

12.00 Borrowing from banks, other financial institutions and agents

Secured

In Bangladesh:

Secured Overdraft

Banking companies:

Eastern Bank Limited

Mercantile Bank Limited

SBAC Bank Limited

Exim Bank Limited

Uttara Bank Limited

Pubali Bank Limited

Mutual Trust Bank Limited

Non-banking financial institution

Outside Bangladesh

Sub-total:

Term Loan :

Banking companies:

Agrani Bank Limited

Woori Bank Limited

Eastern Bank Limited

Non-banking financial institution

Outside Bangladesh

Sub-total:

Bangladesh Bank Loan:

SME loan

HML Refinance Scheme

Secured loan from others

Sub-total:

Un-secured

Money at call and on short notice: (note-12.02)

Banking companies:

Non-banking financial institution

Un-secured

Short term borrowing

Banking companies:

Total:

2021 Taka	2020 Taka
312,311	237,586
587,533	89,517
-	-
-	-
-	40,586
567,786	237,782
-	3,021
1,467,630	608,493
-	-
1,467,630	608,493
-	-
1,467,630	608,493
33,225,187	226,554,052
162,000,000	162,000,000
27,872,921	193,008,841
223,098,109	581,562,893
-	-
223,098,109	581,562,893
-	-
223,098,109	581,562,893
41,584,173	86,243,847
153,318,960	181,315,605
462,723,188	-
657,626,321	267,559,452
-	-
-	-
-	-
-	-
-	-
-	-
882,192,060	849,730,838

	2021 Taka	2020 Taka
12.01 Remaining Maturity Grouping of Borrowing		
Payable on demand	-	-
Up to 1 (one) month	475,058,600	23,690,839
Over 1 (one) month to 3 (three) months	35,000,000	68,329,859
Over 3 (three) months to 1 (one) year	230,000,000	417,001,489
Over 1 (one) year to 5 (five) years	142,133,460	326,568,112
More than 5 (five) years	-	14,140,539
	882,192,060	849,730,838
12.02 Money at call and on short notice		
Money at call and on short notice normally ranges between 1-3 days. At the closing date of 31 December 2021, all Money at call and on short notice had been paid for, resulting in zero balance.		
13.00 Deposits and other accounts		
Bank Term deposits	500,000,000	500,000,000
Customer deposits	13,917,204,471	12,999,364,530
Other deposits (note: 13.02)	3,833,858	11,549,592
	14,421,038,329	13,510,914,122
13.01 Remaining Maturity Grouping of Deposits and Other Accounts		
Payable on demand	3,604,267	9,246,495
Within 1 (one) month	790,361,204	29,077,246
Over 1 (one) month to 6 (six) months	1,333,864,074	5,202,496,285
Over 6 (six) months to 1 (one) year	299,888,076	2,608,796,282
Over 1 (one) year to 5 (five) years	11,837,268,638	2,067,694,960
Over 5 (five) years to 10 (ten) years	148,710,040	3,593,602,854
More than 10 (ten) years	7,342,030	-
	14,421,038,329	13,510,914,122
13.02 Other Deposits		
Home mortgage loan deposit	730,354	730,354
Margin deposit	1,426,390	2,076,260
Refundable share money deposit	-	6,210,394
Lease deposit	1,677,114	2,532,584
	3,833,858	11,549,592
14.00 Other liabilities		
Provision for loans, advances ,investments and others(note: 14.01 to 14.04)	385,283,568	306,128,498
Interest suspense (note: 14.05)	306,727,246	225,578,590
Provision for gratuity (note: 14.06)	-	-
Withholding tax payable	1,252,240	1,109,180
VAT & Excise duty payable	698,222	675,089
Provision for current tax (note: 14.07)	443,566,929	256,882,433
Provision for deferred tax (note: 14.09)	4,315,528	16,070,191
Interest payable (note: 14.11)	392,681,637	467,440,698
Accrued expenses (note: 14.10)	316,250	287,500
Unclaimed dividend (note: 14.12)	3,854,342	17,105,570
Lease liabilities (note: 14.13)	4,208,499	4,386,049
Accounts Payable	11,114,337	10,549,669
Sundry deposit	19,737,205	19,219,564
Sundry liabilities	-	-
	1,573,756,003	1,325,433,030

	2021 Taka	2020 Taka
14.01 Specific Provision on Loans, Advances		
Balance as at 1st January	112,712,642	87,076,146
Less: Fully provided debt written off	-	(13,661,666)
Provision after written off	112,712,642	73,414,479
Add: Provision made during the year	79,344,815	46,936,894
Less: Provision recovered	(10,515,608)	(7,638,731)
Net charge in the profit & loss account	68,829,207	39,298,163
Add: Recoveries of amounts previously written off	-	-
Less: Written off of provision no longer required	-	-
Provisions held at 31 December	181,541,849	112,712,642
14.02 General Provision on Loans, Advances and Leases		
Balance as at 1st January	155,034,465	124,624,763
Add: Provision made during the year	21,611,993	40,600,570
Less: Provision recovered	(1,645,080)	(10,190,868)
Net charge in the profit & loss account	19,966,913	30,409,702
Balance as at 31 December	175,001,378	155,034,465
14.03 Provision on investments in share		
Balance as at 1st January	22,054,731	46,477,231
Add: Provision made during the year	5,059,496	-
Less: Provision recovered	(6,787,143)	(24,422,500)
Net charge in the profit & loss account	(1,727,647)	(24,422,500)
Balance as at 31 December	20,327,084	22,054,731
14.04 Provision on others		
Balance as at 1st January	16,326,660	14,598,995
Add: Provision made during the year	-	1,791,982
Less: Provision recovered	(7,913,403)	(64,317)
Net charge in the profit & loss account	(7,913,403)	1,727,665
Less: Fully provided debt written off	8,413,257	16,326,660
Provisions held at 31 December	8,413,257	16,326,660
14.05 Interest Suspense Account		
Balance as at 1st January	225,578,590	187,857,462
Add: Interest suspense charged during the year	1,124,621,211	741,141,700
Less: Interest suspense realized during the year	(1,043,472,554)	(700,362,598)
Net charge in the profit & loss account	81,148,656	40,779,102
Less: Interest written off	306,727,246	228,636,564
Balance as at 31 December	306,727,246	225,578,590

Interest suspense amount includes reserve amount of Tk. 60,834,190 of International Leasing and Financial Services Limited as per Bangladesh Bank Letter No. DFIM(C) 1054/43/2020-1065 dated: 14-07-2020.

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	316,136,785	299,417,144
Net loans/leases written-off during the year	-	16,719,641
No. of agreements written-off	24	24
No. of clients written-off	19	19
Interest suspense against written-off loans/leases	-	(3,057,974)
Provision adjusted against written-off loans/leases	-	(13,661,666)
Recovery of loans/leases write-off loans/leases	-	-
Balance of loans/leases written-off at 31 December 2021	316,136,785	316,136,785

	2021 Taka	2020 Taka
14.06 Provision for Gratuity		
Balance as at 1st January	-	-
Add: Provision made during the year	5,544,016	2,968,848
Less: Payment made during the year	(5,544,016)	(2,968,848)
Less: Provision written back during the year	-	-
Balance as at 31 December	-	-
14.07 Provision for Current Tax		
Balance as on 1st January	256,882,433	408,316,477
Add: Provision made during the year (note-14.07.01)	186,684,496	152,139,166
Less: Short/(Excess) provision for the year 2019, 2018 & 2017	-	7,264,683
Less: Adjustment of advance tax	-	(310,837,894)
Balance as at 31 December	443,566,929	256,882,433
14.07.01 Provision made during the year		
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 37.50% on taxable income.		
14.08 Provision for taxation Net Charged for in the Profit & Loss Account		
Current tax (note: 14.07)	186,684,496	159,403,849
Add/ (less): Deferred tax	(11,754,663)	2,562,103
	174,929,833	161,965,953
14.08.01 Average effective tax rates		
The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".		
Tax expenses (A)	174,929,833	161,965,953
Accounting profit before tax (B)	436,218,676	483,359,330
Average effective tax rate (A÷B)	40.10%	33.51%
14.08.02 Reconciliation of effective tax rate:		
Tax using the company's tax rate	37.50%	37.50%
Tax effect of:		
Provision for non-deductible expenses	-1.88%	-1.88%
Adjustment/provision released during the year	7.73%	3.14%
Recovery from business write-off	0.00%	0.00%
Capital gain from sale of Govt. Securities	-0.93%	-6.52%
Other components of tax as per ITO 1984	-1.07%	0.67%
Difference between accounting and tax depreciation.	-1.25%	0.59%
Effective tax rate	40.10%	33.51%
14.09 Deferred tax liability		
Balance as at 1st January	16,070,191	13,508,087
Deferred tax income/(Expenses)	(11,754,663)	2,562,103
	4,315,528	16,070,191
14.09.01 Calculation of deferred tax		
Carrying amount of Fixed Assets (excluding land)	246,331,816	254,440,509
Tax base value of Fixed Assets	234,823,743	211,586,668
Taxable temporary difference	11,508,074	42,853,842
Applicable tax rate	37.50%	37.50%
Deferred tax assets on fixed assets	4,315,528	16,070,191

14.10 Accrued Expenses

Promotion and publicity
Audit fees
Sundry creditors

2021 Taka	2020 Taka
-	-
316,250	287,500
-	-
316,250	287,500

14.11 Interest payable

Opening balance
Add: Interest charge during the year
Less : Interest paid during the year

467,478,487	556,829,074
972,019,341	1,229,388,812
(1,046,816,191)	1,318,739,398
392,681,637	467,478,487

14.12 Unclaim dividend

Opening balance
Add: Dividend declared
Less : Adjustment for the year

17,105,570	15,527,319
175,546,800	117,031,200
(188,798,028)	115,452,949
3,854,342	17,105,570

14.13 Lease Liability

Opening balance
Add: Lease liability during the year
Less: Lease liability adjustment during the year

4,386,049	-
-	-
(177,550)	4,386,049
4,208,499	4,386,049

Movement of lease liabilities has been included due to implementation of IFRS-16 Leases (office rent).

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
---------------	---------------

15.02 Issued, Subscribed and fully Paid-up Capital:

117,031,200 ordinary shares of Tk.10 each

1,170,312,000	1,170,312,000
----------------------	----------------------

% of holding:

Sponsors
General public

62.21%	70.13%
37.79%	29.87%
100.00%	100.00%

Number of holding:

Sponsors
General public

72,807,361	82,068,521
44,223,839	34,962,679
117,031,200	117,031,200

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	2603	449,369	0.38%
501 to 5,000	2631	5,305,113	4.53%
5,001 to 10,000	463	3,555,387	3.04%
10,001 to 20,000	312	4,526,977	3.87%
20,001 to 30,000	88	2,215,544	1.89%
30,001 to 40,000	42	1,507,629	1.29%
40,001 to 50,000	21	1,007,181	0.86%
50,001 to 100,000	53	3,895,066	3.33%
100,001 to 1,000,000	63	17,311,626	14.79%
Above 1,000,000	20	77,257,308	66.01%
Total:	6296	117,031,200	100.00%

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

15.04 Capital Requirement

As per the Section 4(GHA) of the Financial Institutions Rule, 1994 and subsequently updated vide DFIM circular no. 05 dated July 24, 2011 of Bangladesh Bank, an NBFIs 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 NBFIs. 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:

	2021 Taka	2020 Taka
Core capital (paid-up capital, retained earnings & statutory reserve etc.)	2,182,233,947	2,096,491,904
Less: Required minimum capital	(1,000,000,000)	(1,000,000,000)
Surplus over minimum required capital	1,182,233,947	1,096,491,904
Core capital (paid-up capital, retained earnings & statutory reserve etc.)	2,182,233,947	2,096,491,904
Add: Provision on good loan/leases	175,001,378	155,034,465
Total capital	2,357,235,325	2,251,526,369
Less: Required minimum capital	(1,000,000,000)	(1,000,000,000)
	1,357,235,325	1,251,526,369

15.05 Capital Adequacy Ratio-As per BASEL-II

1. Tier-1 (Core Capital)

1.1 Fully Paid-up Capital/Capital Deposited with BB	1,170,312,000	1,170,312,000
1.2 Statutory Reserve	630,437,167	578,179,399
1.3 Non-repayable share premium account	-	-
1.4 General Reserve	-	-
1.5 Retained Earnings	381,484,780	348,000,505
1.6 Minority interest in Subsidiaries	-	-
1.7 Non-Cumulative irredeemable Preference shares	-	-
1.8 Dividend Equalization Account	-	-
1.9 Others (if any item approved by Bangladesh Bank)	-	-
1.10' Sub-Total (1.1 to 1.9)	2,182,233,947	2,096,491,904

Deductions from Tier-1 (Core Capital)

1.11 Book Value of Goodwill and value of any contingent assets which are shown as assets	-	-
1.12 Shortfall in provisions required against classified assets	-	-
1.13 Shortfall in provisions required against investment in shares	-	-
1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.15 Any investment exceeding the approved limit.	-	-
1.16 Investments in subsidiaries which are not consolidated	-	-
1.17 Increase in equity capital resulting from a securitization exposure	-	-
1.18 Other (if any)	-	-
1.19 Sub-Total (1.11 to 1.18)	-	-
1.20' Total Eligible Tire-1 Capital (1.10-1.19)	2,182,233,947	2,096,491,904

2. Tier-2 (Supplementary Capital)

2.1 General Provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	138,765,661	130,474,143
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	-	-
2.6 Other (if any item approved by Bangladesh Bank)	-	-
2.7 Sub-Total (2.1 to 2.6)	138,765,661	130,474,143
2.8 Applicable Deductions if any	-	-
2.9 Total Eligible Tire-2 Capital (2.7-2.8)	138,765,661	130,474,143

Total Capital

Total risk weighted assets	12,419,406,669	11,682,868,552
Required minimum capital 10% of RWA or Tk. 100.00 crore, which is higher.	1,241,940,667	1,168,286,855
Surplus	1,079,058,941	1,058,679,191
Capital Adequacy Ratio	18.69%	19.06%

16.00 Statutory reserve

Balance as at 1st January

Reserve made during the year (note-16.01)

Balance as at 31 December

2021 Taka	2020 Taka
578,179,399	513,900,723
52,257,769	64,278,675
630,437,167	578,179,399
261,288,843	321,393,377
20%	20%
52,257,769	64,278,675

16.01 Reserve made during the year *

Net Profit/(loss) after taxation

Applicable Rate

*In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account. Statutory reserve has been created at the rate of 20.00% of the net profit as per Bangladesh Bank's guidelines.

17.00 Retained earnings

Balance as at 1st January

Add: Net profit after tax for the year

Less: Allocations:

Transferred to statutory reserve

Issue of Bonus Share

Dividend

Balance as at 31 December

348,000,505	207,917,003
261,288,843	321,393,377
609,289,348	529,310,380
(52,257,769)	(64,278,675)
-	-
(175,546,800)	(117,031,200)
(227,804,569)	(181,309,875)
381,484,780	348,000,505

18.00 Income statement

Income:

Interest, discount and other similar income (note: 19.00)
Dividend income (note: 21.00)
Fees, commission & brokerage (note: 22.00)
Gains less losses arising from investment in securities (note: 21.01)
Other operating income (note: 23.00)

Expenses:

Interest on borrowing, fees and commission (note: 20.00)
Losses on loan, advances and leases (note: 31.00)
Administrative expenses
Other operating expenses (note: 30.00)
Depreciation on banking assets (note: 29.00)

2021 Taka	2020 Taka
1,620,020,397	1,910,025,179
7,045,236	7,037,290
-	2,000
21,886,995	1,160,330
15,559,692	11,056,298
1,664,512,320	1,929,281,096
971,534,713	1,343,176,227
88,796,120	69,707,865
166,366,410	168,070,732
14,946,334	11,655,970
19,994,145	19,407,079
1,261,637,722	1,612,017,873
402,874,597	317,263,223
1,204,149,941	1,427,363,050
158,121,906	157,673,045
32,173,863	36,157,091
1,394,445,710	1,621,193,186
606,466	1,827,943
518,374	426,879
-	3,706,362
50,052,417	63,600,257
51,177,257	69,561,441
124,279,100	172,963,639
46,466,977	41,501,465
1,746,679	2,649,267
1,904,675	2,156,181
1,620,020,397	1,910,025,179
971,534,713	1,343,176,227
484,628	480,271
972,019,341	1,343,656,498
15,744,681	7,836,736
2,030,112	32,953,447
48,026,528	183,378,028
26,909,341	100,126,292
696,231	451,836
36,452	21,084
125,849	87,435
284,925	240,015
11,345,464	5,956,712
782,872,966	879,907,907
22,343,045	18,561,210
19,346,165	25,064,933
5,655,834	5,810,976
2,340,571	3,035,091
9,683,785	8,152,675
11,230,910	42,454,722
1,827,380	15,658,640
7,186,840	8,117,896
3,847,636	5,360,593
971,534,713	1,343,176,227

19.00 Interest income

Interest on mortgage loan:

Home mortgage loan
Commercial mortgage loan
Project mortgage loan

Interest on lease finance:

Industrial equipment
Vehicles
Delinquent interest
Interest on term finance

Interest on fixed deposits
Interest on short term deposit
Interest on loan against FDR
Interest on staff loan

20.00 Interest paid on deposits, borrowings etc.

Interest paid on deposits, borrowings (Note-20.01)
Interest Expenses-Lease Liability (Note-20.02)

20.01 Interest paid on deposits, borrowings

Call money interest
Secured overdraft interest
Term deposit interest
Term loan interest
Customer Deposit Int. - Kotipoti Scheme
Customer Deposit Int. - Education Pension Scheme
Customer Deposit Int. - Housing Deposit Scheme
Customer Deposit Int. - Mohila Savings Scheme
Customer Deposit Int. - Money Multiplier Scheme
Customer deposit interest - Term Deposit
Customer deposit interest - Income Account
Customer deposit interest - Double Money Account
Customer deposit interest - Triple Money Account
Customer deposit interest-MSS
Customer deposit interest-MLNR
Interest expenses on treasury bond
Interest expenses on Repo
HML refinance interest
SME loan interest

	2021 Taka	2020 Taka
20.02 Interest Expenses-Lease Liability	484,628	480,271
21.00 Investment Income		
Dividend Income (note- 21.01)	7,045,236	7,037,290
Interest income from treasury bond (note-21.02)	24,155,143	70,052,820
Capital gain on sale of Govt. Treasury Bond	10,838,323	84,019,832
Gains /losses from sale of shares (note-21.03)	21,886,995	1,160,330
	63,925,696	162,270,271
21.01 Dividend Income *		
Dividend on ordinary shares	5,986,226	5,474,304
Dividend on preference shares	1,059,010	1,562,986
	7,045,236	7,037,290
21.02 Interest income from treasury bond		
Interest income from treasury bond	24,155,143	70,052,820
	24,155,143	70,052,820
21.03 Gains /losses from sale of shares*		
Gain on sale of shares	31,480,892	2,275,457
Loss on sale of shares	(9,593,898)	(1,115,128)
	21,886,995	1,160,330
*The overall market condition of shares and securities deteriorated during the financial year, which had resulted in diminution of values of shares and securities and decreased payout of dividend from investments in share in various companies. Investment income has significantly decreased due to the aforesaid reason.		
22.00 Commission, exchange and brokerage		
Fees	-	2,000
	-	2,000
23.00 Other operating income		
Application, processing and documentation fees	15,180,661	10,757,885
Delinquent charge-MSS,MLNR etc.	3,075	8,810
Interest on call Money lending	-	-
Other income	375,956	289,603
	15,559,692	11,056,298
24.00 Administrative expenses		
24.01 Directors' fees and expenses		
This represents fees paid for attending board meetings and other committee meetings @ Tk. 8,000/- per attendance per person.	1,513,600	844,800
	1,513,600	844,800
24.02 Salaries and allowances		
Salary & allowances (note: 24.02.01)	110,441,783	107,129,579
Provident fund contribution	5,913,702	5,394,991
Gratuity	5,544,016	2,968,848
Bonus	11,787,662	9,980,851
	133,687,163	125,474,269
24.02.01 Salary & allowances		
This includes managerial remuneration of Taka 86.90 million and balance amount Taka 46.79 million is on account of staff salary, bonus and other allowances. The number of employees including contract based employees were 197 and 182 for the year 2021 & 2020 respectively.		
24.03 Rent, taxes, insurance, electricity etc.		
Office maintenance	2,156,550	2,372,309
Office rent	3,636,714	3,567,556
Security Guard	992,697	840,514
City corporation Taxes	134,158	133,807
Electricity	2,924,020	2,589,915
Utilities	328,348	275,498
Membership fees	1,504,124	1,504,124
Subscription & Donation	19,122	17,750
CSR activities	361,500	826,950
Insurance (note: 24.03.01)	1,030,337	1,330,645
	13,087,570	13,459,068

2021
Taka
2020
Taka
24.03.01 Insurance

Taka 809,158 being premium paid for insurance coverage against damages/loss of the Company's fixed assets by fire, earthquake etc.

24.04 Legal expenses

Legal and professional
Legal charges

250,500	259,125
-	-
250,500	259,125

25.00 Postage, stamps, telecommunication etc.

Courier
Postage
Stamps & security paper
Telephone, fax & e-mail

114,365	90,821
60,669	36,123
-	-
2,534,273	2,468,001
2,709,307	2,594,945

26.00 Stationary, printing, advertisement etc.

Printing
Stationery
Business Commission
Promotion & publicity

787,955	1,118,823
1,218,462	1,005,352
3,823,128	2,747,451
2,882,474	13,079,399
8,712,019	17,951,025

27.00 Managing Director's salary and fees

Salary & allowances
Provident fund contribution
Bonus

5,186,130	6,240,000
303,871	360,000
600,000	600,000
6,090,001	7,200,000

28.00 Auditors' fees

316,250	287,500
----------------	----------------

29.00 Depreciation on and repairs to assets
Depreciation:

Building
Newly acquired Building
Furniture
Office equipment
Intangible Assets
Right-of-Use Asset for Lease Rent
Motor vehicle

637,149	3,760,463
5,839,834	2,985,678
2,594,415	2,760,516
4,548,151	4,480,233
2,100,000	1,470,000
3,015,383	2,549,137
893,627	1,117,033

Repair and maintenance

19,628,559	19,123,060
365,586	284,019
19,994,145	19,407,079

Movement of depreciation and repair of assets (Right use of lease assets) have been included due to implementation of IFRS-16 Leases (office rent).

30.00 Other expenses

Traveling expenses
Conveyance bill
Training
Bank charges and excise duty
Books, periodicals and others
Office refreshments
Motor car
Office general expenses
AGM Expenses
Trade License Fees
Computer Software Expenses
Investment expenses share

165,330	193,656
3,024,428	2,294,930
12,750	55,986
2,306,281	1,773,216
-	-
1,842,394	1,674,064
5,919,782	4,395,269
1,216,638	784,904
91,634	118,797
181,528	208,259
145,000	136,500
40,569	20,390
14,946,334	11,655,970

	2021 Taka	2020 Taka
31.00 Provisions for loan and advances		
For classified loans, advances and leases	68,829,207	39,298,163
For unclassified loans, advances and leases	19,966,913	30,409,702
	88,796,120	69,707,865
31.01 Provision for investments		
Made during the year	5,059,496	-
Recovery during the year	(6,787,143)	(24,422,500)
	(1,727,647)	(24,422,500)
31.02 Others		
Provisions for legal charges	(7,814,773)	1,791,982
Provisions for other (salary) charges	10,805,809	10,191,109
Provisions for cheque dishonored & clearing charges	(98,630)	(64,317)
	2,892,406	11,918,774
32.00 Earnings per share		
a) Earnings attributable to the ordinary shareholders(Taka)	261,288,843	321,393,377
b) Number of ordinary shares outstanding during the year	117,031,200	117,031,200
c) Weighted average number of ordinary shares outstanding during the year	117,031,200	117,031,200
d) Basic earnings per share (a/c)	2.23	2.75
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 2021 as per IAS-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.		
33.00 Interest receipts in cash		
Interest income from loans, advances & leases	1,620,020,397	1,910,025,179
(Increase)/decrease in interest receivable on loans, advances and leases	-	-
(Increase)/decrease in other receivable	(15,253,044)	83,769,653
	1,604,767,353	1,993,794,832
34.00 Interest payments		
Total interest expenses (note: 20.00)	971,534,713	1,343,176,227
Add: Opening balance of interest payable	467,440,698	556,829,074
Less: Closing balance of interest payable	(392,681,637)	(467,440,698)
	1,046,293,774	1,432,564,604
35.00 Fees and commissions receipts in cash		
Fees, commission and brokerage (note: 22.00)	-	2,000
Add: Opening balance of fees, commission and brokerage	-	-
Less: Closing balance of fees, commission and brokerage	-	-
	-	2,000
36.00 Cash payments to employees		
Staff salaries and allowances (note: 24.02)	133,687,163	125,474,269
Managing Director's salaries and allowances (note: 27.00)	6,090,001	7,200,000
Add: Opening balance of staff dues	10,549,669	5,333,355
Less: Closing balance of staff dues	(11,114,337)	(10,549,669)
	139,212,496	127,457,955

	2021 Taka	2020 Taka
37.00 Cash payments to suppliers		
Printing, stationary and advertisement etc. (note: 26.00)	8,712,019	17,951,025
Postage, stamps, telecommunication etc. (note: 25.00)	2,709,307	2,594,945
Repair & maintenance (note: 29.00)	365,586	284,019
Add: Opening balance of suppliers dues	-	-
Less: Closing balance of suppliers dues	-	-
	11,786,912	20,829,989
38.00 Receipts from other operating activities		
Other operating income (note: 23.00)	15,559,692	11,056,298
Profit on sale of share (note: 21.01)	31,480,892	2,275,457
Loss on sale of share (note: 21.01)	(9,593,898)	(1,115,128)
	37,446,687	12,216,628
39.00 Payments for other operating activities		
Directors' fees	1,513,600	844,800
Legal expenses	250,500	2,607,949
Auditor's fees	316,250	287,500
Office occupancy cost	6,785,961	6,780,379
City Corporation Taxes	134,158	133,807
Electricity	2,924,020	2,589,915
Utilities	328,348	275,498
Insurance	1,030,337	1,330,645
Other expenses (note: 30.00)	14,946,334	11,655,970
Add: Opening balance of outstanding payable	287,500	287,500
Less: Closing balance of outstanding payable	(316,250)	(287,500)
	28,200,758	26,506,463
40.00 Increase/(Decrease) of other deposits		
Closing balance:		
Term deposits	14,417,204,471	13,499,364,530
Other deposits	3,833,858	11,549,592
	14,421,038,329	13,510,914,122
Opening balance:		
Term deposits	13,499,364,530	13,233,847,419
Other deposits	11,549,592	11,702,321
	13,510,914,122	13,245,549,740
	910,124,207	265,364,382
41.00 Sanction and disbursement		
Sanction	3,238,365,395	1,864,061,557
Disbursement	2,075,406,107	1,410,400,606
Undisbursed	1,162,959,288	453,660,951
41.01 Contingent liabilities (Other Commitments)		
Government	-	-
Directors	-	-
Bank and other Financial Institution	-	-
Other	1,162,959,288	453,660,951
In the normal course of business, the company makes various commitments, contracts and disbursements. No material losses are anticipated as a result of these transactions.		
During the year 2021 the company disclosed undisbursed sanctioned loan amount Tk. 1,162,959,288/- as off balance sheet item under the head of other commitment.		
42.00 Net Asset Value (NAV) per Share		
Net Asset (Total assets less total liabilities) (A)	2,182,233,947	2,096,491,904
Total number of ordinary shares outstanding (B)	117,031,200	117,031,200
Net Asset Value (NAV) per share (A ÷ B)	18.65	17.91

42.01 Net Operating Cash Flow Per Share (NOCFPS)

Net cash flow from operating activities (A)

Total number of ordinary shares outstanding (B)

Net operating cash flow from operating activities per share (A ÷ B)

2021 Taka	2020 Taka
1,077,433,555	592,006,020
117,031,200	117,031,200
9.21	5.06

*Increased of cash inflow from operating activities for the year ended 2021 was due to cash inflow from Loans and deposits from banks and other customers. As a result, net operating cash flow per share (NOCFPS) at the year ended of 30 December, 2021 Increased compare to year ended 2020.

43.00 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 was as under:

SL No	Name	Status with the Company	Status with the Committee	Educational Qualification
01	Mr. Abdul-Muyeed Chowdhury	Independent Director	Chairman	B.A (Hons), M.A.(DU)
02	Mr. Md. Kabir Reza	Director	Member	M.Com (Acc.), FCMA
03	Mr. Azmal Hossain	Director	Member	B.Com
04	Mr. Akhtar Ahmed	Director	Member	B.A (Hons), M.A.(DU), ACII (UK)

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with DFIM Circular no. 13 issued on October 26, 2011 by Bangladesh Bank and in accordance with Bangladesh Securities and Exchange Commission (BSEC) the condition No. 5 of the notification No. SEC/CMRRCD/2006-158/207/ Admin/80, dated June 3, 2018.

The company secretary is to act as the Secretary of the Audit Committee:

Meetings held by the committee during the year by date:	Meeting no	Held no
	47 th	14-Jan-21
	48 th	23-Mar-21
	49 th	5-May-21
	50 th	17-May-21
	51 st	26-Oct-21

5 (five) meetings of the audit committee were held during the year 2021 where it carried out the following tasks:

- 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.

43.01 Highlights of overall activities

Highlights of the overall activities of the Company as at end for the year ended 31st December, 2021 are furnished bellow:

SL #	Details	2021	2020
01	Paid-up Capital	1,170,312,000	1,170,312,000
02	Total Capital	2,182,233,947	2,096,491,904
03	Capital surplus/(deficit)	1,182,233,947	1,096,491,904
04	Total assets	19,059,220,338	17,782,569,894
05	Total deposits	14,421,038,329	13,510,914,122
06	Total loans, advances, leases & Others	13,939,457,867	13,628,361,018
07	Total contingent liabilities and commitments	1,162,959,288	453,660,951
08	Credit deposit ratio	96.66%	100.87%
09	Loan to Fund ratio	79.72%	82.81%
10	% of Classified loans against total loans and advances	5.88%	5.33%
11	Profit after tax and provisions	261,288,843	321,393,377
12	Amount of classified loans during the year	819,527,465	725,771,058
13	Provisions kept against classified loans	172,011,438	94,872,297
14	Provisions surplus/(deficit)	-	34,999,999
15	Cost of fund	7.74%	9.51%
16	Interest earnings assets	18,240,665,771	17,213,328,285
17	Non-interest earnings assets	818,554,567	569,241,609
18	Return on investments (ROI)	4.97%	7.06%
19	Return on assets (ROA)	1.42%	1.78%
20	Income from investments	63,925,696	162,270,271
21	Weighted average earnings per share	2.23	2.75
22	Price earning ratio	22.24	14.78
23	Return on equity (ROE)	12.21%	16.12%
24	Net asset value per share (NAV)	18.65	17.91

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, Gazipur, Chattogram, Bogura, Rangpur, Feni and Rajshahi in the year 2021.

46.00 Capital expenditure commitment

There was neither any outstanding contract nor any Board authorization for capital expenditure as at December 31, 2021.

47.00 Subsequent events-disclosure under IAS 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 235th Meeting held on 30 March, 2022 has recommended to the shareholders a cash dividend @ 16.00% i.e Taka 1.60 for every ordinary share (amounting to BDT 187,249,920) based on financial performance for the year ended 31 December, 2021. This will be considered for approval by the shareholders at the 23rd Annual General Meeting (AGM) to be held on 2nd June, 2022.

48.00 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.

48.01 Disclosure as required by FRC

Ref. no. 178/FRC/APR/2021/28(24) dated 23 December 2021 with further reference of DFIM circular no. 8 dated 17 August 2021.

National Housing Finance did not disburse or renew any loan in favor of any company or public interest entity after issuance of the said circular.

49.00 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.

50.00 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.49.70 and Tk.49.60 respectively in the DSE & CSE.

51.00 "Worker's Profit Participation Fund" (WPPF)

Ministry of Finance (MoF) and Bangladesh Bank (BB) have reviewed the law and proposed to the Ministry of Labor to exclude Banks and Non-Banking Financial Institutions from the requirements of the law regarding the provision of Worker's Profit Participation Fund and accordingly Ministry of Finance issued a letter on 14 February 2017 to the Ministry of Labor to waive Banks and Non-Banking Financial Institutions from the purview of the requirement(s) of the Bangladesh Labor Act 2013.

However, NHFIL maintain adequate retained earnings to keep required provision for Worker's Profit Participation Fund subject to the final clearance from the Ministry of Labor since the matter stands still unresolved.

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

53 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
Mr. Mahbubur Rahman Representing Eastland Insurance Co. Limited	Chairman	ETBL Holdings Limited	Chairman & CEO
		Eastern Trading (Bangladesh) Limited	Chairman & CEO
		ETBL Development Construction Limited	Chairman & CEO
		ETBL Securities & Exchanges Limited	Chairman & CEO
		Progressive Investments Limited (successors to the National Rubber Industries)	Chairman & CEO
		Century Cold Storage Limited	Chairman & CEO
		Eastland Insurance Co. Limited	Chairman
		International Publications Limited	Chairman
		Karnaphuli Fertilizer Co. Ltd. (KAFCO)	Director
Syed M. Altaf Hussain Representing Pragati Insurance Limited	Vice Chairman	Pragati Insurance Limited	Chairman
		WW Grains Corp. representing Cargill Inc. USA	CEO
		Sonic Allied Industries Limited	CEO
		WW Properties Limited	CEO
		The Daily Janata	Chairman
Mr. Md. Kazim Uddin Representing National Life Insurance Co. Limited	Director	National Life Insurance Company Limited	Chief Executive Officer
Mr. Akhtar Ahmed Representing Reliance Insurance Limited	Director	Reliance Insurance Limited	Chief Consultant
Mr. Muminul Haque Chowdhury Representing Borak Travels (Pvt.) Limited	Director	Borak Travels (Pvt.) Limited	Advisor
Mr. Azmal Hossain Representing Eastern Insurance Co. Limited	Director	Eastern Insurance Co. Limited	Vice Chairman
		Hashem Paper Mills Limited	Managing Director
Mr. Md. Kabir Reza FCMA Representing Square Pharmaceuticals Limited	Director	Square Pharmaceuticals Limited	Executive Director
Mr. A.K.M. Moinuddin FCA Representing Bangladesh Lamps Limited	Director	Bangladesh Lamps Limited	Consultant

Mr. Abdul-Muyeed Chowdhury	Independent Director	Tiger Tours Ltd.	MD & CEO
		Grameenphone Limited	Independent Director
		Summit Alliance Port Ltd.	Independent Director
		ACI Ltd.	Director
		ACI Formulations Ltd.	Independent Director
		PEB Steel Alliance Ltd	Independent Director
		MJL Bangladesh Limited	Director
		Omera Fuels Ltd.	Nominee Director
		Omera Petroleum Ltd.	Nominee Director
		Omera Cylinders Ltd.	Nominee Director
Mr. Siddiqur Rahman Choudhury	Independent Director	Omera Chemicals Ltd.	Nominee Director
		Social Marketing Company (SMC)	Director
		SMC Enterprise Ltd.	Director

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

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

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

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


53.05 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 International 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 Taka
National Bank Limited (Sponsor)	STD/CD account	(11,654,212)
National Life Insurance Co. Limited (Sponsor Director)	Term deposit	30,000,000
Pragati Insurance Limited (Sponsor Director)	Term deposit	22,021,184
Square Pharmaceuticals Limited (Sponsor Director)	Term deposit	3,500,000,000
Reliance Insurance Co. Limited (Sponsor Director)	Term deposit	200,000,000
Bangladesh Lamps Ltd. (Sponsor Director)	Term deposit	67,252,471



Md. Sarwar Kamal FCS
Company Secretary



Mohammad Shamsul Islam
Managing Director



Md. Kabir Reza, FCMA
Director



Mahbubur Rahman
Chairman

(Annexure-A)

FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES FOR 2021

Figures in Taka

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.21	Written down value as on 31.12.20
	Balance as on 01.01.21	Disposed during the year	Addition during the year	Balance as on 31.12.21		Balance as on 01.01.21	Adjustments for disposal	Charged during the year	Balance as on 31.12.21		
Land	65,219,993	-	-	65,219,993	-	-	-	-	-	65,219,993	65,219,993
Existing Building	39,289,100	-	-	39,289,100	10.00%	30,703,767	-	637,149	31,340,916	7,948,184	8,585,333
Newly acquired Building	211,494,142	-	-	211,494,142	3.00%	24,212,492	-	5,839,834	30,052,326	181,441,816	187,281,650
Furniture	40,871,359	-	1,099,505	41,970,864	10.00%	16,026,719	-	2,594,415	18,621,133	23,349,731	24,844,640
Office equipment	39,329,303	-	4,819,821	44,149,124	20.00%	21,408,372	-	4,548,151	25,956,523	18,192,601	17,920,931
Intangible Assets	7,350,000	-	3,150,000	10,500,000	20.00%	1,470,000	-	2,100,000	3,570,000	6,930,000	5,880,000
Right-use of lease Assets	8,008,958	-	2,450,540	10,459,498		2,549,137	-	3,015,383	5,564,520	4,894,978	5,459,821
Motor vehicle	12,368,765	-	-	12,368,765	20.00%	7,900,631	-	893,627	8,794,258	3,574,507	4,468,134
Total:	423,931,620	-	11,519,866	435,451,486		104,271,118	-	19,628,559	123,899,677	311,551,809	319,660,502

OUR BRANCH NETWORK

Principal Branch

National Plaza (8th Floor),
109, Bir Uttam C. R. Datta Road
(Ex-Sonargaon Road), Dhaka-1205.
☎ : +88 02 9632587-88, +88 02 9632590-93,
+88 09609200555 (Ext. 231)
🏠 : +88 02 9671016,
✉ : principal@nationalhousingbd.com

Motijheel Branch

Fazlur Rahman Center (2nd Floor),
72, Dilkusha C/A, Dhaka-1000.
☎ : +88 02 9567103, +88 02 9550071,
+88 09609200555 (Ext. 300)
🏠 : +88 02 9565493,
✉ : motijheel@nationalhousingbd.com

Gulshan Branch

Bashati Avenue (4th Floor),
Plot: 10, Road: 53,
Gulshan-2, Dhaka-1212.
☎ : +88 09609200556,
+88 09609200555 (Ext. 201)
✉ : gulshan@nationalhousingbd.com

Chattogram Branch

Aziz Court (11th Floor), 88-90, Agrabad C/A,
Chattogram.
☎ : +88 031 713803,
+88 09609200555 (Ext. 500)
🏠 : +88 031 713804
✉ : chittagong@nationalhousingbd.com

Bogura Branch

Jamil Shopping Center (3rd Floor),
Borogola, Bogura-5800.
☎ : +88 051 63994,
+88 09609200555 (Ext. 600)
🏠 : +88 051 62696
✉ : bogura@nationalhousingbd.com

Rangpur Branch

Nirala Complex (3rd Floor), House: 18,
Paira Chatter, Rangpur Sadar, Rangpur.
☎ : +88 0521 56381-2,
+88 09609200555 (Ext. 701)
🏠 : +88 0521 56382
✉ : rangpur@nationalhousingbd.com

Gazipur Branch

M.A.S. Square (6th Floor),
Chandona Chowrasta, Gazipur.
☎ : +88 02 49263465-67
+88 09609200555 (Ext. 400)
✉ : gazipur@nationalhousingbd.com

Feni Branch

Kazi Plaza (3rd Floor),
107, S.S.K. Road, Feni Sadar, Feni.
☎ : +88 0331 74503-4
+88 09609200555 (Ext. 800)
✉ : feni@nationalhousingbd.com

Rajshahi Branch

House: 37 (2nd Floor), Ghoramara, Boaliapara,
Rani Bazar, Boalia, Rajshahi.
☎ : +88 0721 771172-73
+88 09609200555 (Ext. 901)
✉ : rajshahi@nationalhousingbd.com

SALES CENTER

Signboard Sales Center

Samad Banu Tower (Ground Floor),
Signboard, Sidhirgonj, Narayanganj.
☎ : +88 01675512871

Mirpur Sales Center

Kamal Tower (1st Floor),
24/1, Pallabi, Mirpur-11½ Dhaka-1216.
☎ : +88 01673424655

OCCASIONS & EVENTS



22nd Annual General Meeting (Virtually).



MOU Signing with structural Engineers Ltd (SEL).



Celebration of International women's day.

OCCASIONS & EVENTS



MOU Signing with
Gemcon City Ltd.

Participation at REHAB
winter Fair 2021.

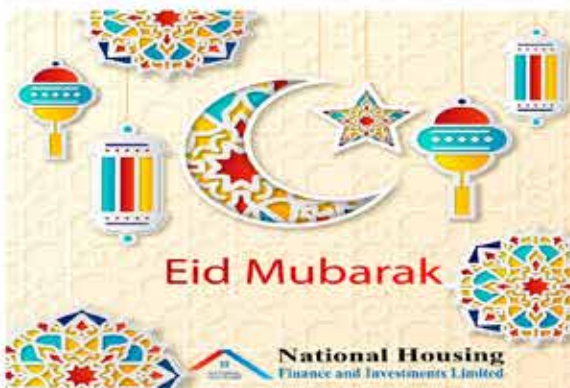


MOU signing with Union
Development Ltd.

Celebration of 23rd
Anniversary of
National Housing



Greeting





সহজ আলাপেই হয়ে যাক হোম লোন



যন্ত্রণের সোসাইটি

National Housing Finance and Investments Limited

কর্পোরেট হেড অফিস: কনকর্ড বক্স টাওয়ার (৮ম তলা) প্লট নং-১১-এ
রোড নং-৪৮, ব্লক-সি ডাব্লিউ এন (এ) গুলশান-২, ঢাকা-১২১২

Hotline: 88 09609 200555
www.nationalhousingbd.com



NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Registered Office: National Plaza (7th Floor) 109, Bir Uttam C.R. Datta 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 23rd Annual General Meeting of the Company
to be held on Thursday, June 2, 2022 at 12.00 noon (Dhaka time) and at any adjournment there of. As witness my hand
this.....day of..... 202.....

(Signature Shareholder)

(Signature of the proxy)

Register Folio no.

or

BO ID No.

No. of Share Held

Revenue
Stamp
Tk. 20

Note:

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited through email at share@nationalhousingbd.com of the company not later than 72 hours before the time fixed for the meeting.



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ATTENDANCE SLIP

Please fill-up the attendance slip and hand it over at the entrance of the hall.

I hereby record my attendance at the 23rd Annual General Meeting of the Company being held on Thursday, June 2, 2022 at 12.00 noon (Dhaka time) on digital platform.

Name of Member/Proxy

Register Folio no.

or

BO ID No.

(Signature
Shareholder/Proxy)

Corporate Head Office:

Concord Baksh Tower (7th Floor)
Plot: 11-A, Road: 48,
Block: CWN(A), Gulshan-2
Dhaka-1212
Phone: +88 09609 200 555
Fax: +88 02 588 11652
E-Mail: info@nationalhousingbd.com

Registered Office:

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