

**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 31<sup>st</sup> December 2022**



**Date: 17<sup>th</sup> April 2023**

<b>Contents</b>	<b>Page</b>
Independent Auditor's Report	1-10
Balance Sheet	11-12
Profit and Loss Account	13
Statement of Changes in Equity	14
Cash Flow Statement	15
Liquidity Statement	16
Notes to the Financial Statements	17-51
Fixed assets schedule (Annexure-A)	52



*Independent member firm of Key Will Group - Global Accounting and Consulting Network*

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><b>Classification</b></p> <p>The classification of loans &amp; 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 &amp; 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, DFIM Circular No. 1, dated 24<sup>th</sup> March, 2020 and DFIM Circular Letter No. 05, dated 26<sup>th</sup> August 2020, DFIM Circular No. 04, Dated 26<sup>th</sup> July 2021, DFIM Circular No. 09, Dated 14<sup>th</sup> September 2021, DFIM Circular Letter No. 33, Dated 19<sup>th</sup> December 2021 and DFIM(P) 1052/27/2022-26, Dated 2<sup>nd</sup> January 2022 (Effective 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021), DFIM circular no. 04, dated 26 July 2021 (Master Circular: Loan/Lease classification and provisioning) and DFIM circular no.10, dated 04 September 2022 (Master circular of Loan/lease re-scheduling/re-structure), DFIM Circular 27 Dated 21 December 2022 respectively which limits the fair implementation of respective IFRSs.</p> <p>The Company's disclosures about classifications of loans &amp; advances are included in note 8.07, 8.08 &amp; 8.11 to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• The credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewed quarterly Financial Institution Classification of Loans (CL);</li> </ul> <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>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><b>Provisioning &amp; write off:</b></p> <p>The process for estimating the provision for loans</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p>

*Independent member firm of Key Will Group - Global Accounting and Consulting Network*

**Provisioning & write off:**

The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.

For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.

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.

At year end the Company reported total gross loans and advances of Tk. 14,393,418,552 (2021: Tk. 13,939,457,867) and provision for loans and advances of Tk. 339,591,860 including general provision Tk. 127,442,575 & specific provision Tk. 212,149,285 (2021: Tk. 356,543,228)).

Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

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.

We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:

- 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.

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.

We tested the design and operating effectiveness of key controls focusing on the following:

- 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);

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- 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;

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.



## 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 1,456,285,526. 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. 66,515,423 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"> <li>• 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;</li> <li>• Verify proper revenue recognition through cut of date for interest receivable;</li> <li>• Verify the authentication of documents;</li> <li>• Timing of revenue recognition.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>



## 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 &amp; Regulatory matters pertaining to the Company were:</p> <ul style="list-style-type: none"> <li>• Compliance of rules &amp; regulations, including submission of returns to various regulators: and</li> <li>• Litigation (cases) filed on behalf of or against the Company including any provisioning requirements.</li> </ul> <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 &amp; regulatory compliance are included in note 3.11 &amp; 2.12 of the financial statements.</p> <p><b>Current Tax:</b> The Company reported net current tax liability of Tk. 431,333,416 as at 31 December 2022 (2021: Tk. 443,566,929).</p> <p>The Company's disclosures relating to current tax are include in note 3.07.01, 14.07, 14.07.01 &amp; 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> The Company reported net deferred tax Liabilities to totaling Tk. 9,197,074 as at 31 December 2022. (2021: 4,315,528)</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 &amp; 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. 21,660,916
How we determined it	5% of average profit or loss before tax of the resent 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.





*Independent member firm of Key Will Group - Global Accounting and Consulting Network*

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% of our planning materiality namely tk. 16,245,686. 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 2.10.03, 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:

*Independent member firm of Key Will Group - Global Accounting and Consulting Network*

- 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;

*Independent member firm of Key Will Group - Global Accounting and Consulting Network*

- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) 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;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'Window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/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;

**Dhaka**  
**Dated: 17<sup>th</sup> April 2023**



**AKM Kamrul Islam, FCA**  
**Senior Partner**  
**Enrollment No.- 670**  
**Islam Aftab Kamrul & Co.**  
**Chartered Accountants**  
**DVC: 2304270670AS604986**

**NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED**

**Balance Sheet**

**As at December 31, 2022**

	Note	2022 Taka	2021 Taka
<b>Property and Assets</b>			
<b>Cash:</b>	4.00		
In hand (including foreign currencies)		31,694	40,358
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		210,920,299	209,358,124
		<b>210,951,993</b>	<b>209,398,482</b>
<b>Balance with banks and other financial institutions:</b>	5.00		
In Bangladesh		1,249,881,404	3,487,102,841
Outside Bangladesh		-	-
		<b>1,249,881,404</b>	<b>3,487,102,841</b>
<b>Money at call and on short notice</b>	6.00	<b>600,000,000</b>	-
<b>Investments:</b>	7.00		
Government		899,845,052	454,620,200
Others		182,898,009	150,086,381
		<b>1,082,743,061</b>	<b>604,706,581</b>
<b>Loans and advances:</b>	8.00		
Loans, cash credits, overdrafts etc.		14,393,418,552	13,939,457,867
Bills purchased and discounted		-	-
		<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>Fixed assets including premises, furniture and fixtures</b>	9.00	<b>298,113,133</b>	<b>311,551,809</b>
<b>Other assets</b>	10.00	<b>566,629,776</b>	<b>507,002,758</b>
<b>Non-banking assets</b>	11.00	-	-
<b>Total Assets</b>		<b>18,401,737,918</b>	<b>19,059,220,338</b>
<b>Liabilities and capital</b>			
<b>Liabilities:</b>			
<b>Borrowing from other banks, financial institutions and agents</b>	12.00	<b>2,146,644,446</b>	<b>882,192,060</b>
<b>Deposits and other accounts:</b>	13.00		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		100,000,000	500,000,000
Fixed deposits		12,369,335,605	13,917,204,471
Bearer certificate of deposits		-	-
Other deposits		2,855,228	3,833,858
		<b>12,472,190,833</b>	<b>14,421,038,329</b>
<b>Other liabilities</b>	14.00	<b>1,513,075,542</b>	<b>1,573,756,003</b>
<b>Total Liabilities</b>		<b>16,131,910,821</b>	<b>16,876,986,392</b>
<b>Capital/Shareholders' equity:</b>			
Paid up capital	15.02	1,170,312,000	1,170,312,000
Statutory reserve	16.00	683,065,157	630,437,167
Retained earnings	17.00	416,449,939	381,484,780
Other reserves		-	-
<b>Total Shareholders' equity</b>		<b>2,269,827,097</b>	<b>2,182,233,947</b>
<b>Total liabilities and Shareholders' equity</b>		<b>18,401,737,918</b>	<b>19,059,220,338</b>



	Note	2022 Taka	2021 Taka
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities:</b>			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Other Commitments:</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Un-disbursed contracted loans and leases	41.00	984,542,132	1,162,959,288
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<b>984,542,132</b>	<b>1,162,959,288</b>
<b>Total Off-Balance Sheet Items including contingent liabilities</b>		<b>984,542,132</b>	<b>1,162,959,288</b>
<b>Net Asset Value (NAV) per share</b>	<b>42.00</b>	<b>19.40</b>	<b>18.65</b>

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

Signed as per our report on same date

  
AKM Kamrul Islam, FCA  
Senior Partner  
Enrollment No.-670  
Islam Aftab Kamrul & Co.  
Chartered Accountants  
DVC No.: 2304270670AS604986

Place: Dhaka  
Dated: 17th April, 2023



**NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED**

**Profit and Loss Account**

For the year ended December 31, 2022

	Note	2022 Taka	2021 Taka
Interest Income	19.00	1,456,285,526	1,620,020,397
Interest paid on deposits, borrowings etc.	20.00	917,975,619	972,019,341
<b>Net interest income</b>		<b>538,309,907</b>	<b>648,001,056</b>
Investment Income	21.00	66,515,423	63,925,696
Commission, exchange and brokerage	22.00	500	-
Other operating income	23.00	15,641,081	15,559,692
		<b>82,157,004</b>	<b>79,485,388</b>
<b>Total operating income</b>		<b>620,466,911</b>	<b>727,486,444</b>
Salaries and allowances	24.02	144,176,796	133,687,163
Rent, taxes, insurance, electricity etc.	24.03	14,954,313	13,338,070
Legal expenses	24.04	-	-
Postage, stamps, telecommunication etc.	25.00	2,556,559	2,709,307
Stationery, printing, advertisement etc.	26.00	10,288,347	8,712,019
Managing Director's salary and fees	27.00	6,860,000	6,090,001
Directors' fees and expenses	24.01	1,610,400	1,513,600
Auditors' fees	28.00	345,000	316,250
Charges on loan losses		-	-
Depreciation and repairs to assets	29.00	18,023,720	19,994,145
Other expenses	30.00	16,542,643	14,946,334
<b>Total operating expenses</b>		<b>215,357,778</b>	<b>201,306,889</b>
<b>Profit/ (Loss) before provisions</b>		<b>405,109,133</b>	<b>526,179,555</b>
<b>Provisions for</b>			
Loans, advances and leases	31.00	(29,691,350)	88,796,120
Diminution in value of investments	31.01	16,378,775	(1,727,647)
Others	31.02	10,124,532	2,892,406
<b>Total provisions</b>		<b>(3,188,043)</b>	<b>89,960,879</b>
<b>Total profit/(loss) before taxation</b>		<b>408,297,177</b>	<b>436,218,676</b>
Provisions for taxation			
Current	14.08	(140,275,681)	(186,684,496)
Deffered	14.08	(4,881,546)	11,754,663
		<b>(145,157,227)</b>	<b>(174,929,833)</b>
<b>Net Profit/(loss) after taxation</b>		<b>263,139,949</b>	<b>261,288,843</b>
<b>Appropriations:</b>			
Statutory reserve	16.00	52,627,990	52,257,769
General reserve		-	-
Dividend etc.		-	-
		<b>52,627,990</b>	<b>52,257,769</b>
<b>Retained surplus</b>		<b>210,511,959</b>	<b>209,031,074</b>
Earnings per share	32	2.25	2.23

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

Mamunur Rahman  
Chairman

Signed as per our report on same date

AKM Kamrul Islam, FCA  
Senior Partner  
Enrollment No.- 670  
Islam Aftab Kamrul & Co.  
Chartered Accountants  
DVC No.: 2304270670AS604986

Place: Dhaka  
Dated: 17th April, 2023



**NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED**

**Statement of Changes in Equity**

For the year ended December 31, 2022

*Figures in Taka*

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation reserve on Govt. Securities	Retained Earnings	Total
Balance as at January 01, 2022	1,170,312,000	630,437,168	-	-	381,484,780	2,182,233,947
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,170,312,000	630,437,168	-	-	381,484,780	2,182,233,947
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	-	-	-	-	263,139,949	263,139,949
Dividends	-	-	-	-	(175,546,800)	(175,546,800)
Issue of Bonus share	-	-	-	-	-	-
Transfer to statutory reserve	-	52,627,990	-	-	(52,627,990)	-
<b>Balance as at December 31, 2022</b>	<b>1,170,312,000</b>	<b>683,065,157</b>	<b>-</b>	<b>-</b>	<b>416,449,939</b>	<b>2,269,827,097</b>

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



**Mamunur Rahman**  
Chairman

Place: Dhaka

Dated: 17th April, 2023



**NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED**

**Cash Flow Statement**

For the year ended December 31, 2022

	2022 Taka	2021 Taka
<b>A. Cash flows from operating activities</b>		
Interest receipts in cash	1,481,992,085	1,604,767,353
Interest payments	(984,950,482)	(1,046,293,774)
Dividend receipts	5,467,587	7,045,236
Fees and commissions receipts in cash	500	-
Recoveries on loans previously written off	11,907,484	-
Cash payments to employees	(152,724,312)	(139,212,496)
Cash payments to suppliers	(13,386,336)	(11,786,912)
Income taxes paid	(168,332,619)	(186,176,862)
Income received from Investments	57,627,014	34,993,466
Receipts from other operating activities	19,061,902	37,446,687
Payments for other operating activities	(31,534,762)	(28,200,758)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>225,128,061</b>	<b>272,581,939</b>
<b>Increase/(decrease) in operating assets and liabilities:</b>		
Statutory deposits	-	-
Purchase/sale of trading securities	-	206,587,474
Loans, advances and leases to the client	(453,960,685)	(311,096,849)
Other assets	(78,241,490)	(46,981,517)
Term deposits	(1,947,868,866)	917,839,941
Other deposits	(978,630)	(7,715,734)
Trading liabilities	-	-
Other liabilities	13,428,191	46,218,301
	<b>(2,467,621,479)</b>	<b>804,851,615</b>
<b>Net cash flow from operating activities</b>	<b>(2,242,493,418)</b>	<b>1,077,433,555</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from sale of securities	(32,811,628)	(21,374,971)
Payments for purchase of securities	(445,224,852)	-
Purchase /sale of property, plant & equipment	(4,043,614)	(11,519,866)
Purchase /sale of subsidiary	-	-
<b>Net cash from investing activities</b>	<b>(482,080,094)</b>	<b>(32,894,837)</b>
<b>C. Cash flows from financing activities</b>		
Receipts from issue of loan capital & debt securities	-	-
Payments for redemption of loan capital & debt securities	-	-
Receipt from ordinary shares	-	-
Loan from banks	1,264,452,386	32,461,222
Dividend paid	(175,546,800)	(175,546,800)
<b>Net cash from financing activities</b>	<b>1,088,905,586</b>	<b>(143,085,578)</b>
<b>D. Net increase/(decrease) in cash</b>	<b>(1,635,667,926)</b>	<b>901,453,139</b>
<b>E. Effects of exchange rate changes on cash and cash equivalent</b>	-	-
<b>F. Cash and cash equivalent at beginning of the year</b>	<b>3,696,501,323</b>	<b>2,795,048,183</b>
<b>G. Cash and cash equivalent at end of the year</b>	<b>2,060,833,397</b>	<b>3,696,501,323</b>
<b>Cash and cash equivalent at end of the year</b>		
Cash in hand (including foreign currencies)	31,694	40,358
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	210,920,299	209,358,124
Balance with banks and other financial institutions	1,249,881,404	3,487,102,841
Money at call and on short notice	600,000,000	-
	<b>2,060,833,397</b>	<b>3,696,501,323</b>
<b>Net Operating Cash Flow Per Share (NOCFPS) (Note- 42.01)</b>	<b>(19.16)</b>	<b>9.21</b>

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

Mamunur-Rahman  
Chairman

Place: Dhaka

Dated: 17th April, 2023





# NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

## Liquidity Statement

(Maturity Analysis of Assets & Liabilities)

As at December 31, 2022

Figures in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Asset</b>						
Cash in hand	31,694	-	-	-	-	31,694
Balance with Bangladesh Bank and its agents	210,920,299	-	-	-	-	210,920,299
Balance with other banks and FIs	739,881,404	410,000,000	100,000,000	-	-	1,249,881,404
Investments	182,898,009	-	-	899,845,052	-	1,082,743,061
Money at call and on short notice	600,000,000	-	-	-	-	600,000,000
Loans, advances and leases	324,939,656	20,535,119	231,913,210	2,108,702,237	11,707,328,330	14,393,418,552
Fixed assets including premises, furnitures and fixtures	-	-	-	-	298,113,133	298,113,133
Other assets	229,860,193	-	336,197,583	-	572,000	566,629,776
Non-financial institution assets	-	-	-	-	-	-
<b>Total Asset</b>	<b>2,288,531,255</b>	<b>430,535,119</b>	<b>668,110,793</b>	<b>3,008,547,288</b>	<b>12,006,013,463</b>	<b>18,401,737,918</b>
<b>Liabilities</b>						
Borrowing from banks, other financial institutions and agents	1,161,258,602	-	985,385,844	-	-	2,146,644,446
Deposits and other accounts	291,787,403	-	11,370,904,655	684,100,318	125,398,457	12,472,190,833
Provision & other liabilities	349,120,975	11,128,202	440,530,490	708,890,788	3,405,088	1,513,075,542
<b>Total Liabilities</b>	<b>1,802,166,979</b>	<b>11,128,202</b>	<b>12,796,820,989</b>	<b>1,392,991,106</b>	<b>128,803,545</b>	<b>16,131,910,821</b>
<b>Net Liquidity Gap</b>	<b>486,364,276</b>	<b>419,406,917</b>	<b>(12,128,710,196)</b>	<b>1,615,556,183</b>	<b>11,877,209,918</b>	<b>2,269,827,097</b>

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

**Md. Kabir Reza, FCMA**  
Director

**Mahbubur Rahman**  
Chairman

**Place: Dhaka**  
**Dated: 17th April, 2023**



**NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2022**

**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, The Financial Reporting Act, 2015 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 DFIM circular no.10, dated 04 September 2022 (Master circular of Loan/lease re-scheduling/re-structure), DFIM Circular 27 Dated 21 December 2022 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 144,531,839 (out of accumulated provision of BDT 339,591,860) 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 17th April, 2023.

**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 2022.
- b) Profit and Loss Account for the year ended 31 December 2022.
- c) Statement of Cash Flows for the year ended 31 December 2022.
- d) Statement of Changes in Equity for the year ended 31 December 2022.
- e) Liquidity Statement for the year ended 31 December 2022 and
- f) Notes to the Financial Statements for the year ended 31 December 2022.

**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 10 (ten) branches and 3 (three) sales centre, with no overseas branch as on 31 December 2022. Accounts of the branche 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, 2022 to December 31, 2022.

## 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 6(six) months of confirmed service in the company. Gratuity is calculated on the basis of last basic salary and is payable (a) for service upto 10 years 1 (one) month last basic pay for each year of service and above 10 years 1.50 (one and half) month last 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, 2022 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, 2022. 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 2022 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 Rcgulations, 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
Property, Plant & Equipment	IAS-16	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



Name of the IFRS	IFRS No	Status of Compliance
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.



	2022 Taka	2021 Taka
<b>4.00 Cash</b>		
<b>Cash in hand:</b>		
Local currency	31,694	40,358
Foreign currencies	-	-
	<b>31,694</b>	<b>40,358</b>
<b>Balance with Bangladesh Bank and its agent Bank:</b>		
Local currency	210,920,299	209,358,124
Foreign currencies	-	-
	<b>210,920,299</b>	<b>209,358,124</b>
	<b>210,951,993</b>	<b>209,398,482</b>
<b>4.01 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)</b>		
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 (Except Bank & NBFI's deposit) 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.		
<b>4.01.01 Cash Reserve Requirement (CRR)</b>		
Required reserve	200,672,773	200,452,125
Actual reserve held	210,920,299	209,358,124
<b>Surplus/(deficit)</b>	<b>10,247,525</b>	<b>8,905,999</b>
<b>4.01.02 Statutory Liquidity Reserve (SLR)</b>		
Required reserve	709,291,438	696,520,158
Actual reserve held (including CRR)	970,859,590	3,282,459,965
<b>Surplus/(deficit)</b>	<b>261,568,153</b>	<b>2,585,939,806</b>
<b>5.00 Balance with banks and other financial institutions</b>		
<b>5.01 In Bangladesh</b>		
On current accounts (note: 5.01.01)	16,549,433	7,175,187
On Short Term Deposit (STD) Accounts (note: 5.01.02)	723,331,972	819,927,654
On Fixed Deposit Account (note: 5.01.03)	510,000,000	2,660,000,000
	<b>1,249,881,404</b>	<b>3,487,102,841</b>
<b>Outside Bangladesh</b>	-	-
	<b>1,249,881,404</b>	<b>3,487,102,841</b>
<b>5.01.01 On Current Accounts</b>		
AB Bank Limited	181,050	181,050
Agrani Bank Limited	3,501,464	368,481
Bank Asia Limited	6,383,232	3,793,411
Janata Bank Limited	625	1,430
EXIM Bank Limited	905,569	906,759
National Bank Limited	5,333,526	1,255,709
Woori Bank Limited	39,570	269,580
Trust Bank Limited	10,220	10,910
Mercantile Bank Limited	175,596	387,856
United Commercial Bank Limited	18,580	-
	<b>16,549,433</b>	<b>7,175,187</b>



**5.01.02 On Short Term Deposit (STD) Accounts**

**Schedule Banks:**

Islami Bank Bangladesh Limited
AB Bank Limited
Commercial Bank of Ceylon PLC
Dutch Bangla Bank Limited
Bank Asia Limited
Mutual Trust Bank Limited
Eastern Bank Limited
Exim Bank Limited
Jamuna Bank Limited
Jamuna Bank Limited (Unclaimed Dividend Account)
National Bank Limited
National Credit and Commerce Bank Limited
NRB Bank Limited
NRBC Bank Limited
One Bank Limited
Prime Bank Limited
Premier Bank Limited
Pubali Bank Limited
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Standard Bank Limited
Standard Chartered Bank Limited
Sonali Bank Limited
SBAC Bank Limited
Southeast Bank Limited
Trust Bank Limited
Dhaka Bank Limited
Padma Bank Limited
Uttara Bank Limited
Bank Alfalah Limited
Midland Bank Limited
Mercantile Bank Limited

**Sub-Total**

**Non-Bank Financial Institutions:**

International Leasing and Financial Services Limited
Premier leasing & Finance Limited
Fareast Finance Limited

**Sub-Total**

**Total Short Term Deposit (STD) Accounts**

	2022 Taka	2021 Taka
	1,862,136	2,438,468
	441,572	179,482
	3,166,649	2,194,861
	1,230,085	601,777
	5,450,316	7,807,008
	3,606,872	95,955.91
	2,641,922	644,749
	4,525,347	446,667,121
	18,878,684	26,235,945
	16,642	17,597
	2,340,131	10,398,503
	141,263,566	1,984,013
	1,310,456	67,651,613
	494,810	-
	2,244,136	3,371,493
	156,405,565	766,636
	48,870	217,805
	425,094	2,063,900
	270,552	1,111,158
	2,191,361	1,030,127
	5,537	1,249,722
	82,985	99,096
	1,711,710	532,446
	53,160	155,928
	1,136,340	1,817,851
	48,808	345,184
	33,833,794	12,521,578
	51,915	51,553
	29,890	34,069
	1,055,423	551,984
	17,147,842	-
	96,459,803	1,504,697
<b>Sub-Total</b>	<b>500,431,972</b>	<b>594,342,321</b>
	150,400,000	152,085,333
	60,500,000	61,000,000
	12,000,000	12,500,000
<b>Sub-Total</b>	<b>222,900,000</b>	<b>225,585,333</b>
<b>Total Short Term Deposit (STD) Accounts</b>	<b>723,331,972</b>	<b>819,927,654</b>

**5.01.03 On Fixed Deposit Account**

Dhaka Bank Limited
IPDC Finance Limited
One Bank Limited
Exim Bank Limited
NRBC Bank Limited
Social Islami Bank Limited
Agrani Bank Limited

280,000,000	-
200,000,000	-
-	200,000,000
-	230,000,000
-	150,000,000
30,000,000	100,000,000
-	1,980,000,000
<b>510,000,000</b>	<b>2,660,000,000</b>

**5.02 Maturity Grouping of Balance with other Banks and Financial Institutions**

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
More than 5 (five) years

739,881,404	827,102,841
410,000,000	2,210,000,000
100,000,000	450,000,000
-	-
-	-
<b>1,249,881,404</b>	<b>3,487,102,841</b>



	2022 Taka	2021 Taka
<b>6.00 Money at call and on short notice</b>		
<b>Bank</b>		
National Credit and Commerce Bank Limited	600,000,000	-
<b>Sub-Total</b>	<b>600,000,000</b>	<b>-</b>
<b>7.00 Investments</b>		
Government securities	899,845,052	454,620,200
Other investments (note: 7.01)	182,898,009	150,086,381
	<b>1,082,743,061</b>	<b>604,706,581</b>
<b>7.01 Other Investments</b>		
Preference Shares (Union Capital)	3,059,496	5,059,496
Ordinary Shares (note: 7.01.01)	179,838,513	145,026,885
	<b>182,898,009</b>	<b>150,086,381</b>

**7.01.01 Investment in ordinary shares**

Name of Company	Cost Price	Number of Shares	Cost Value	Market Price	Market Value as on 31.12.2022	Provision for diminution in value of share
Eastland Insurance Company Ltd.	40.38	500,000	20,191,754	24.40	12,200,000	7,991,754
Jamuna Bank Limited	22.40	200,000	4,479,016	21.30	4,260,000	219,016
Square Pharmaceuticals Limited	232.66	306,000	71,192,975	209.80	64,198,800	6,994,175
Confidence Cement Limited	149.97	10,500	1,574,710	89.00	934,500	640,210
IDLC Finance Limited	56.61	845,000	47,832,510	46.50	39,292,500	8,540,010
Meghna Insurance Limited	10.00	4,003	40,030	42.80	171,328	(131,298)
LankaBangla Finance Limited	37.72	565,000	21,312,717	26.00	14,690,000	6,622,717
Asian Tiger Sandhani Life Growth Fund	12.49	1,050,000	13,112,379	9.70	10,185,000	2,927,379
Ring Shing Textiles Limited	11.06	1,306	14,443	9.80	12,799	1,644
Islami Commercial Insurance Company	10.00	8,798	87,980	28.10	247,224	(159,244)
Preference shares (Unquoted)	-	-	-	-	-	3,059,496
<b>Total</b>			<b>179,838,513</b>		<b>146,192,151</b>	<b>36,705,858</b>

**Provision for diminution in value of share**

Opening Balance	20,327,083	22,054,730
Charge /(recovery) during the year	16,378,775	(1,727,647)
<b>Balance as on December 31</b>	<b>36,705,858</b>	<b>20,327,083</b>

**7.01.02 Maturity-wise Grouping**

On demand	182,898,009	150,086,381
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	899,845,052	454,620,200
	<b>1,082,743,061</b>	<b>604,706,581</b>



	2022 Taka	2021 Taka
<b>8.00 Loans and advances</b>		
Mortgage loans	13,618,111,185	13,068,035,423
Lease finance	46,055,201	45,454,621
Term loans	108,448,341	116,450,023
Small & Medium Enterprises Loan	564,325,354	639,393,717
Loan Against Fixed Deposits	27,740,811	43,408,540
Staff loan (note: 8.05)	28,737,659	26,715,543
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>8.01 Maturity-wise Grouping of loans and advances</b>		
Up to 1 (one) months	324,939,656	252,467,985
Up to 3 (three) months	20,535,119	16,506,617
More than 3 (three) months but not more than 1 (one) year	231,913,210	150,455,893
More than 1 (one) year but not more than 5 (five) years	2,108,702,237	1,177,925,436
More than 5 (five) years	11,707,328,330	12,342,101,936
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>8.02 Loans, Advances and Leases</b>		
<b>In Bangladesh</b>		
Loans	14,347,363,351	13,894,003,246
Leases	46,055,201	45,454,621
Overdraft	-	-
Cash Credit	-	-
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>Outside Bangladesh</b>	-	-
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>8.03 Geographical Location-wise Grouping</b>		
<b>In Bangladesh</b>		
Dhaka division	11,093,117,395	10,933,345,640
Chattogram division	1,136,000,179	1,015,085,412
Khulna division	-	-
Sylhet division	-	-
Barisal division	-	-
Rangpur division	686,340,034	628,127,262
Rajshahi division	1,477,960,945	1,362,899,554
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>Outside Bangladesh</b>	-	-
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>8.04 Significant Concentration-wise Grouping</b>		
<b>Directors &amp; their related parties (Note: 53.00)</b>	-	-
<b>Staff:</b>		
Managing Director	-	-
Senior Executives	28,737,659	26,715,543
Others	27,740,811	43,408,540
	<b>56,478,470</b>	<b>70,124,083</b>
<b>Industries:</b>		
Agricultural loan	123,281,424	158,182,995
Large and medium enterprises	564,325,354	639,393,717
Small and cottage	31,222,118	3,721,649
	<b>718,828,896</b>	<b>801,298,361</b>
<b>Mortgage Loan</b>		
Home mortgage loan	11,691,120,381	11,401,383,803
Commercial mortgage loan	1,604,400,114	1,306,132,690
Project mortgage loan	322,590,690	360,518,930
	<b>13,618,111,185</b>	<b>13,068,035,423</b>
<b>Trade &amp; commercial</b>	-	-
	<b>14,393,418,552</b>	<b>13,939,457,867</b>





	2022 Taka	2021 Taka
<b>8.05 Staff Loan</b>		
Personal loan	22,394,283	19,979,501
Car loan	6,343,376	6,736,042
	<b>28,737,659</b>	<b>26,715,543</b>
<b>8.06 Details of Large Loan</b>		
As at 31 December 2022 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 2,404.19 million and Taka 2,320.99 million respectively as at 2022 & 2021 respectively (note: 15.05).		
<b>8.07 Grouping as per Classification Rules</b>		
<b>Unclassified:</b>		
Standard	13,100,048,838	12,422,549,852
Special Mention Account	295,836,231	697,380,550
<b>Classified:</b>	<b>13,395,885,069</b>	<b>13,119,930,402</b>
Sub-standard	48,512,960	130,050,984
Doubtful	311,654,003	116,749,440
Bad/loss	637,366,520	572,727,040
	<b>997,533,483</b>	<b>819,527,465</b>
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>8.08 Loan Type-wise Classified Loan</b>		
Mortgage loans	583,400,526	461,610,673
Lease finance	34,612,672	34,612,672
Term Finance	66,745,856	66,745,756
Small & Medium Enterprises	312,774,429	256,558,364
	<b>997,533,483</b>	<b>819,527,465</b>
<b>8.09 Sector-wise Allocation of Loans, Advances and Leases</b>		
<b>Government</b>		
<b>Private:</b>		
Mortgage loan	12,013,711,071	11,761,902,733
Industry	46,055,201	45,454,621
Term Finance	108,448,341	116,450,023
Commercial loan	1,604,400,114	1,306,132,690
SME Loan	564,325,354	639,393,717
Miscellaneous	56,478,470	70,124,083
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
<b>8.10 Securities Against Loans, Advances and Leases</b>		
Collateral of moveable/immoveable assets	14,336,940,082	13,869,333,784
Fixed Deposit Receipts (FDR)	27,740,811	43,408,540
Fixed Deposit of other banks	-	-
Personal guarantee	28,737,659	26,715,543
Others	-	-
	<b>14,393,418,552</b>	<b>13,939,457,867</b>



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

				2022 Taka	2021 Taka
Status	Outstanding Loans, Advances and Leases as at 31.12.2022	Base for Provision	Rate of Required Provision	Required Provision	Required Provision
For Loans, Advances and Leases:					
<b>Unclassified-General Provision:</b>					
All unclassified Loans	12,857,413,202	12,857,413,202	1.00%	128,672,969	152,679,822
Unclassified SME loan	242,635,636	242,635,636	0.25%	2,393,209	734,062
Special Mention Account (SMA)	295,836,231	269,313,148	5.00%	13,465,661	31,117,906
<b>Sub-total:</b>	<b>13,395,885,069</b>	<b>13,369,361,986</b>		<b>144,531,839</b>	<b>184,531,790</b>
<b>Classified-Specific Provision:</b>					
Sub-standard	48,512,960	11,680,817	20.00%	2,336,164	9,906,892
Doubtful	311,654,003	78,371,768	50.00%	39,185,889	16,152,446
Bad/Loss	637,366,520	153,537,968	100.00%	153,537,968	145,952,100
<b>Sub-total:</b>	<b>997,533,483</b>	<b>243,590,553</b>		<b>195,060,021</b>	<b>172,011,438</b>
<b>Grand-total:</b>	<b>14,393,418,552</b>	<b>13,612,952,539</b>		<b>339,591,860</b>	<b>356,543,228</b>

**8.12 Particulars of Loans, Advances and Leases**

Loans considered good in respect of which the Company is fully secured	14,364,680,893	13,912,742,324
Loans considered good against which the Company holds no security other than debtors' personal guarantee	22,394,283	19,979,501
Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	6,343,376	6,736,042
Loans adversely classified-no provision not maintained there against	-	-
	<b>14,393,418,552</b>	<b>13,939,457,867</b>
Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	28,737,659	26,715,543
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	-	-
<b>Classified loans, advances and leases:</b>		
a) Classified loans, advances and leases on which interest has not been charged (Note-8.07)	637,366,520	572,727,040
b) Loans written off	-	-
c) Realized from previous written off	-	-
d) Provision on bad loans, advances and leases	195,060,021	172,011,438
e) Interest credited to the interest suspense account (Note-14.05)	323,122,361	306,727,246
f) Cumulative amount of the written off loans/Leases:		
Opening balance	316,136,785	316,136,785
Amount written off during the year	-	-
Cumulative to date	316,136,785	316,136,785
Recovery from write-off	(12,739,983)	-
Written off loans for which law suit filed	303,396,802	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 2022

	2022 Taka	2021 Taka
<b>Cost</b>		
Opening balance	435,451,486	423,931,620
Add: Addition during the year ( Annexure - A)	4,734,278	11,519,866
	<b>440,185,764</b>	<b>435,451,486</b>
Less: Disposed during the year (Annexure-A)	(7,952,685)	-
<b>Balance as on 31.12.2022</b>	<b>432,233,079</b>	<b>435,451,486</b>
Less: Accumulated depreciation (9.02)	(134,119,946)	(123,899,677)
<b>Written down value as on 31.12.2022</b>	<b>298,113,133</b>	<b>311,551,809</b>

9.02 Accumulated depreciation

Opening balance	123,899,677	104,271,118
Add: Depreciation charged during the year	17,482,290	19,628,559
	<b>141,381,967</b>	<b>123,899,677</b>
Less: Adjustment during the year	(7,262,021)	-
<b>Balance as on 31.12.2022</b>	<b>134,119,946</b>	<b>123,899,677</b>

For details please refer to Annexure - A



	2022 Taka	2021 Taka
<b>10.00 Other assets</b>		
<b>Income Generating Other Assets:</b>	-	-
<b>Non-income Generating Other Assets:</b>		
Advance against fixed assets (note: 10.03)	-	-
Security deposits	572,000	594,460
Advance income tax (note: 10.01)	336,197,583	320,374,157
Advance against branch office	-	-
Advance against office rent (note: 10.04)	-	-
Stamp & Security Paper	351,030	594,057
Other receivables (note: 10.02)	229,509,163	185,440,084
	<b>566,629,776</b>	<b>507,002,758</b>
<b>10.01 Advance Income Tax</b>		
Balance as at 1st January	320,374,157	134,197,295
<b>Add:</b> Advance tax for the year:		
Tax paid during the year	154,922,820	170,213,048
Tax deducted at source	13,409,799	15,963,814
<b>Less:</b> Adjusted against tax provision	(152,509,194)	-
	<b>15,823,425</b>	<b>186,176,862</b>
<b>Balance as at 31 December</b>	<b>336,197,583</b>	<b>320,374,157</b>
<b>10.02 Other Receivables</b>		
Cheque dishonored charges	152,213	192,755
Accounts receivable	90,044,256	92,799,468
Advance against Profit First Term Deposit	101,164,213	-
Interest on bank deposits	18,596,364	44,302,923
Receivable from Dhaka Stock Exchange Ltd.	-	22,083,930
Receivable from Multi Securities	4,870	5,320
Receivable from ETBL Securities	101,126	102,576
Receivable from UFT Co. Ltd	471,109	9,079,076
Legal charges receivable	18,373,037	16,246,759
Others	601,976	627,278
	<b>229,509,163</b>	<b>185,440,084</b>
<b>10.03 Advance against fixed assets</b>		
Opening balance	-	240,000
Add: Advance payment	-	-
Less : Transfer to fixed assets	-	240,000
	-	-
<b>10.04 Advance against office rent</b>		
Opening balance	-	-
Add: Advance payment	-	-
Less : Adjustment for the year	-	-
	-	-
<b>11.00 Non-banking assets</b>	-	-



		2022 Taka	2021 Taka
<b>12.00</b>	<b>Borrowing from banks, other financial institutions and agents</b>		
	<b>Secured</b>		
	<b>In Bangladesh:</b>		
	<b>Secured Overdraft</b>		
	Banking companies:		
	Eastern Bank Limited	16,479,629	312,311
	Mercantile Bank Limited	99,283,162	587,533
	Pubali Bank Limited	67,939,347	567,786
	Mutual Trust Bank Limited	58,916	-
		<b>183,761,054</b>	<b>1,467,630</b>
	Non-banking financial institution	-	-
		<b>183,761,054</b>	<b>1,467,630</b>
	<b>Outside Bangladesh</b>	-	-
	<b>Sub-total:</b>	<b>183,761,054</b>	<b>1,467,630</b>
	<b>Term Loan :</b>		
	Banking companies:		
	Agrani Bank Limited	179,973,362	33,225,187
	Woori Bank Limited	162,000,000	162,000,000
	Pubali Bank Ltd.	287,520,000	-
	NCC Bank Ltd.	300,000,000	-
	Eastern Bank Limited	17,328,395	27,872,921
		<b>946,821,757</b>	<b>223,098,109</b>
	Non-banking financial institution	-	-
		<b>946,821,757</b>	<b>223,098,109</b>
	<b>Outside Bangladesh</b>	-	-
	<b>Sub-total:</b>	<b>946,821,757</b>	<b>223,098,109</b>
	<b>Bangladesh Bank Loan:</b>		
	SME loan	10,380,000	41,584,173
	HML Refinance Scheme	127,770,687	153,318,960
	Secured loan from others	527,910,949	462,723,188
	<b>Sub-total:</b>	<b>666,061,636</b>	<b>657,626,321</b>
	<b>Un-secured</b>		
	<b>Money at call and on short notice: (note-12.02)</b>		
	Banking companies:	-	-
		-	-
	Non-banking financial institution	-	-
		-	-
	<b>Un-secured</b>		
	<b>Short term borrowing</b>		
	Banking companies:	350,000,000	-
		<b>350,000,000</b>	<b>-</b>
	<b>Total:</b>	<b>2,146,644,446</b>	<b>882,192,060</b>



	2022 Taka	2021 Taka
<b>12.01 Remaining Maturity Grouping of Borrowing</b>		
Payable on demand	-	-
Up to 1 (one) month	1,161,258,602	475,058,600
Over 1 (one) month to 3 (three) months	-	35,000,000
Over 3 (three) months to 1 (one) year	985,385,844	230,000,000
Over 1 (one) year to 5 (five) years	-	142,133,460
More than 5 (five) years	-	-
	<b>2,146,644,446</b>	<b>882,192,060</b>
<b>12.02 Money at call and on short notice</b>		
Money at call and on short notice normally ranges between 1-3 days. At the closing date of 31 December 2022, all Money at call and on short notice had been paid for, resulting in zero balance.		
<b>13.00 Deposits and other accounts</b>		
Bank Term deposits	100,000,000	500,000,000
Customer deposits	12,369,335,605	13,917,204,471
Other deposits (note: 13.02)	2,855,228	3,833,858
	<b>12,472,190,833</b>	<b>14,421,038,329</b>
<b>13.01 Remaining Maturity Grouping of Deposits and Other Accounts</b>		
Payable on demand	15,327,817	3,604,267
Within 1 (one) month	276,459,586	790,361,204
Over 1 (one) month to 6 (six) months	7,094,178,382	1,333,864,074
Over 6 (six) months to 1 (one) year	4,276,726,272	299,888,076
Over 1 (one) year to 5 (five) years	684,100,318	11,837,268,638
Over 5 (five) years to 10 (ten) years	125,398,457	148,710,040
More than 10 (ten) years	-	7,342,030
	<b>12,472,190,833</b>	<b>14,421,038,329</b>
<b>13.02 Other Deposits</b>		
Home mortgage loan deposit	490,354	730,354
Margin deposit	687,760	1,426,390
Refundable share money deposit	-	-
Lease deposit	1,677,114	1,677,114
	<b>2,855,228</b>	<b>3,833,858</b>
<b>14.00 Other liabilities</b>		
Provision for loans, advances, investments and others (note: 14.01 to 14.04)	385,768,426	385,283,568
Interest suspense (note: 14.05)	323,122,361	306,727,246
Provision for gratuity (note: 14.06)	8,123,227	-
Withholding tax payable	1,593,488	1,252,240
VAT & Excise duty payable	491,753	698,222
Provision for current tax (note: 14.07)	431,333,416	443,566,929
Provision for deferred tax (note: 14.09)	9,197,074	4,315,528
Interest payable (note: 14.11)	325,345,399	392,681,637
Accrued expenses (note: 14.10)	345,000	316,250
Unclaimed dividend (note: 14.12)	3,795,287	3,854,342
Lease liabilities (note: 14.13)	3,405,088	4,208,499
Accounts Payable	9,426,821	11,114,337
Sundry deposit	11,128,202	19,737,205
Sundry liabilities	-	-
	<b>1,513,075,542</b>	<b>1,573,756,003</b>



	2022 Taka	2021 Taka
<b>14.01 Specific Provision on Loans, Advances</b>		
Balance as at 1st January	181,541,849	112,712,642
<i>Less:</i> Fully provided debt written off	-	-
<b>Provision after written off</b>	181,541,849	112,712,642
<i>Add:</i> Provision made during the year	30,607,437	79,344,815
<i>Less:</i> Provision recovered	(12,739,984)	(10,515,608)
<b>Net charge in the profit &amp; loss account</b>	<b>17,867,453</b>	<b>68,829,207</b>
<i>Add:</i> Recoveries of amounts previously written off	12,739,983	-
<i>Less:</i> Written off of provision no longer required	-	-
<b>Provisions held at 31 December</b>	<b>212,149,285</b>	<b>181,541,849</b>
<b>14.02 General Provision on Loans, Advances and Leases</b>		
Balance as at 1st January	175,001,378	155,034,465
<i>Add:</i> Provision made during the year	-	21,611,993
<i>Less:</i> Provision recovered	(47,558,803)	(1,645,080)
<b>Net charge in the profit &amp; loss account</b>	<b>(47,558,803)</b>	<b>19,966,913</b>
<b>Balance as at 31 December</b>	<b>127,442,575</b>	<b>175,001,378</b>
<b>14.03 Provision on investments in share</b>		
Balance as at 1st January	20,327,084	22,054,731
<i>Add:</i> Provision made during the year	18,378,775	5,059,496
<i>Less:</i> Provision recovered	(2,000,000)	(6,787,143)
<b>Net charge in the profit &amp; loss account</b>	<b>16,378,775</b>	<b>(1,727,647)</b>
<b>Balance as at 31 December</b>	<b>36,705,859</b>	<b>20,327,084</b>
<b>14.04 Provision on others</b>		
Balance as at 1st January	8,413,257	16,326,660
<i>Add:</i> Provision made during the year	1,097,993	-
<i>Less:</i> Provision recovered	(40,542)	(7,913,403)
<b>Net charge in the profit &amp; loss account</b>	<b>1,057,451</b>	<b>(7,913,403)</b>
	9,470,708	8,413,257
<i>Less:</i> Fully provided debt written off	-	-
<b>Provisions held at 31 December</b>	<b>9,470,708</b>	<b>8,413,257</b>
<b>14.05 Interest Suspense Account</b>		
Balance as at 1st January	306,727,246	225,578,590
<i>Add:</i> Interest suspense charged during the year	293,997,292	1,124,621,211
<i>Less:</i> Interest suspense realized during the year	(277,602,177)	(1,043,472,554)
<b>Net charge in the profit &amp; loss account</b>	<b>16,395,115</b>	<b>81,148,656</b>
	323,122,361	306,727,246
<i>Less:</i> Interest written off	-	-
<b>Balance as at 31 December</b>	<b>323,122,361</b>	<b>306,727,246</b>

Interest suspense amount includes reserve amount of Tk. 90,834,190.07 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	316,136,785
Net loans/leases written-off during the year	-	-
No. of agreements written-off	23	24
No. of clients written-off	18	19
Interest suspense against written-off loans/leases	-	-
Provision adjusted against written-off loans/leases	-	-
Recovery of loans/leases write-off loans/leases	-	-
<b>Balance of loans/leases written-off at 31 December 2022</b>	<b>316,136,785</b>	<b>316,136,785</b>



	2022 Taka	2021 Taka
<b>14.06 Provision for Gratuity</b>		
Balance as at 1st January	-	-
<i>Add:</i> Provision made during the year	8,815,744	5,544,016
<i>Less:</i> Payment made during the year	(692,517)	(5,544,016)
<i>Less:</i> Provision written back during the year	-	-
<b>Balance as at 31 December</b>	<b>8,123,227</b>	<b>-</b>
<b>14.07 Provision for Current Tax</b>		
Balance as on 1st January	443,566,929	256,882,433
<i>Add:</i> Provision made during the year (note-14.07.01)	140,518,068	186,684,496
<i>Less:</i> Short/(Excess) provision for the year 2020	(242,387)	-
<i>Less:</i> Adjustment of advance tax	(152,509,194)	-
<b>Balance as at 31 December</b>	<b>431,333,416</b>	<b>443,566,929</b>
<b>14.07.01 Provision made during the year</b>		
Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 37.50% on taxable income.		
<b>14.08 Provision for taxation Net Charged for in the Profit &amp; Loss Account</b>		
Current tax (note: 14.07)	140,275,681	186,684,496
<i>Add/ (less):</i> Deferred tax	4,881,546	(11,754,663)
	<b>145,157,227</b>	<b>174,929,833</b>
<b>14.08.01 Average effective tax rates</b>		
The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".		
Tax expenses (A)	145,157,227	174,929,833
Accounting profit before tax (B)	408,297,177	436,218,676
<b>Average effective tax rate (A÷B)</b>	<b>35.55%</b>	<b>40.10%</b>
<b>14.08.02 Reconciliation of effective tax rate:</b>		
Tax using the company's tax rate	<b>37.50%</b>	<b>37.50%</b>
Tax effect of:		
Provision for non-deductible expenses	-1.88%	-1.88%
Adjustment/provision released during the year	-0.29%	7.73%
Recovery from business write-off	0.00%	0.00%
Capital gain from sale of Govt. Securities	0.00%	-0.93%
Other components of tax as per ITO 1984	0.34%	-1.07%
Difference between accounting and tax depreciation.	-0.13%	-1.25%
<b>Effective tax rate</b>	<b>35.55%</b>	<b>40.10%</b>
<b>14.09 Deferred tax liability</b>		
Balance as at 1st January	4,315,528	16,070,191
Deferred tax income/(Expenses)	4,881,546	(11,754,663)
	<b>9,197,074</b>	<b>4,315,528</b>
<b>14.09.01 Calculation of deferred tax</b>		
Carrying amount of Fixed Assets (excluding land)	232,893,140	246,331,816
Tax base value of Fixed Assets	208,367,611	234,823,743
Taxable temporary difference	24,525,529	11,508,074
Applicable tax rate	37.50%	37.50%
Deferred tax assets on fixed assets	<b>9,197,074</b>	<b>4,315,528</b>





	2022 Taka	2021 Taka
<b>14.10 Accrued Expenses</b>		
Promotion and publicity	-	-
Audit fees	345,000	316,250
Sundry creditors	-	-
	<b>345,000</b>	<b>316,250</b>
<b>14.11 Interest payable</b>		
Opening balance	392,681,637	467,478,487
Add: Interest charge during the year	879,830,945	972,019,341
Less : Interest paid during the year	(947,167,183)	(1,046,816,191)
	<b>325,345,399</b>	<b>392,681,637</b>
<b>14.12 Unclaim dividend</b>		
Opening balance	3,854,342	17,105,570
Add: Dividend declared	175,546,800	175,546,800
Less : Adjustment for the year	(175,605,855)	(188,798,028)
Closing balance (Year 2019- Tk. 755,162, Year 2020-Tk. 1,412,792 and Year 2021- 1,627,333)	<b>3,795,287</b>	<b>3,854,342</b>
<b>14.13 Lease Liability</b>		
Opening balance	4,208,499	4,386,049
Add: Lease liability during the year	898,482	-
Less: Lease liability adjustment during the year	(1,701,893)	(177,550)
	<b>3,405,088</b>	<b>4,208,499</b>
Movement of lease liabilities has been included due to implementation of IFRS-16 Leases (office rent).		
<b>15.00 Share Capital</b>		
<b>15.01 Authorized Capital:</b>		
200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
<b>15.02 Issued, Subscribed and fully Paid-up Capital:</b>		
117,031,200 ordinary shares of Tk.10 each	<b>1,170,312,000</b>	<b>1,170,312,000</b>
<b>% of holding:</b>	<b>% of holding</b>	<b>% of holding</b>
Sponsors	59.90%	62.21%
General public	40.10%	37.79%
	<b>100.00%</b>	<b>100.00%</b>
<b>Number of holding:</b>		
Sponsors	70,107,361	72,807,361
General public	46,923,839	44,223,839
	<b>117,031,200</b>	<b>117,031,200</b>



	2022 Taka	2021 Taka
--	--------------	--------------

**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	3717	710,531	0.61%
501 to 5,000	3869	7,291,685	6.23%
5,001 to 10,000	622	4,754,179	4.06%
10,001 to 20,000	385	5,717,988	4.89%
20,001 to 30,000	107	2,735,527	2.34%
30,001 to 40,000	41	1,450,881	1.24%
40,001 to 50,000	38	1,749,048	1.49%
50,001 to 100,000	53	3,879,723	3.32%
100,001 to 1,000,000	58	13,765,237	11.76%
Above 1,000,000	20	74,976,401	64.07%
<b>Total:</b>	<b>8910</b>	<b>117,031,200</b>	<b>100.00%</b>

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

**15.04 Capital Requirement**

As per the Section 4(GHLA) 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:

Core capital (paid-up capital, retained earnings & statutory reserve etc.)

*Less:* Required minimum capital

**Surplus over minimum required capital**

2,269,827,097	2,182,233,947
(1,000,000,000)	(1,000,000,000)
<b>1,269,827,097</b>	<b>1,182,233,947</b>

Core capital (paid-up capital, retained earnings & statutory reserve etc.)

*Add:* Provision on good loan/leases

**Total capital**

*Less:* Required minimum capital

2,269,827,097	2,182,233,947
127,442,575	175,001,378
<b>2,397,269,672</b>	<b>2,357,235,325</b>
(1,000,000,000)	(1,000,000,000)
<b>1,397,269,672</b>	<b>1,357,235,325</b>

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

**1. Tier-1 (Core Capital)**

<b>1.1</b>	Fully Paid-up Capital/Capital Deposited with BB	1,170,312,000	1,170,312,000
<b>1.2</b>	Statutory Reserve	683,065,157	630,437,167
<b>1.3</b>	Non-repayable share premium account	-	-
<b>1.4</b>	General Reserve	-	-
<b>1.5</b>	Retained Earnings	416,449,939	381,484,780
<b>1.6</b>	Minority interest in Subsidiaries	-	-
<b>1.7</b>	Non-Cumulative irredeemable Preference shares	-	-
<b>1.8</b>	Dividend Equalization Account	-	-
<b>1.9</b>	Others (if any item approved by Bangladesh Bank)	-	-
<b>1.10'</b>	<b>Sub-Total (1.1 to 1.9)</b>	<b>2,269,827,097</b>	<b>2,182,233,947</b>



	2022 Taka	2021 Taka
<b>Deductions from Tier-1 (Core Capital)</b>		
1.11 Book Value of Goodwill and value of any contingent assets which are shown as assets	-	-
1.12 Shortfall in provisions required against classified assets	-	-
1.13 Shortfall in provisions required against investment in shares	-	-
1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.15 Any investment exceeding the approved limit.	-	-
1.16 Investments in subsidiaries which are not consolidated	-	-
1.17 Increase in equity capital resulting from a securitization exposure	-	-
1.18 Other (if any)	-	-
1.19 Sub-Total (1.11 to 1.18)	-	-
1.20' <b>Total Eligible Tire-1 Capital (1.10-1.19)</b>	<b>2,269,827,097</b>	<b>2,182,233,947</b>
<b>2. Tier-2 (Supplementary Capital)</b>		
2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	134,361,711	138,765,661
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)	<b>134,361,711</b>	<b>138,765,661</b>
2.8 Applicable Deductions if any	-	-
2.9 <b>Total Eligible Tire-2 Capital (2.7-2.8)</b>	<b>134,361,711</b>	<b>138,765,661</b>
<b>Total Capital</b>	<b>2,404,188,807</b>	<b>2,320,999,608</b>
Total risk weighted assets	12,085,186,848	12,419,406,669
Required minimum capital 10% of RWA or Tk. 100.00 crore, which is higher.	1,208,518,685	1,241,940,667
Surplus	1,195,670,123	1,079,058,941
Capital Adequacy Ratio	19.89%	18.69%
16.00 <b>Statutory reserve</b>		
Balance as at 1st January	630,437,167	578,179,399
Reserve made during the year (note-16.01)	52,627,990	52,257,769
<b>Balance as at 31 December</b>	<b>683,065,157</b>	<b>630,437,167</b>
16.01 <b>Reserve made during the year *</b>		
Net Profit/(loss) after taxation	263,139,949	261,288,843
Applicable Rate	20%	20%
	<b>52,627,990</b>	<b>52,257,769</b>
17.00 <b>Retained earnings</b>		
Balance as at 1st January	381,484,780	348,000,506
<b>Add:</b> Net profit after tax for the year	263,139,949	261,288,843
	<b>644,624,729</b>	<b>609,289,349</b>
<b>Less:</b> Allocations:		
Transferred to statutory reserve	(52,627,990)	(52,257,769)
Issue of Bonus Share	-	-
Dividend	(175,546,800)	(175,546,800)
	<b>(228,174,790)</b>	<b>(227,804,569)</b>
<b>Balance as at 31 December</b>	<b>416,449,939</b>	<b>381,484,780</b>

\*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.



	2022 Taka	2021 Taka
<b>18.00 Income statement</b>		
<b>Income:</b>		
Interest, discount and other similar income (note: 19.00)	1,456,285,526	1,620,020,397
Dividend income (note: 21.00)	5,467,587	7,045,236
Fees, commission & brokerage (note: 22.00)	500	-
Gains less losses arising from investment in securities (note: 21.01)	3,420,822	21,886,995
Other operating income (note: 23.00)	15,641,081	15,559,692
	<b>1,480,815,515</b>	<b>1,664,512,320</b>
<b>Expenses:</b>		
Interest on borrowing, fees and commission (note: 20.00)	917,614,244	971,534,713
Losses on loan, advances and leases (note: 31.00)	(29,691,350)	88,796,120
Administrative expenses	180,791,415	166,366,410
Other operating expenses (note: 30.00)	16,542,643	14,946,334
Depreciation on banking assets (note: 29.00)	18,023,720	19,994,145
	<b>1,103,280,671</b>	<b>1,261,637,722</b>
	<b>377,534,844</b>	<b>402,874,597</b>
<b>19.00 Interest income</b>		
<b>Interest on mortgage loan:</b>		
Home mortgage loan	1,190,199,740	1,204,149,941
Commercial mortgage loan	154,611,157	158,121,906
Project mortgage loan	23,520,371	32,173,863
	<b>1,368,331,268</b>	<b>1,394,445,710</b>
<b>Interest on lease finance:</b>		
Industrial equipment	612,992	606,466
Vehicles	302,280	518,374
Delinquent interest	-	-
Interest on term finance	33,456,166	50,052,417
	<b>34,371,438</b>	<b>51,177,257</b>
Interest on fixed deposits	40,259,958	124,279,100
Interest on short term deposit	8,863,373	46,466,977
Interest on loan against FDR	2,470,293	1,746,679
Interest on staff loan	1,989,196	1,904,675
	<b>1,456,285,526</b>	<b>1,620,020,397</b>
<b>20.00 Interest paid on deposits, borrowings etc.</b>		
Interest paid on deposits, borrowings (Note-20.01)	917,614,244	971,534,713
Interest Expenses-Lease Liability (Note-20.02)	361,375	484,628
	<b>917,975,619</b>	<b>972,019,341</b>
<b>20.01 Interest paid on deposits, borrowings</b>		
Call money interest	10,162,319	15,744,681
Secured overdraft interest	6,143,656	2,030,112
Term deposit interest	6,367,708	48,026,528
Term loan interest	38,336,638	26,909,341
Customer Deposit Int. - Kotipoti Scheme	1,050,918	696,231
Customer Deposit Int. - Education Pension Scheme	58,252	36,452
Customer Deposit Int. - Housing Deposit Scheme	198,965	125,849
Customer Deposit Int. - Mohila Savings Scheme	293,690	284,925
Customer Deposit Int. - Money Multiplier Scheme	14,038,590	11,345,464
Customer deposit interest - Term Deposit	697,432,277	782,872,966
Customer deposit interest - Income Account	47,935,510	22,343,045
Customer deposit interest - Double Money Account	6,551,712	19,346,165
Customer deposit interest - Triple Money Account	7,608,214	5,655,834
Customer deposit interest-MSS	1,927,911	2,340,571
Customer deposit interest-MLNR	10,887,332	9,683,785
Interest Expense on Term Deposit Profit First	42,089,104	-
Interest expenses on treasury bond	3,569,613	11,230,910
Interest expenses on Repo	16,617,274	1,827,380
HML refinance interest	5,527,096	7,186,840
SME loan interest	817,464	3,847,636
	<b>917,614,244</b>	<b>971,534,713</b>



	2022 Taka	2021 Taka
<b>20.02 Interest Expenses-Lease Liability</b>	<b>361,375</b>	<b>484,628</b>
<b>21.00 Investment Income</b>		
Dividend Income (note- 21.01)	5,467,587	7,045,236
Interest income from treasury bond (note-21.02)	57,627,014	24,155,143
Capital gain on sale of Govt. Treasury Bond	-	10,838,323
Gains /losses from sale of shares (note-21.03)	3,420,822	21,886,995
	<b>66,515,423</b>	<b>63,925,696</b>
<b>21.01 Dividend Income *</b>		
Dividend on ordinary shares	5,467,587	5,986,226
Dividend on preference shares	-	1,059,010
	<b>5,467,587</b>	<b>7,045,236</b>
<b>21.02 Interest income from treasury bond</b>		
Interest income from treasury bond	57,627,014	24,155,143
	<b>57,627,014</b>	<b>24,155,143</b>
<b>21.03 Gains /losses from sale of shares*</b>		
Gain on sale of shares	4,172,752	31,480,892
Loss on sale of shares	(751,930)	(9,593,898)
	<b>3,420,822</b>	<b>21,886,995</b>
*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		
<b>22.00 Commission, exchange and brokerage</b>		
Fees	500	-
	<b>500</b>	<b>-</b>
<b>23.00 Other operating income</b>		
Application, processing and documentation fees	15,138,098	15,180,661
Delinquent charge-MSS,MLNR etc.	1,480	3,075
Interest on call Money lending	-	-
Other income	501,503	375,956
	<b>15,641,081</b>	<b>15,559,692</b>
<b>24.00 Administrative expenses</b>		
<b>24.01 Directors' fees and expenses</b>		
This represents fees paid for attending board meetings and other committee meetings @ Tk. 8,000/- per attendance per person.	1,610,400	1,513,600
	<b>1,610,400</b>	<b>1,513,600</b>
<b>24.02 Salaries and allowances</b>		
Salary & allowances (note: 24.02.01)	116,845,143	110,441,783
Provident fund contribution	6,036,242	5,913,702
Gratuity	8,815,744	5,544,016
Bonus	12,479,667	11,787,662
	<b>144,176,796</b>	<b>133,687,163</b>
<b>24.02.01 Salary &amp; allowances</b>		

This includes managerial remuneration of Taka 93.72 million and balance amount Taka 50.46 million is on account of staff salary, bonus and other allowances. The number of employees including contract based employees were 201 and 199 for the year 2022 & 2021 respectively.



	2022 Taka	2021 Taka
<b>24.03 Rent, taxes, insurance, electricity etc.</b>		
Office maintenance	2,188,372	2,156,550
Office rent	5,104,124	3,636,714
Security Guard	1,079,503	992,697
City corporation Taxes	712,800	134,158
Electricity	2,796,686	2,924,020
Utilities	271,342	328,348
Membership fees	1,492,124	1,504,124
Subscription & Donation	89,081	19,122
CSR activities	25,000	361,500
Legal and professional	282,639	250,500
Insurance (note: 24.03.01)	912,642	1,030,337
	<b>14,954,313</b>	<b>13,338,070</b>
<b>24.03.01 Insurance</b>		
Taka 912,642 being premium paid for insurance coverage against damages/loss of the Company's fixed assets by fire, earthquake etc.		
<b>24.04 Legal expenses</b>		
Legal charges	-	-
	<b>-</b>	<b>-</b>
<b>25.00 Postage, stamps, telecommunication etc.</b>		
Courier	69,073	114,365
Postage	90,857	60,669
Stamps & security paper	-	-
Telephone, fax & e-mail	2,396,629	2,534,273
	<b>2,556,559</b>	<b>2,709,307</b>
<b>26.00 Stationary, printing, advertisement etc.</b>		
Printing	1,952,914	787,955
Stationery	1,176,087	1,218,462
Business Commission	3,165,534	3,823,128
Promotion & publicity	3,993,812	2,882,474
	<b>10,288,347</b>	<b>8,712,019</b>
<b>27.00 Managing Director's salary and fees</b>		
Salary & allowances	5,900,000	5,186,130
Provident fund contribution	360,000	303,871
Bonus	600,000	600,000
	<b>6,860,000</b>	<b>6,090,001</b>
<b>28.00 Auditors' fees</b>	<b>345,000</b>	<b>316,250</b>
<b>29.00 Depreciation on and repairs to assets</b>		
<b>Depreciation:</b>		
Building	573,434	637,149
Newly acquired Building	5,649,142	5,839,834
Furniture	2,476,059	2,594,415
Office equipment	4,060,535	4,548,151
Intangible Assets	2,100,000	2,100,000
Right-of-Use Asset for Lease Rent	1,987,235	3,015,383
Motor vehicle	635,885	893,627
	<b>17,482,290</b>	<b>19,628,559</b>
Repair and maintenance	541,430	365,586
	<b>18,023,720</b>	<b>19,994,145</b>

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



	2022 Taka	2021 Taka
<b>30.00 Other expenses</b>		
Traveling expenses	227,414	165,330
Conveyance bill	3,199,132	3,024,428
Training	193,647	12,750
Bank charges and excise duty	2,785,742	2,306,281
Books, periodicals and others	-	-
Office refreshments	1,888,241	1,842,394
Motor car	5,480,641	5,919,782
Office general expenses	1,311,696	1,216,638
AGM Expenses	98,795	91,634
Software Maintenance Charge	1,000,000	-
Trade License Fees	175,235	181,528
Computer Software Expenses	152,250	145,000
Investment expenses share	29,850	40,569
	<b>16,542,643</b>	<b>14,946,334</b>
<b>31.00 Provisions for loan and advances</b>		
For classified loans, advances and leases	17,867,453	68,829,207
For unclassified loans, advances and leases	(47,558,803)	19,966,913
	<b>(29,691,350)</b>	<b>88,796,120</b>
<b>31.01 Provision for investments</b>		
Made during the year	18,378,775	5,059,496
Recovery during the year	(2,000,000)	(6,787,143)
	<b>16,378,775</b>	<b>(1,727,647)</b>
<b>31.02 Others</b>		
Provisions for legal charges	1,063,138	(7,814,773)
Provisions for other (salary) charges	9,067,081	10,805,809
Provisions for cheque dishonored & clearing charges	(5,686)	(98,630)
	<b>10,124,532</b>	<b>2,892,406</b>
<b>32.00 Earnings per share</b>		
a) Earnings attributable to the ordinary shareholders(Taka)	263,139,949	261,288,843
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)	<b>2.25</b>	<b>2.23</b>
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 2022 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.		
<b>33.00 Interest receipts in cash</b>		
Interest income from loans, advances & leases	1,456,285,526	1,620,020,397
(Increase)/decrease in interest receivable on loans, advances and leases	-	-
(Increase)/decrease in other receivable	25,706,559	(15,253,044)
	<b>1,481,992,085</b>	<b>1,604,767,353</b>
<b>34.00 Interest payments</b>		
Total interest expenses (note: 20.00)	917,614,244	971,534,713
<b>Add:</b> Opening balance of interest payable	392,681,637	467,440,698
<b>Less:</b> Closing balance of interest payable	(325,345,399)	(392,681,637)
	<b>984,950,482</b>	<b>1,046,293,774</b>
<b>35.00 Fees and commissions receipts in cash</b>		
Fees, commission and brokerage (note: 22.00)	500	-
<b>Add:</b> Opening balance of fees, commission and brokerage	-	-
<b>Less:</b> Closing balance of fees, commission and brokerage	-	-
	<b>500</b>	<b>-</b>
<b>36.00 Cash payments to employees</b>		
Staff salaries and allowances (note: 24.02)	144,176,796	133,687,163
Managing Director's salaries and allowances (note: 27.00)	6,860,000	6,090,001
<b>Add:</b> Opening balance of staff dues	11,114,337	10,549,669
<b>Less:</b> Closing balance of staff dues	(9,426,821)	(11,114,337)
	<b>152,724,312</b>	<b>139,212,496</b>



	2022 Taka	2021 Taka
<b>37.00 Cash payments to suppliers</b>		
Printing, stationary and advertisement etc. (note: 26.00)	10,288,347	8,712,019
Postage, stamps, telecommunication etc. (note: 25.00)	2,556,559	2,709,307
Repair & maintenance (note: 29.00)	541,430	365,586
<b>Add:</b> Opening balance of suppliers dues	-	-
<b>Less:</b> Closing balance of suppliers dues	-	-
	<b>13,386,336</b>	<b>11,786,912</b>
<b>38.00 Receipts from other operating activities</b>		
Other operating income (note: 23.00)	15,641,081	15,559,692
Profit on sale of share (note: 21.01)	4,172,752	31,480,892
Loss on sale of share (note: 21.01)	(751,930)	(9,593,898)
	<b>19,061,902</b>	<b>37,446,687</b>
<b>39.00 Payments for other operating activities</b>		
Directors' fees	1,610,400	1,513,600
Legal expenses	-	250,500
Auditor's fees	345,000	316,250
Office occupancy cost	8,371,999	6,785,961
City Corporation Taxes	712,800	134,158
Electricity	2,796,686	2,924,020
Utilities	271,342	328,348
Insurance	912,642	1,030,337
Other expenses (note: 30.00)	16,542,643	14,946,334
<b>Add:</b> Opening balance of outstanding payable	316,250	287,500
<b>Less:</b> Closing balance of outstanding payable	(345,000)	(316,250)
	<b>31,534,762</b>	<b>28,200,758</b>
<b>40.00 Increase/(Decrease) of other deposits</b>		
<b>Closing balance:</b>		
Term deposits	12,469,335,605	14,417,204,471
Other deposits	2,855,228	3,833,858
	<b>12,472,190,833</b>	<b>14,421,038,329</b>
<b>Opening balance:</b>		
Term deposits	14,417,204,471	13,499,364,530
Other deposits	3,833,858	11,549,592
	<b>14,421,038,329</b>	<b>13,510,914,122</b>
	<b>(1,948,847,496)</b>	<b>910,124,207</b>
<b>41.00 Sanction and disbursement</b>		
Sanction	3,595,775,000	3,238,365,395
Disbursement	2,611,232,868	2,075,406,107
Undisbursed	<b>984,542,132</b>	<b>1,162,959,288</b>
<b>41.01 Contingent liabilities (Other Commitments)</b>		
Government	-	-
Directors	-	-
Bank and other Financial Institution	-	-
Other	<b>984,542,132</b>	<b>1,162,959,288</b>
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 2022 the company disclosed undisbursed sanctioned loan amount Tk. 984,542,132/- as off balance sheet item under the head of other commitment.		
<b>42.00 Net Asset Value (NAV) per Share</b>		
Net Asset (Total assets less total liabilities) (A)	2,269,827,097	2,182,233,947
Total number of ordinary shares outstanding (B)	117,031,200	117,031,200
<b>Net Asset Value (NAV) per share (A ÷ B)</b>	<b>19.40</b>	<b>18.65</b>
<b>42.01 Net Operating Cash Flow Per Share (NOCFPS)</b>		
Net cash flow from operating activities (A)	(2,242,493,418)	1,077,433,555
Total number of ordinary shares outstanding (B)	117,031,200	117,031,200
<b>Net operating cash flow from operating activities per share (A ÷ B)</b>	<b>(19.16)</b>	<b>9.21</b>

\*Decreased of cash inflow from operating activities for the period ended 2022 was due to increase of loan and payment of customer deposits. As a result, net operating cash flow per share (NOCFPS) at the period ended of 31 December, 2022 decreased compare to the period ended 2021.





**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 FCMA	Director	Member	M.Com (Acc), FCMA
03	Mr. Azmal Hossain	Director	Member	B.Com
05	Mr. Akhtar Ahmed	Director	Member	B.A (Hons), M.A.(DU), ACII
04	Mr. Siddiqur Rahman Chowdhury	Independent Director	Member	B.S.C (Hons), M.S.C (DU)

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
	52nd	28-Mar-22
	53rd	11-May-22
	54th	26-Jul-22
	55th	22-Oct-22
	56th	29-Nov-22

5 (five) meetings of the audit committee were held during the year 2022 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, 2022 are furnished below:

SL #	Details	2022	2021
01	Paid-up Capital	1,170,312,000	1,170,312,000
02	Total Capital	2,269,827,097	2,182,233,947
03	Capital surplus/(deficit)	1,269,827,097	1,182,233,947
04	Total assets	18,401,737,918	19,059,220,338
05	Total deposits	12,472,190,833	14,421,038,329
06	Total loans, advances, leases & Others	14,393,418,552	13,939,457,867
07	Total contingent liabilities and commitments	984,542,132	1,162,959,288
08	Credit deposit ratio	115.40%	96.66%
09	Loan to Fund ratio	85.23%	79.72%
10	% of Classified loans against total loans and advances	6.93%	5.88%
11	Profit after tax and provisions	263,139,949	261,288,843
12	Amount of classified loans during the year	997,533,483	819,527,465
13	Provisions kept against classified loans	195,060,021	172,011,438
14	Provisions surplus/(deficit)	-	-
15	Cost of fund	7.82%	7.74%
16	Interest earnings assets	17,536,995,009	18,240,665,771
17	Non-interest earnings assets	864,742,909	818,554,567
18	Return on investments (ROI)	4.96%	4.97%
19	Return on assets (ROA)	1.40%	1.42%
20	Income from investments	66,515,423	63,925,696
21	Weighted average earnings per share (restated)	2.25	2.23
22	Price earning ratio	18.57	22.24
23	Return on equity (ROE)	11.82%	12.21%
24	Net asset value per share (NAV)	19.40	18.65



- 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, Rajshahi and Khulna in the year 2022.
- 46.00 **Capital expenditure commitment**  
There was neither any outstanding contract nor any Board authorization for capital expenditure as at December 31, 2022.
- 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 245th Meeting held on 17th April, 2023 has recommended to the shareholders a cash dividend @15.00% i.e Taka 1.50 for every ordinary share (amounting to BDT 175,546,800) based on financial performance for the year ended 31 December, 2022. This will be considered for approval by the shareholders at the 24th Annual General Meeting (AGM) to be held on 11 June, 2023.
- 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.41.80 and Tk.41.70 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
Mr. 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
Mr. Md. Kazim Uddin Representing National Life	Director	The Daily Janata	Chairman
		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
		Gramcenphone Limited	Independent Director
		ACI Formulations Ltd.	Independent Director
		Desh Garments Ltd.	Independent Director
		Summit Alliance Port Ltd.	Nominated Director
		ACI Ltd.	Nominated Director
		PEB Steel Alliance Ltd	Independent Director
		MJL Bangladesh Limited	Nominee Director
		Omera Fuels Ltd.	Nominee Director
		Omera Petroleum Ltd.	Nominee Director
		Omera Cylinders Ltd.	Nominee Director
		BRAC University	Founding Member, Trustee Board
		GSS Bangladesh	Chairman
BIRDEM Hospital	Chairman, Management Board		
Mr. Siddiqur Rahman Choudhury	Independent 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

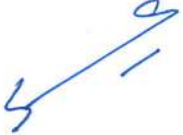
53.03 There is no loans, advances and leases given to Directors and their related concern.


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
		<b>Taka</b>
National Bank Limited (Sponsor)	STD/CD account	(7,673,657)
National Life Insurance Co. Limited (Sponsor Director)	Term deposit	50,000,000
Pragati Insurance Limited (Sponsor Director)	Term deposit	22,505,912
Square Pharmaceuticals Limited (Sponsor Director)	Term deposit	3,640,000,000
Reliance Insurance Co. Limited (Sponsor Director)	Term deposit	200,000,000
Bangladesh Lamp (Sponsor Director)	Term deposit	70,546,633

  
Md. Sarwar Kamal, FCS  
Company Secretary

  
Mohammad Shamsul Islam  
Managing Director

  
Md. Kabir Reza, FCMA  
Director

  
Mahbubur Rahman  
Chairman



Fixed assets including premises, furniture and fixtures for 2022

(Annexure-A)

Figures in Taka

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.21	
	Balance as on 01.01.22	Disposed during the year	Addition during the year	Balance as on 31.12.22		Balance as on 01.01.22	Adjustments for disposals	Charged during the year	Balance as on 31.12.22		Written down value as on 31.12.22
Land	65,219,993	-	-	65,219,993	-	-	-	-	-	65,219,993	65,219,993
Existing Building	39,289,100	-	-	39,289,100	10.00%	-	573,434	31,914,350	7,374,750	7,948,184	7,948,184
Newly acquired Building	211,494,142	-	-	211,494,142	3.00%	-	5,649,142	35,701,468	175,792,674	181,441,816	181,441,816
Furniture	41,970,864	-	1,410,859	43,381,723	10.00%	-	2,476,059	21,097,193	22,284,530	23,349,731	23,349,731
Office equipment	44,149,124	-	2,110,075	46,259,199	20.00%	-	4,060,535	30,017,058	16,242,141	18,192,601	18,192,601
Intangible Assets	10,500,000	-	-	10,500,000	20.00%	-	2,100,000	5,670,000	4,830,000	6,930,000	6,930,000
Right-use of lease Assets	10,459,498	5,009,085	1,213,344	6,663,757	-	4,713,504	1,987,235	2,838,251	3,825,506	4,894,978	4,894,978
Motor vehicle	12,368,765	2,943,600	-	9,425,165	20.00%	2,548,517	635,885	6,881,626	2,543,539	3,574,507	3,574,507
<b>Total:</b>	<b>435,451,486</b>	<b>7,952,685</b>	<b>4,734,278</b>	<b>432,233,079</b>		<b>7,262,021</b>	<b>17,482,290</b>	<b>134,119,946</b>	<b>298,113,133</b>	<b>311,551,809</b>	<b>311,551,809</b>

