

Strictly Private & Confidential

DRAFT INFORMATION MEMORANDUM

National Housing 1st Zero-Coupon Bond of BDT 3,744,000,000

For

National Housing Finance and Investments Limited



Contact Information: Corporate Head Office, Concord Baksh Tower (7th Floor)
Plot 11A, Road 48, Block CWN (A), Gulshan 2, Dhaka 1212

Issue-Name: NATIONAL HOUSING 1st Zero-Coupon Bond

Type of Security: Non-Convertible Fully Redeemable Unsecured Zero-Coupon

Total Face Value: Up to BDT 3,744 million

Face Value of each Bond: BDT 100,000

Face Value of each Lot of Bond: BDT 900,000

Issue Price of each Lot of Bond: BDT 714,936 @8% discount rate

Total Issue Price of the Bond: BDT 2,974 million @8% discount rate

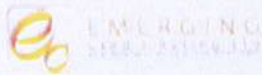
Discount Rate/YTM: Up to 9%

Number of Securities: 37,440

Credit rating of the issuer: Long Term: AA- Short Term: ST-2 Outlook: Stable

Credit rating of the issue: Long Term Issue Rating: A+_{BB} Outlook: Stable

Credit Rating Agency (Issue)



Mandated Lead Arranger



Trustee



Issue Date of IM: Nov 28, 2023

If you have any query about this document, you may consult the issuer and the Trustee

CS

CFO

MD

TRUSTEE

Md. Sarwar Kamal FCS
Senior Vice President and
Company Secretary
National Housing Finance
and Investments Limited

Sayed Ahmed, FCMA
SVP & Chief Finance Officer
National Housing Finance
and Investments Limited

Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited

Reza Uddin Ahmad
Managing Director
IDLC Investments Limited



ARRANGER'S DISCLAIMER

National Housing Finance and Investments Limited (hereafter refer to as the "Issuer" or "National Housing" or ("NHFIL") has authorized BRAC EPL Investments Ltd ("BEIL" or the "Arranger") to distribute this information memorandum in connection with the proposed transaction outlined in it (the "Transaction") and the bond proposed to be issued in the Transaction (the "Bond").

This information memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase the Zero-Coupon bonds. This information memorandum shall not be, in whole or in part, reproduced or used for any other purpose without the prior written consent of the arranger.


The issuer has prepared this information memorandum and the issuer is solely responsible for its contents. The issuer will comply with all its laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the bonds. All the information contained in this information memorandum has been provided by the issuer or is from publicly available information and such information has not been independently verified by the arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this information memorandum or any of the information or opinions contained therein, and the arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this information memorandum or any information or errors contained therein, or any omissions therefrom. By accepting this information memorandum, you agree that the arranger will not have any such liability.

You should carefully read and retain this information memorandum. However, you are not to construe the contents of this information memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax and financial or related matters concerning an investment in the bond.

Investors should employ their own assessment to evaluate the credit and potential risks associated with the investment. It is advisable for prospective investors to seek guidance from financial, legal, and other professionals before making a purchase, acquisition, or investment in zero-coupon bonds.


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ISSUER'S DISCLAIMER

This information memorandum is neither a prospectus nor a statement in lieu of a prospectus. The issue of non-convertible zero-coupon bonds is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the bond issue to the public in general. Apart from this information memorandum, no information memorandum or prospectus has been prepared in connection with the offering of this issue.

This information memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the bond issue. This information memorandum does not purport to contain all the information that any potential investor may require. Neither this information memorandum nor any other information supplied in connection with the bond issue is intended to provide the basis of any credit or other evaluation and any recipient of this information memorandum should not consider such receipt a recommendation to purchase any bonds. Each potential investor contemplating the purchase of any bonds should make his/her independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

The information relating to the company contained in this information memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/transfer these bonds in strict accordance with this information memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this information memorandum or have any responsibility to advise any investor or potential investor in the bonds of any information available with or subsequently coming to the attention of the intermediaries, agents, or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this information memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.

The contents of this information memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The person who is in receipt of this information memorandum shall maintain utmost confidentiality regarding the contents of this information memorandum and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding

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its contents, without the prior written consent of the issuer till the time the information memorandum comes within public domain. Notwithstanding the foregoing, a bondholder may provide this information memorandum to a potential investor for the sole purpose of transferring the bonds.

Each person receiving this information memorandum acknowledge that:

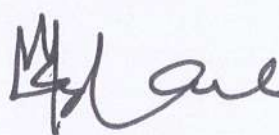
1. Such person has been afforded an opportunity to request and to review and has reviewed and received this information memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
2. Such person has not relied on any information on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the information memorandum to reflect subsequent events after the date of the information memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this information memorandum nor any sale of bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

This information memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the bonds or the distribution of this information memorandum and the offering and sale of the bonds which may be restricted by law in certain jurisdictions. Persons into whose possessions this information memorandum comes are required to inform themselves about and to observe any such restrictions.


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Date: 18th June 2023

Anup Datta

Head of Corporate Advisory
Investment Banking Department
BRAC EPL Investments Limited
Medona Tower Level-4, 28 Mohakhali
Dhaka, 1213

LETTER OF AUTHORITY


Assalamu Alaikum,

We refer to National Housing 1st Zero-Coupon Bond Issue of BDT 3,744 million (the "Bonds") which, you (the Arranger) are arranging at our request, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum").

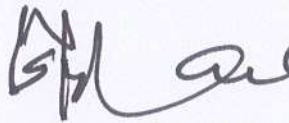
National Housing Finance and Investments Limited (the Issuer), the undersigned, confirms that:

- i. Except as otherwise provided in the information memorandum, all the information contained therein relating to the company and its business has been provided to you by us.
- ii. We confirm that we are fully responsible for all material statements, facts and opinions in the information memorandum.
- iii. To the best of our knowledge the information memorandum does not omit any fact in the context of the proposed facility although the information memorandum does not purport to be all the information which investors may require in order to evaluate the issuer's business.
- iv. The forecasts contained in the information memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- v. The information (including forecast) in the information memorandum fairly represents the basis on which the Issuer and its shareholders are proceeding with the business.

The issuer does not however make any express of implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documents and no representations or warranties other than those specially set forth on the bond documents shall be deemed to be given to any party.


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We hereby request and authorize you to distribute this information memorandum to prospective investors who may subscribe to the Bonds. We understand that as per local practice, no confidentiality agreement will be signed between the arranger and the prospective participants (including their relevant staff members and board of directors) to whom the information memorandum shall be placed, and we confirm our consent to the distribution of "information memorandum" and other relevant documents to prospective investors distributed in this manner.

Maa-Assalam,
Sd/-
Mohammad Shamsul Islam
Managing Director and CEO


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REPORT TO THE ELIGIBLE INVESTORS

The issuer has obtained information regarding Bangladesh and its economics from various government publications and other sources. Although we believe that its sources are reliable, you should keep in mind that it has not been independently verified and the information obtained from industry and government sources and information from its internal surveys has not been verified by an independent source. In addition, we have obtained information about the Trustee i.e., IDLC Investments Limited from the Trustee and do not accept any responsibility for the information contained in the section entitled "The Trustee". Further, we do not accept any responsibility for the information contained in the section entitled "Credit Rating". We are not making any representation to you concerning the accuracy or completeness of the information contained in the section "The Trustee" or in the section "Credit Rating".

The distribution of this information memorandum and the offering is restricted only to Bangladesh. It is not intended or make to offer or sale of Bonds in any other jurisdiction. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

We may withdraw this offering at any time, and we reserve the right to reject any offer to purchase the bonds in whole or in part and to sell to any prospective investor less than the full amount of the bonds sought by such investor.

We have obtained approval from Bangladesh Bank (BB) and Bangladesh Securities & Exchange Commission (BSEC) for issue of Bonds and the distribution of this information memorandum. Bangladesh Bank has given their NOC to issue the Bonds through its letter No. _____, dated _____ and Bangladesh Securities & Exchange has given their consent to issue the Bonds through its Letter No. _____, dated _____.

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1 RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

The following matters should be considered carefully before making any investment decision with respect to the issuer or the bonds. This section contains a list of risks usually associated with the issuer and the bonds that it is issuing. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences. This list of risk factors is not meant to be a comprehensive description of all risks which may be relevant to a decision to invest in the bonds. It does not take into consideration an investor's specific knowledge and/or understanding about the risks typically associated with the issuer and the purchase and ownership of the bonds. You are advised to review the risks below, if necessary, with the assistance of your own professional advisors, prior to making any investment decisions. If any of the risks described materialize, they could have a serious effect on the issuer's financial results, and the ability of the issuer to fulfill its obligations under the bonds to be issued.

1.1 Interest Rate Risks

Interest rate risks arise due to fluctuations in market interest rate which exposes to re-price and re-investment risk for both rate sensitive assets and rate sensitive liabilities.

Management Perception

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

1.2 Foreign Exchange Risks

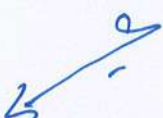
Risks associated with the volatility in exchange rates.

Management Perception

Since NBFIs are not allowed to enter any FX transactions, risks associated with exchange rates fluctuations are not applicable for any NBFIs.

1.3 Non-Repayment Risks (Credit Risks)

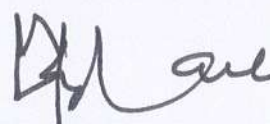
NHFIL may face potential loss arising from the possibility of a borrower or counterparty failing to meet agreed obligations. The failure may arise due to unwillingness of the counterparty or decline in economic condition, unanticipated legal or political constraints, etc.



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Management Perception

NHFIL believes a key component of a disciplined credit culture is adherence to internal policies and procedures. Hence, comprehensive investment policies and guidelines have been established in the company to ensure quality and transparency of investment decisions at all times. The board of directors has approved the investment policy for the company where major policy guidelines, growth strategy, exposure limits and risk management strategy have been described/stated in details. Credit policies are regularly updated to cope up with the changing global and domestic economic scenarios.

1.4 Prepayment Call or Refunding Risks

The risk associated with the early unscheduled return of principal on a fixed-income security.

Management Perception

Since this is a zero-coupon bond, prepayment risk, call or refunding risk is not applicable here.

1.5 Security Risks

The risk associated with the default, authenticity or validation of the collateral used to guarantee repayment of a debt.

Management Perception

Since this is an unsecured debt, this particular risk is not applicable here.

1.6 Liquidity Risks

NHFIL might face liquidity risk due to adverse mismatch of maturities of assets & liabilities & might encounter difficulty in meeting obligation from its financial liabilities at a point of time.

Management Perception


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

1.7 Management Risks

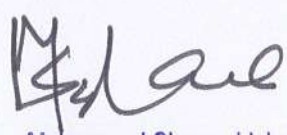
The risk associated with the ineffective, destructive or underperforming management, which hurts shareholders and the company of fund being managed.



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Management Perception

NHFIL is one of the leading NBFIs in the nation with a track record of consistently exceptional performance achieved through effective leadership and corporate governance. NHFIL has a sound management that is not only efficient but also dynamic in taking relevant decisions to make the organization more effective and results-oriented. Therefore, with a strong leadership on the back, management risks are not a matter of concern or a vital risk factor for NHFIL.

1.8 Operational Risks

Operational risks may give rise to losses due to failures in people, processes, and technology. Operational risk involves the legal and compliance risks in response to the disruption of day-to-day business operations. It also involves risk of losses suffered by the institutions stemming from the operational errors or mismatches in the process flows inherent in the line businesses.

Management Perception

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


1.9 Business Risks

NHFIL runs the business risk where they may be used for money laundering or financing terrorism. On the other hand, sales volume, apartment/land price, cost of construction materials, interest rate movement and overall macroeconomic conditions also play vital roles.


Management Perception

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:


- Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing.
- A dedicated structure and sub-structure within the organization for proactively managing AML and CFT compliance.
- Independent audit functions, including internal and external audit, to test the programs.
- Ongoing employee training programs.
- Regular review of the impact of economic condition
- Review and analysis of competitors' performance.



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1.10 Industry Risks

The risk NHFIL is likely to face due to virtue of the industry it is operating in.

Management Perception

NHFIL keeps constant watch on ever changing economic and business environment which sometimes leads to some industry risks as well as opportunity. The institution has always been careful in offering innovative, convenient and cost-effective financial products and services which in turn minimizes its industry risk exposure

1.11 Market & Technology Related Risks

Market risk is primarily related to fluctuations of the fair value of future cashflows of the financial instruments due to change in different market variables. Technology risk is the process of managing the risk associated with implementation of new technology. If a new technology is not compatible with business function of the company, the company may suffer in the long run. A non-compatible technology not only brings difficulty in all sorts of operations of the company but also run the risk wasting money choosing the wrong one.

Management Perception

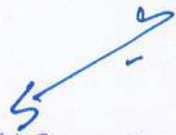
Market risk is actively monitored by the company's Treasury division. Periodic stress testing shows that the institution is unlikely to face any major risks in liquidity, interest margins. Technology risk is mitigated by the company's robust IT department, which assesses any technologically associated risks and implements suitable counter measures.

1.12 Risks related to potential or existing Government Regulations


Excessive growth of risk weighted assets against the growth of eligible regulatory capital of NHFIL might breach the Bangladesh Bank's criteria of minimum capital requirements. Also, the Financial Institution might fail to comply with the laws, regulations or codes applicable to the financial services industry.

Management Perception

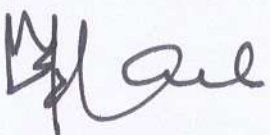
Internal control and compliance of NHFIL works to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Pillar 1 and Pillar 2 of Basel-II Accord also focused on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Bank core risk guideline on internal control & compliance, Audit Committee of NHFIL reviews the overall effectiveness of internal control system.



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1.13 Risks related to potential changes in Global or National Policies


Risks associated with any potential global issues (i.e., global financial crisis- or a massive volatility in an international currency) or a national policy change (i.e., regulatory changes made by the Bangladesh Bank or the Bangladesh Securities Exchange Commission)

Management Perception

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



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2 DETAILED DESCRIPTION & INFORMATION OF ISSUER'S APPLICATION

Particulars of issuer: National Housing Finance and Investments Limited

Serial	Particulars	Status
1	Name:	National Housing Finance and Investments Limited
2	Legal status:	Public Limited Company
3	Details of contact information:	Corporate Head Office, Concord Baksh Tower (7th Floor), Plot 11A, Road 48, Block CWN (A), Gulshan 2, Dhaka-1212
4	Date of incorporation:	18 th August, 1998
5	Date of commencement of business:	18 th August, 1998
6	Authorized capital:	BDT 2,000,000,000
7	Paid-up capital:	BDT 1,170,312,000
8	Total equity:	BDT 2,269,827,097
9	Total liabilities:	BDT 16,131,910,821
10	Total financial obligations:	BDT 16,131,910,821
11	Total assets:	BDT 18,401,737,918
12	Total tangible assets:	BDT 298,113,133
13	Net worth:	BDT 2,269,827,097
14	Others:	Not Applicable

Particulars of the Arranger: Not Applicable

Particulars of the Issue: National Housing 1st Zero-Coupon Bond

Serial	Particulars	Status
1	Name of the issue:	National Housing 1 st Zero-Coupon Bond
2	Type of instruments to be issued:	Non-Convertible, Fully-Redeemable, Unsecured, Zero-Coupon
3	Purpose of the issue:	To provide housing finance & invest in government securities
4	Number of securities and total size of the issue to be offered:	37,440 (thirty-seven thousand, four forty only) securities totaling BDT 3,744,000,000
5	Face value of each bond:	BDT 100,000
6	Face value of each lot of bonds:	BDT 900,000

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Mohammad Shamsul Islam
Managing Director
National Housing Finance
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Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

		2	90,194	88,900	87,630																								
		3	87,144	85,480	83,856																								
		4	84,197	82,193	80,245																								
		5	81,350	79,031	76,790																								
		6	78,599	75,992	73,483																								
		7	75,941	73,069	70,319																								
		8	73,373	70,259	67,290																								
		9	70,892	67,556	64,393																								
		Per Lot (9 bonds)	735,042	714,936	695,578																								
8	Coupon rate or rate of profit or discount rate and Yield to Maturity (YTM)	Up to 9% The final discount rate will be determined at the time of subscription taking into consideration the prevailing market conditions.																											
9	Tenor or maturity:	1 to 5 years from the date of issue																											
10	Details of conversion/exchange option features:	Not applicable as the bond is non-convertible																											
9	Mode of redemption or conversion/exchange:	Face Value (principal) redemptions will be in 9 (nine) equal semi-annual tranches commencing at the end of 1 st year from the date of drawdown, subject to regulatory approvals and as defined in the agreements.																											
		<table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> </tr> </thead> <tbody> <tr> <td>0.5</td> <td>0%</td> </tr> <tr> <td>1.0</td> <td>11.11%</td> </tr> <tr> <td>1.5</td> <td>11.11%</td> </tr> <tr> <td>2.0</td> <td>11.11%</td> </tr> <tr> <td>2.5</td> <td>11.11%</td> </tr> <tr> <td>3.0</td> <td>11.11%</td> </tr> <tr> <td>3.5</td> <td>11.11%</td> </tr> <tr> <td>4.0</td> <td>11.11%</td> </tr> <tr> <td>4.5</td> <td>11.11%</td> </tr> <tr> <td>5.0</td> <td>11.11%</td> </tr> <tr> <td>Total</td> <td>100.00%</td> </tr> </tbody> </table>				Year	Redemption	0.5	0%	1.0	11.11%	1.5	11.11%	2.0	11.11%	2.5	11.11%	3.0	11.11%	3.5	11.11%	4.0	11.11%	4.5	11.11%	5.0	11.11%	Total	100.00%
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Total	100.00%																												
10	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof:	Redeemable; Call or Put Option- Not Applicable; Discount/Premium: Not Applicable)																											
11	Rate of return:	Up to 9%																											
12	Applicable tax rate:	As per the tax law of People's Republic of Bangladesh																											

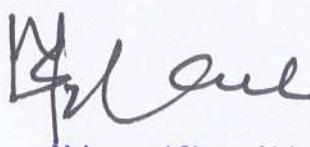
10	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof:	Redeemable; Call or Put Option- Not Applicable; Discount/Premium: Not Applicable)
11	Rate of return:	7% - 9% (Subject to regulatory approvals)
12	Applicable tax rate:	As per the tax law of People's Republic of Bangladesh
13	Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any:	Not applicable (This bond is unsecured in nature. No credit enhancement is applicable). But penalty rate on delay repayment at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021
14	Type of collateral securities being offered:	Unsecured
15	Status of securities holders in case of priority of payment:	The Claims of the Investors/Bondholders shall: (i) be superior to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) The bonds shall constitute direct, unconditional and unsecured obligations of the issuer and shall at all times rank pari-passu and without any preference or priority among themselves.
16	Period within which securities to be issued:	Within 6 (six) months of regulatory approval in single or multiple tranches as per the guidance of BSEC.
17	Nature of tradability or listing in the stock exchange:	Listed on the Alternative Trading Board (ATB)
18	Others:	Not applicable

Particulars of the Trustee: IDLC Investments Limited

Serial	Particulars	Status
1	Name of the trustee	IDLC Investments Limited
2	Paid-up capital of the trustee:	BDT 2,200,000,000 (as per last audited)
3	Net worth of the trustee:	BDT 3,521,585,794 (as per last audited)


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4	Name of the issue(s) where performing as trustee:	<ul style="list-style-type: none"> • City Bank 2nd Subordinated Bond • Standard Bank 2nd Subordinated Debt • City Bank 4th Subordinated Bond • United Commercial Bank 3rd Subordinated Bond • Tarasima Apparels Limited Zero-Coupon Bond • City Bank Perpetual Bond • DBH Zero Coupon Bond • BRAC Bank Affordable Housing Bond • Standard Bank Perpetual Bond • Dhaka Bank Perpetual Bond
5	Others:	Not Applicable

Particulars of the credit rating company: ECRL & CRISL

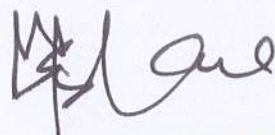
Serial	Particulars	Status
1	Name of credit rating company :	Emerging Credit Rating Ltd (Issue) Credit Rating Information and Services Limited (CRISL) (Issuer)
2	Credit rating status of the issuer:	Long Term: AA-; Short Term:ST-2 Outlook: Stable
3	Credit rating status of the issue:	Long Term: A+B Outlook: Stable
4	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue:	Issuer Rating: Long Term: AA- Short Term: ST-2 Validity: 20 th June, 2024 Date of declaration: 21 st June, 2023 Issue Rating: Long Term: A+B Validity: 29 th May, 2024 Date of declaration: 30 th May, 2023
5	Periodical surveillance rating shall be done by the said rating company in line with the provisions of the Credit Rating Companies Rules, 1996	Complied
6	Latest default rate of the credit rating company:	0.00% for AA grade
7	Average time to default of the rated category:	0.00%
8	Rating trigger, if any:	If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then National Housing Finance and Investments Limited shall pay an additional fee on top of the

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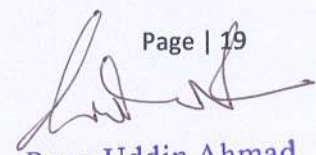


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		of the stipulated coupon rate as a risk premium as mentioned in the below table:										
		<table border="1"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.25%</td> </tr> <tr> <td>B</td> <td>0.50%</td> </tr> <tr> <td>C</td> <td>0.75%</td> </tr> <tr> <td>D</td> <td>1.00%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.25%	B	0.50%	C	0.75%	D	1.00%
Issue Rating	Risk Premium to be Added											
BB	0.25%											
B	0.50%											
C	0.75%											
D	1.00%											
9	Others:	Not Applicable										

Particulars of the originators, if any;

Not available

Particulars of the other contractual parties:

Serial	Particulars	Status
1	Name of the Mandated Lead Arranger (MLA)	BRAC EPL Investments Limited
2	Legal status of the Mandated Lead Arranger	Public Limited Company
3	Details of contact information of the MLA:	Anup Datta, Head of Corporate Advisory Investment Banking Department Mobile: +880 1755 6317 24 E-mail: anup.datta@bracepl.com
4	Legal Advisor	Mr. Md. Mydul Haque Khan, Barrister-at-Law & Advocate, Supreme Court of Bangladesh and Partner Lex Juris, e-mail: mydul Khan@lexjurisbd.com Mobile: +8801768054385, +8801912888553
5	Depository	Central Depository Bangladesh Limited (CDBL)
6	Registrar, Paying Agent, Transfer Agent	IDLC Investments Limited
5	Others	Not applicable

*The Bonds are proposed to be listed on Alternative Trading Board (ATB) of Stock Exchange(s) as per rule 19 of BSEC (Debt Securities) Rules, 2021 and Bank shall make listing application and obtain listing permission upon available of ATB platform by the Stock Exchange(s). Therefore, the appointed Trustee IDLC Investments Limited shall also perform the roles/responsibilities of a Registrar, Paying Agent and Transfer Agent besides the roles and responsibilities of trustee until listing with ATB.

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3 DETAILS PLAN OF THE UTILIZATION OF PROCEEDS

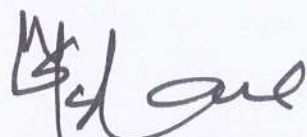
NHFIL is one of the top housing financial institutions in the private sector of the nation. The majority of its exposure is concentrated in the mortgage market. As the country is expected to see an uptrend in the overall housing market so the demand for housing finance will rise accordingly. Keeping that in mind, NHFIL has decided to look for an alternative way to raise funds by locking the interest rate for the uncertain period. So, in order to reap the opportunity, the financial institution believes that, upon completion of the full subscription, the proceeds from the issuance will be utilized to provide loans to the financial institution's housing/mortgage market segment. However, 10% of the proceeds will be utilized in government securities.



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4 DETAIL FEATURES OF DEBT SECURITY TO BE ISSUED

Issuer:	National Housing Finance and Investments Ltd
The Issue:	National Housing 1 st Zero-Coupon Bond
Mandated Lead Arranger	BRAC EPL Investments Ltd (BEIL)
Arrangement Basis:	Best Efforts/ Strictly non-underwritten
Purpose:	To provide housing finance and invest in government securities
Investors:	Corporates, High Net-Worth Individuals, Provident and Gratuity Funds, Insurance Companies, Banks, Financial Institutions, NGOs & other eligible investors.
Currency:	Bangladeshi Taka (BDT)
Face Value:	BDT 3,744 million
Face Value of each bond:	BDT 100,000.00 (one hundred thousand) only
Face Value of each market lot:	BDT 900,000 (nine hundred thousand) only
Per lot:	9 bonds
Mode of Placement:	Private placement
Discount Rate:	Up to 9%
ZCB Strips for Each Bond:	To be fully redeemed in installments, starting from the end of 12 th month from the issue date and each 6 months thereafter.
Maturity:	1 to 5 years from the issued date.
Transferability/Liquidity:	Freely transferable subject to further due diligence and the terms and conditions of the agreement
Features:	<ol style="list-style-type: none"> 1. Non-convertible 2. Fully redeemable
Security:	Unsecured
Form:	Registered
Credit Rating of Issuer:	Long Term: AA- Short Term: ST-2 Validity: 20 th June 2024 Outlook: Stable Credit Rating Agency: Credit Rating Information and Services Limited (CRISL)
Credit Rating of Issue:	Long Term: A+ _B Validity: 29 th May 2024 Credit Rating Agency: Emerging Credit Rating Limited (ECRL)
Trustee:	IDLC Investments Limited
Transfer Agent:	IDLC Investments Limited
Paying Agent:	IDLC Investments Limited
Registrar:	IDLC Investments Limited
Legal Counsel:	Lex Juris
Enforcement of Charges Over Securities:	Not Applicable
Prepayment:	No prepayment option
Call:	Bond is non-callable
Put:	Not applicable

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Prepayment, Call Refunding, Conversion Features:	The Bond is non-convertible and non-callable in nature and has no prepayment option.																																		
Rate of return:	Up to 9%																																		
Early Redemption:	Not applicable																																		
Late Redemption:	Incremental charge at the rate of 2% per annum payable by the issuer to the bondholders above the amount to be paid by the issuer to the bond holders on the redemption date for failure of the issuer to make payment of the bondholders on the redemption date.																																		
Rating Trigger:	<p>If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then National Housing Finance and Investments Limited shall pay an additional fee on top of the stipulated Discount Rate as a Risk Premium as mentioned in the below table:</p> <table border="1"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.25%</td> </tr> <tr> <td>B</td> <td>0.50%</td> </tr> <tr> <td>C</td> <td>0.75%</td> </tr> <tr> <td>D</td> <td>1.00%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.25%	B	0.50%	C	0.75%	D	1.00%																								
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C	0.75%																																		
D	1.00%																																		
Tax Features:	As per the tax law of People's Republic of Bangladesh																																		
Costs Related to Issue:	Total issuance costs including regulatory and non-regulatory fees BDT 18,581,982																																		
Repayment Schedule:	<p>Each Bond will have a different tenor ranging from 1-year to 5-years. The first redemption will take place at the end of the 1st year. The remaining redemptions will take place semi-annually from 1.5 years to 5 years.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> </tr> </thead> <tbody> <tr> <td>0.5</td> <td>0%</td> </tr> <tr> <td>1.0</td> <td>11.11%</td> </tr> <tr> <td>1.5</td> <td>11.11%</td> </tr> <tr> <td>2.0</td> <td>11.11%</td> </tr> <tr> <td>2.5</td> <td>11.11%</td> </tr> <tr> <td>3.0</td> <td>11.11%</td> </tr> <tr> <td>3.5</td> <td>11.11%</td> </tr> <tr> <td>4.0</td> <td>11.11%</td> </tr> <tr> <td>4.5</td> <td>11.11%</td> </tr> <tr> <td>5.0</td> <td>11.11%</td> </tr> <tr> <td>Total</td> <td>100.00%</td> </tr> </tbody> </table> <p>Redemption schedule at *8% discount rate</p> <table border="1"> <thead> <tr> <th>No. of Strips</th> <th>Maturity in Months</th> <th>No. of Bond Issued</th> <th>Discounted Value of Issue</th> <th>Face Value of Issue</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>12</td> <td>4,160</td> <td>384,615,385</td> <td>416,000,000</td> </tr> </tbody> </table>	Year	Redemption	0.5	0%	1.0	11.11%	1.5	11.11%	2.0	11.11%	2.5	11.11%	3.0	11.11%	3.5	11.11%	4.0	11.11%	4.5	11.11%	5.0	11.11%	Total	100.00%	No. of Strips	Maturity in Months	No. of Bond Issued	Discounted Value of Issue	Face Value of Issue	1	12	4,160	384,615,385	416,000,000
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	2	18	4,160	369,822,485	416,000,000
	3	24	4,160	355,598,543	416,000,000
	4	30	4,160	341,921,676	416,000,000
	5	36	4,160	328,770,843	416,000,000
	6	42	4,160	316,125,810	416,000,000
	7	48	4,160	303,967,125	416,000,000
	8	54	4,160	292,276,082	416,000,000
	9	60	4,160	281,034,694	416,000,000
				2,974,132,644	3,744,000,000
Regulatory Approval:	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Issuer will issue the bonds				
Validity of the Consent (to be issued by BSEC):	The consent for issuance of securities under private offer shall remain valid for 06 (six) months from the date of consent or for such a period as determined by the BSEC in the consent letter.				
Documentation:	Customary documentation including force majeure, negative pledge, cross default and indemnity provisions.				
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation: I) due diligence having been conducted and completed. II) documentation for the financing and appropriate business disclosure in the offering circular III) receipt by the MLA of appropriate legal counsel from the external counsel IV) the issuer having obtained all relevant approvals for the financing.				
Governing Law	The laws of the people's republic of Bangladesh				
Option Features:	Not applicable				
Credit Guarantee/Enhancement	No credit enhancement of the guaranteed features				
Trustee Authority	At any time after the bonds have become due and repayable the trustee may, at its sole discretion and without further notice in writing, take such proceedings against the issuer as it may think fit to enforce repayment of the bonds and to enforce the provisions of the trust deed. No Bondholders will be entitled to proceed directly against the issuer unless the trustee having become bound to do so within a reasonable period and such failure shall be continuing.				
Listing Status:	Listed on the Alternative Trading Board				

Rate of return, Yield to maturity, Coupon/Discount rate:

Up to 9%

Transferability/Liquidity:

Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.

Prepayment, call, refunding, conversion or exchange option:

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Transfer and transmission of the Bonds shall be subject to the Depositories Act, 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.

Prepayment, call, refunding, conversion or exchange option:

Not applicable

Early redemption or Late redemption:

Early redemption-Not applicable but incremental charge at the rate of 2% per annum payable by the issuer to the bondholders above the amount to be paid by the issuer to the bond holders on the redemption date for failure of the issuer to make payment of the bondholders on the redemption date.

Costs related to the issue:

Particulars	Fees
Non-Regulatory Fees	11,316,382
Arranger Fee	7,435,332
Legal Fee	130,000
Credit Rating Fee	275,000
Annual Trustee Fee	2,000,000
VAT on Non-Regulatory Fee	1,476,050
Regulatory Fees	7,265,600
BSEC Application Fee	10,000
BSEC Consent Fee	3,744,000
BSEC Trustee Application Fee	50,000
BSEC Trustee Registration Fee	100,000
BSEC Annual Trustee Fee	250,000
Trust Deed Stamp Duty	1,100,000
CDBL Fee	561,600
Stock Exchange Listing Fee	-
Annual Stock Exchange Listing Fee	-
ATB Listing Fee	500,000
ATB Annual Listing Fee	950,000
Total	18,581,982
% of Amount Raised	0.625%
Annualized Cost	0.125%

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Tax features:

Deduction of tax at source at the rates prevailing from time to time under the provisions of the Income-tax Ordinance, 1984, or any other statutory modification or re-enactment thereof.

Repayment Schedule:

Each Bond will have a different tenor ranging from 1-year to 5-years. **The first redemption will take place at the end of the 1st year. The remaining redemptions will take place semi-annually from 1.5 years to 5 years.**

Year	Redemption
0.5	0%
1.0	11.11%
1.5	11.11%
2.0	11.11%
2.5	11.11%
3.0	11.11%
3.5	11.11%
4.0	11.11%
4.5	11.11%
5.0	11.11%
Total	100.00%

Redemption schedule at *8% discount rate

No. of Strips	Maturity in Months	No. of Bond Issued	Discounted Value of Issue	Face Value of Issue
1	12	4,160	384,615,385	416,000,000
2	18	4,160	369,822,485	416,000,000
3	24	4,160	355,598,543	416,000,000
4	30	4,160	341,921,676	416,000,000
5	36	4,160	328,770,843	416,000,000
6	42	4,160	316,125,810	416,000,000
7	48	4,160	303,967,125	416,000,000
8	54	4,160	292,276,082	416,000,000
9	60	4,160	281,034,694	416,000,000
			2,974,132,644	3,744,000,000

Call or put option, and premium or discount thereof, if any:

Not applicable

Credit enhancement or guarantee, if any:

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Not applicable

Enforcement of charges over securities:

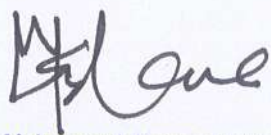
Not applicable however, at any time after the bonds have become due and repayable the trustee may, at its sole discretion and without further notice in writing, take such proceedings against the issuer as it may think fit to enforce repayment of the bonds and to enforce the provisions of the trust deed. No Bondholders will be entitled to proceed directly against the issuer unless the trustee having become bound to do so within a reasonable period and such failure shall be continuing.



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5 DESCRIPTION OF COLLATERAL SECURITY & TYPE OF CHARGES TO BE CREATED AGAINST THE ISSUE

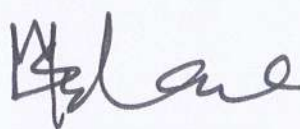
The issue is an unsecured, non-convertible Zero-Coupon bond, hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders/investors.



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6 RIGHTS & OBLIGATIONS OF THE ISSUER

6.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds become due to be redeemed or any principal on the Bonds or payment becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds, the principal amount of the Bonds or any payment becoming due for redemption or repayment on that date and shall (subject to any terms and conditions of the Bonds) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee, as aforesaid on the dates provided for in the Trust Deed, or any of them outstanding from time to time as set out in the Trust Deed *provided that*:

- 6.1.1 every payment in respect of the Bonds made to the Bondholders shall satisfy, to the extent of such payment;
- 6.1.2 if any payment in respect of the Bonds is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the third Business Day after notice by the Trustee to the Bondholders in accordance with the Trust Deed that the full amount has been received by the Trustee under the Trust Deed;
- 6.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused, interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal, until the date on which such principal amount due is paid to the Bondholders.
- 6.1.4 The Trustee will hold the benefit of this covenant and the covenants in Clause (Terms of Appointment of Trustee with Rights, Duties and Obligations) and Clause (General Covenants by the Issuer) on trust for the Bondholders.

6.2 General Covenants by the Issuer

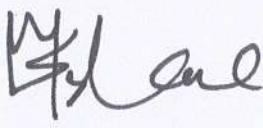
- 6.2.1 The Issuer hereby covenants that the Bonds will be issued in registered and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard, unless an exemption to the same regard has been obtained thereto.



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- 6.2.2** The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of the Trust Deed, the Conditions and the other Bond Documents which are expressed to be binding on it and to perform and observe the same. The terms and conditions of the Bonds shall be binding on the Issuer, the Bondholders and the Trustee. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in the Trust Deed, which shall be read and construed as one document with the Bonds. The Trustee shall hold the benefit of this covenant to pay all sums due and payable but unpaid by the Issuer in respect of payments with respect to the Bonds upon trust for itself and the Bondholders.
- 6.2.3** The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.
- 6.2.4** Covenant to comply with Bangladesh Bank Rules and Guidelines, Trust Deed, conditions, Schedules and Subscription Agreement(s):
- a) The Issuer hereby covenants with the Trustee to comply with, perform and observe the conditions of all Rules and Guidelines published by the Bangladesh Bank, all those provisions of the Trust Deed, the Conditions, the Schedules and the Subscription Agreement which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, the Conditions, the Schedules and the Subscription Agreement and all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.
 - b) The Issuer hereby confirms that it has obtained due approval from the Bangladesh Bank and the BSEC for issuance of the Bonds.
- 6.2.5** As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed in full notwithstanding that it has become due) or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the following.
- a) Negative Pledge



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The Issuer shall not without the prior approval of the Trustee create any new liability senior to the Bondholders except any security Interest arising in the ordinary course of business.

b) Disposals

- I. The Issuer shall not without the prior approval of Majority Lenders, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset exceeding BDT _____ (BDT _____).
- II. Clause above does not apply to (i) any sale, lease, transfer or other disposal made in the ordinary course of business of the Issuer and (ii) any loans, advances or financial accommodation granted by the Issuer to its customer in the course of its business.

c) Change of Business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer.

d) Arms' length transactions

The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis.

e) General Undertakings

I. Authorisations

The Issuer shall promptly:

- (1) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (2) supply to the Trustee certified copies of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents to which it is a party (or any of them) and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Bond Document to which it is a party.

II. Compliance with laws

The Issuer shall comply in all respects with all laws to which it is subject (including, without limitation, the requirements and guidelines of the Bangladesh Bank with respect to capital adequacy), if failure so to comply would, or could reasonably be expected to, have a Material Adverse Effect.

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III. Insurance

The Issuer shall maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

IV. Corporate Governance

(1) The Issuer shall ensure that it remains duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

(2) The Issuer shall ensure it shall at all times have the power and necessary Authorisations to own its assets and carry on its business as from time to time being conducted.

(3) The Issuer shall maintain and preserve all of its assets, which may be necessary in the conduct of its business as conducted from time to time, in good working order and condition, ordinary wear and tear excepted.

V. Taxation and claims

The Issuer shall duly and punctually pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties, save to the extent that (1) payment is being contested in good faith, (2) adequate reserves are being maintained for those Taxes and (3) payment can be lawfully withheld.

VI. Maintenance of and access to books and records and inspection


The Issuer shall, maintain books and records (with respect to itself and its business) in the manner described in herein below in the Trust Deed.

VII. Further assurance


The Issuer shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Trustee may reasonably specify (and in such form as the Trustee may reasonably require in favour of the Trustee or its nominee(s)) for the exercise of any rights powers and remedies of the Trustee (for and on behalf of any or all of the Trustee and/or the Bondholders) provided by or pursuant to the Bond Documents or by law on a best efforts basis and to the extent permitted by applicable laws.

f) **Loans and Guarantee**

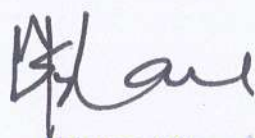
The Issuer shall not:



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- I. be a creditor in respect of any Financial Indebtedness, except for any loan in its ordinary course of business consistent with its current practice; and
- II. incur or allow to remain outstanding any guarantee in respect of any obligation (whether actual or contingent) of any person, or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except for:
 - a. any guarantee under any Bond Document;
 - b. any guarantee in the ordinary course of business consistent with its current practice.

g) Undertakings to Comply with Bangladesh Bank Authorisation and Rules and Guidelines

It will at all times comply with the terms of the Bangladesh Bank Approval; and any other Guidelines issued by the Bangladesh Bank from time to time (including maintaining any required Bangladesh Bank rating and/or rating grade of the Bonds and/or the Issuer; the provisions of the Prudential Guidelines on Capital Adequacy and Market Discipline for Banks.

h) Undertakings to Maintain Investment Grade

It will make all endeavours to maintain a credit rating of itself and of the Bonds not falling below Investment Grade. For the purpose of this Clause, "Investment Grade" means a rating of "AAA", or "AA", or "A" or "A-" an equivalent rating representing one of the seven highest rating categories by the Emerging Credit Rating Limited or any other reputable credit rating agency authorised in Bangladesh or any of their respective successors or assigns;

i) Undertakings Providing Information

The Issuer shall provide such information and within such period of time identified in according to the respective clause in the Trust Deed to the Bondholders and the Trustee.

6.3 Corporate Covenants by the Issuer:

6.3.1 Conduct

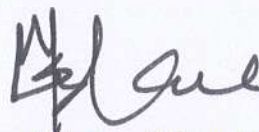
The Issuer shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law from time to time in force in Bangladesh and in compliance with its and in compliance with its Memorandum and Articles of Association save where failure to do so would not constitute a Materials Adverse Effect.



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6.3.2 Consents

The Issuer shall obtain, comply with the terms of and do all that is necessary:

- (a) to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any Law in connection with its business; and
- (b) to enable it lawfully to enter into and perform its obligations under the Trust Deed.

6.3.3 Authorised Signatories

The Issuer shall deliver to the Trustee upon execution of the Deed and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory.

6.3.4 Registered Office

The Issuer shall maintain its registered office in Bangladesh and will not move its registered office to another jurisdiction.

6.3.5 Financial Statements

The Issuer shall prepare in respect of each financial years, financial statements and provide the same to the Trustee in such form and manner as described in Clause17 of the Trust Deed.

6.3.6 Book of account

The Issuer shall, at all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

6.3.7 Information

The issuer shall, so far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

6.3.8 General Negative Covenants

The Issuer shall not until after the final Maturity Date, save to the extent permitted by or contemplated by Applicable Law or with the prior written consent of the Trustee:

- (a) sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking

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- or grant any option or right to acquire the same which shall reasonably be expected to have a Material Adverse Effect.
- (b) grant, create or permit to exist any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) its assets which shall reasonably be expected to have a Material Adverse Effect.
 - (c) consolidate or merge with any other person;
 - (d) amend, supplement or otherwise modify its Memorandum and Articles of Association; and
 - (e) permit the validity or effectiveness of the Transaction Documents to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

6.3.9 Authorisations

The Issuer must:

- (a) promptly obtain and maintain in full force and effect all governmental and regulatory consents, licences, material authorisations and approvals required for the conduct of its business; and
- (b) do all such things as are necessary to maintain its corporate status,
- (c) in each case where failure to do so would be reasonably expected to have a Material Adverse Effect.

6.3.10 Compliance with Laws

The Issuer shall use reasonable endeavours to comply in all material respects with all judgments, laws, rules, regulations, agreements, orders or orders to which it is subject and which, if violated and enforced would be reasonably likely to have a Material Adverse Effect.

6.3.11 Compliance with Transaction Documents

The Issuer shall at all times comply with and perform all its obligations under the Transaction Documents and the Bonds save where non-compliance would not lead to a Material Adverse Effect.

6.3.12 Exercise Rights

The Issuer shall preserve and/or exercise and/or enforce its rights under and pursuant to the Bonds and the Transaction Documents.

6.3.13 Dealing with Trustee

- (a) The Issuer shall upon reasonable notice, during normal business hours allow the Trustee and any persons appointed by the Trustee access to such books of account and other business records as relate to the assigned rights or the



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benefit of the assigned rights as the Trustee or any such persons may reasonably require.

- (b) So far as permitted by applicable law and subject to any binding confidentiality restrictions, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as the trustee and any persons appointed by the Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee by or pursuant to the Trust Deed or any other Transaction Document.

6.3.14 Notification of Breach of Issuer Warranties and Undertakings

The Issuer shall immediately notify the Trustee if the Issuer becomes aware of any breach of any undertaking given by the Issuer in any Transaction Document.

6.3.15 Execution of Further Documents

The Issuer shall, so far as permitted by applicable law and regulatory requirements, execute all such further documents and do all such further acts and things as the Trustee (acting reasonably) may consider to be necessary at the time to give effect to the terms of the relevant Transaction Documents.

6.3.16 Notification of Event Default

The Issuer shall deliver notice to the Trustee forthwith upon becoming aware of any Event of Default without waiting for the Trustee to take any further action.

6.3.17 No Variation and Termination of Transaction Documents

The Issuer shall not until the final Maturity Date, save to the extent permitted by the Transaction Documents or with the prior written consent of the Trustee:

- terminate, repudiate, rescind or discharge any Transaction Documents.
- vary, novate, amend, modify or waive any provision of any Transaction Document;
- permit any person who has obligations under the Transaction Document to be released from such obligations other than in accordance with the terms of the applicable Transaction Document and any applicable requirement of law or regulatory direction.

6.3.18 Filings

The Issuer shall effect all required filings in respect of the Issuer and file, record or enrol each Transaction Document required to be filed, recorded or enrolled with any court or other authority in Bangladesh and ensure that such required filings and such other filings, recordings or enrolments are at all times

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maintained in accordance with any applicable requirement of law or regulatory direction.

6.3.19 Payments

The Issuer shall pay moneys payable by it to the Trustee under the Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

6.3.20 Notices to Bondholders

The Issuer shall send or procure to be sent (not less than three days prior to the date of publication) to the Trustee, for the Trustee's approval, one copy of each notice to be given to the Bondholders in accordance with the Trust Deed and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice.

6.3.21 Notification of Non-Payment

The Issuer shall use reasonable endeavours to procure that it notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds of any Series receive unconditionally the full amount in the relevant currency of the monies payable on such due date;

6.3.22 Notification of Late Payment

The Issuer shall forthwith give notice to the Bondholders of payments of any sum due in respect of the Bonds, made after their due date to the Trustee.

6.3.23 Notification of Redemption or Payment

The Issuer shall, not less than 14 days prior to the redemption or payment date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or payment pursuant to the Trust Deed.

6.3.24 Redemption

The Issuer shall, if it gives notice that it intends to redeem the Bonds pursuant to Clause (*Redemption at the option of the Issuer*), prior to giving such notice to the Bondholders, provide such information to the Trustee as the Trustee require in order to satisfy themselves of the matters referred to in those provisions, including: written notice to the Trustee of the relevant Sub-Class or Sub-Class of Bonds which it intends to redeem and the amount of such redemption or repayment; and a certification signed by an Authorised Signatory of the Issuer

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certifying that the Issuer will have the necessary funds on the date on which redemption is to occur to discharge all its liabilities due on such date.

6.3.25 Liability to Tax

The Issuer shall promptly give notice to the Trustee:

- (a) if it is required by law to effect a deduction or withholding of Tax other than income tax in respect of any payment due in respect of any Bonds.
- (b) and in such cases take such action as may be required by the Trustee acting reasonable in respect thereof.

6.3.26 Risk Premium

in case where the credit rating of the Issue falls below the minimum investment grade i.e. "BBB" in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated Discount Rate as a Risk Premium as mentioned in the below table:

Issue Rating	Risk Premium to be Added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

6.3.27 Escrow Account:

Maintain an Escrow Account for the purpose of receiving the proceeds raised through the issuance of the Bonds and utilisation thereof.

6.4 Consolidation, Amalgamation or Merger

The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any company or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

- 6.4.1 the company formed or incorporated by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Bond then outstanding will have the right
- 6.4.2 immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom; and

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- 6.4.3** the company formed or incorporated by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal on the Bonds.
- 6.5 In the event of the passing of an Extraordinary Resolution in accordance with Clause (a modification, waiver or authorisation in accordance with Clause (the Issuer will procure that the Bondholders be notified in accordance with respective clause)



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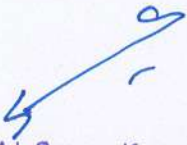
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7 RIGHTS, DUTIES & OBLIGATIONS OF THE TRUSTEE

7.1 Duties and Powers of the Trustee

The Trustee has the following duties and powers in connection with the Trust:

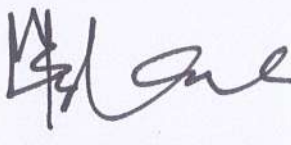
- 7.1.1 to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;
- 7.1.2 to open such accounts as it deems necessary for discharging the functions of Trustee;
- 7.1.3 to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- 7.1.4 to undertake all such actions for the recoveries of any overdue in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- 7.1.5 to issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- 7.1.6 to call any Meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- 7.1.7 to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- 7.1.8 upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit;
- 7.1.9 to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of the Trust Deed;



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- 7.1.10 to perform all responsibilities of a trustee as required under the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 or any other successive rules of the BSEC.
- 7.1.11 The Trustee shall have power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders; and
- 7.1.12 to do all such other acts, deeds and things as may be necessary and incidental to the above objects for exclusive benefit of the Bondholders unless such acts require the prior consent of the Beneficiaries in accordance with the Trust Deed.

7.2 Terms of Appointment

7.2.1 Reliance on information


- a) **Applicable Law:** Notwithstanding anything contained in the Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021;
- b) **Advice:** The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;
- c) **Certificate of directors or Authorized Signatories:** The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories of the Issuer or other person duly authorized on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;



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 Company Secretary
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 and Investments Limited



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 SVP & Chief Finance Officer
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 and Investments Limited



Mohammad Shamsul Islam
 Managing Director
 National Housing Finance
 and Investments Limited



Reza Uddin Ahmad
 Managing Director
 IDLC Investments Limited


- d) Resolution or direction of Bondholders: The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;
- e) Bondholders as a class: In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including without limitation any modification, waiver, authorization or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders;
- f) No obligation to monitor: The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- g) Bonds held by the Issuer: In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;
- h) Events of Default: The Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations



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on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

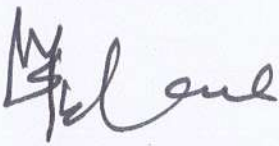
- i) Right to deduct or withhold for taxes: Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, but without prejudice to Taxation clause, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of the Trust Deed;
- j) No responsibility to investigate: The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:
 - (i) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any Bond Document;
 - (ii) any recitals, statements, warranties, representations or covenants of any party to any Bond Document;
 - (iii) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
 - (iv) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents;
- k) Error of judgment: The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;



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- l) No responsibility for loss: The Trustee shall not in any circumstances, except under any applicable laws or regulations:
- (i) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
 - (ii) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, willful default or fraud.
- m) Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labor disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.
- n) Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, it will not be entitled to claim for itself or any of its asset's immunity from suit, execution, attachment or other legal process.



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7.3 Trustee's exercise of powers and its discretion in exercise of powers and fulfilment of duties

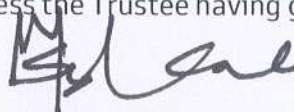
7.3.1 Trustee's determination: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it by the Clause 7.3.1 unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by Majority Bondholders instructing the Trustee as to the determination which shall be made;

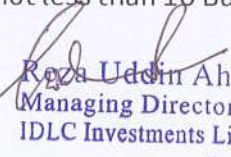
7.3.2 Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all the questions and doubts arising in relation to any of the provisions of the Trust Deed which in the opinion of the Trustee relates to Bond Specific Matters and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it by this Clause unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by Majority Bondholders instructing the Trustee as to the determination which shall be made;

7.3.3 Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing provided however that the Trustee may not exercise any discretion conferred upon it by this Clause unless the Trustee having given not less than 10 Business


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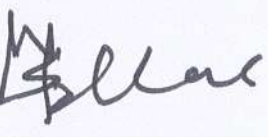

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Days' notice of such exercise of discretion to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by Majority Bondholders instructing the Trustee as to how such discretion shall be exercised;

- 7.3.4 Trustee's consent: any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 7.3.5 Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds to the persons entitled to it;
- 7.3.6 Delegation: the Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;
- 7.3.7 Agents: Subject to the provisions of the Trust Act 1882, the Trustee may, in the conduct of the trusts of the Trust Deed, with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided that the Trustee shall have exercised reasonable care in the selection and appointment of any such agent(s), the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;


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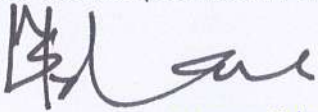
- 7.3.8 Custodians and nominees: the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; and
- 7.3.9 Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with the Trust Deed.
- 7.3.10 Act for Bondholders: Subject to applicable law and terms and conditions of the Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders.
- 7.3.11 Monitoring: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach.
- 7.3.12 Report to BSEC: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders.
- 7.3.13 Rating Trigger: in case a downgrade of credit rating (i.e., below the rating trigger) of the Issuer under surveillance rating, the Trustee shall ensure the collection of Risk Premium from the Issuer or originator for the Bondholders/Investors as per declaration in the Trust deed or IM, aimed at securing the Bondholder claims from the Issuer's higher risk level.
- 7.3.14 Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders, Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and the Trustee shall keep BSEC and



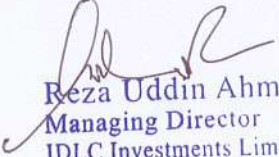
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the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed.

7.3.15 Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders, provided that if any loss incurred due to negligence of trustee in case of litigation or recovery process, the trustee shall bear the loss.

7.4 Financial matters

7.4.1 Professional charges: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of the Trust Deed and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person). In this connection prior approval from the Issuer should be obtained by the Trustee;

7.4.2 Expenditure by the Trustee: nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it, subject to prior approval from the Issuer; and

7.4.3 Trustee may enter into financial transactions with the Issuer: No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way be precluded from making any contracts or entering into any transactions in the ordinary course of business ("Other Business") with the Issuer, or any person or body corporate directly or indirectly associated with the Issuer, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any person or body corporate directly or indirectly associated with the Issuer, and the Trustee and any such director or officer shall not be accountable to the Bondholders or the Issuer or any person or body corporate directly or indirectly associated with the Issuer, for any, fees, commissions, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit, provided it does not affect Bondholders' interest in any way and also provided

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that the Trustee is not in any way involved in any breach of trust. The Trustee and its affiliates shall not be obliged to disclose to any Bondholder the existence or details of any such contract or transaction (actual or proposed) or any such Other Business or any information or documentation relating to or received pursuant thereto (including, without limitation, any and all non-public information). Pursuant to such contracts or transactions (actual or proposed) or any such Other Business, the Trustee or its affiliates may be or come to be in possession of material information not known to the Bondholders and the Trustee and its affiliates shall not have any liability with respect to any non-disclosure of, or possession of, such information.

7.5 Trustee liable for gross negligence

None of the provisions of the Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of the Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under the Trust Deed.

7.6 Exercise of Discretion

7.6.1 Notwithstanding anything in the Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the Majority Bondholders .

7.6.2 The Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

7.7 Events of Default

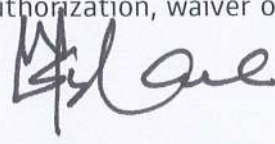
The Events of Default for the purposes of the Bonds and the Trustee’s rights, duties and obligations following such an Event of Default shall be as provided hereinabove.

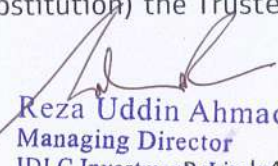
7.8 Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorization, waiver or substitution) the Trustee


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shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in (Taxation) and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.



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8 RIGHTS, DUTIES & OBLIGATIONS OF THE ISSUE MANAGER, UNDERWRITER, OR ANY OTHER CONTRACTUAL PARTIES

1. Mandated Lead Arranger:

Pursuant to the Mandate Letter dated _____, BRAC EPL Investments Limited has been appointed as the Mandated Lead Arranger for the issuance of Bonds, setting out the terms and conditions of the appointment as stated therein for the purpose of the private issuance of the Bonds the terms of which is detailed under the Information Memorandum (as defined above) and subjected to the approval of BSEC.

2. Credit Rating Agency:


For the purpose of conducting the Bond Rating Service for the Bonds (which shall be referred to as "Rated Subject") the Issuer has appointed Credit Rating Information and Services Limited for the credit rating of the Issuer and Emerging Credit Rating Limited for the credit rating of the Bonds the ("Credit Rating Agency" or "CRA") under the terms and covenants as detailed under Credit Rating Agency Agreement dated _____, executed by and between the Issuer and the CRA to be conducted as per the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022 issued by the BSEC and the Standard Methodology and Ethical Code of the CRA etc.

Moreover, for providing the requested rating services for the Rated Subject, the Issuer agrees to make payment to the CRA as per the payment schedule mentioned under Credit Rating Agency Agreement dated _____, up to end of bond maturity for any debt instrument as per requirements of the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022.

3. Legal Counsel:

Pursuant to the Letter issued under Ref. NHFIL/F&A/963/2023/1711_dated 23.05.2023, the Issuer agrees to appoint Lex Juris as the Legal Counsel of the Bonds in order to provide legal advice and legal assistance or any other legal services deliverables to the Issuer in relation to the issuance as per the following scope:


- Draft, negotiate and finalize Trust Deed, Subscription Agreements and other ancillary documents in relation to the issuance of Bonds;
- Review of applications to be made by the Issuer to relevant Regulators;
- Provide necessary legal opinion on various issues as required upon execution of the Bond Documents;
- Assist with registering the required agreements, documents and related forms with the respective authorities and entities and



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e. Attend meetings, telephone calls, discussions, correspondences, perusals and any other services incidental to the completion of the transaction in various stages for the issuance of Bond.


4. Any Other Contractual Party: The rights and obligations of any other contractual party should be governed by the respective contract or agreement entered into by the parties therein.



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9 RIGHTS, DUTIES & OBLIGATIONS OF THE INVESTORS

1. Each investor (Bondholder/Investor) shall enter into a separate Subscription Agreement(s) with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the Investors, and which shall be an integral part of the Trust Deed.
2. The obligations of the Bondholders under the Subscription Agreement and other agreements with identical terms are several and the failure by a Bondholder(s) to perform its obligations under the Bond Documents shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements nor shall any other Bondholder(s) be liable for the failure by such Bondholder(s) to perform its obligations under the Subscription Agreement or any other Bond Document.
3. The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
4. The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of the Trust Deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.
5. The Bondholders shall hold meetings with such power and scope.
6. Undertaking to Issue: The Bonds shall be issued in dematerialized form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard. The Issuer undertakes that (i) on or before the Closing Date, it will duly execute and deliver the Bond Documents, representing the allocation amount of Bonds subscribed, unless an exemption to the same regard has been obtained thereto.
7. Undertaking to Subscribe: The Bondholder undertakes to the Issuer that, subject to and in accordance with the provisions of this Agreement, it will open a BO Account to be

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Senior Vice President and
Company Secretary
National Housing Finance
and Investments Limited

Private & Confidential

Sayed Ahmed, FCMA
SVP & Chief Finance Officer
National Housing Finance
and Investments Limited

Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited

Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

maintained with CDBL as per the CDBL Bye Laws and on the Closing, Date subscribe for aggregate principal amount of each series of the Bonds on payment of Issue Price thereof allocated to such Bondholder as set out in the column corresponding directly against its name. Upon subscription for and issue of the Bonds, the Bondholder shall be termed as Bondholder.

8. Investor Representations: The Bondholder(s) will comply with all applicable laws and regulations of Bangladesh and each other jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes any offering material, in all cases at its own expense.
9. Indemnity: The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

10. Closing

10.01 Subscription and Closing

- a) Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.
- b) Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer in the form attached as Schedule 3 (Form of Investor Representation Letter) of the Subscription Agreement.
- c) Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka in the manner provided for in the Subscription Agreement.

11. Termination;

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

- a) Breach of obligation: The Issuer fails to perform any of its obligations under the Subscription Agreement;
- b) Failure of condition precedent: Any of the condition precedent is not satisfied or waived by the Bondholders on the Closing Date; or
- c) Force majeure: Since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates

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or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds.

12. Consequences

Upon the giving of a termination notice and subject to the Subscription Agreement:

- a) Discharge of Issuer: The Issuer shall be discharged from performance of its obligations under the Subscription Agreement except for the liability of the Issuer in relation to expenses related to the Bonds and except for any liability arising before or in relation to such termination; and
- b) Discharge of Bondholder: Such Bondholder shall be discharged from performance of their respective obligations under the Subscription Agreement.
- c) Interests of the Bondholders: The interests of the Bondholders shall be protected and preserved by the Trustee.



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10 DESCRIPTION OF THE ISSUER: NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED


National Housing Finance and Investments Limited (NHFIL) is a public limited company incorporated on August 18, 1998, under the Companies Act 1994 in Bangladesh with a registration number:C-36097(397)/98. It obtained a license from the Bangladesh Bank under the Financial Institutions Act 1993 on December 29, 1998. NHFIL's primary objective is to provide financing for the acquisition, construction, development, and purchase of houses, plots, apartments, real estates, commercial spaces, and other related properties. Initially focused on housing finance, NHFIL expanded its operations and obtained permission from the Bangladesh Bank on June 03, 2003, to engage in lease finance operations while keeping housing finance as its core business. The company offers lease finance for various types of industrial, manufacturing, and service equipment, including vehicles, to both individuals and corporate entities.

NHFIL has its corporate office located at Concord Baksh Tower (7th floor), Plot #11-A, Road # 48, Block # CWN(A), Gulshan-2, Dhaka-1212. The registered office is situated at National Plaza (7th floor), 109, Bir Uttam C.R. Datta Road (Ex-Sonargaon Road), Dhaka-1205.

Regarding housing finance, NHFIL provides loans up to 70.00% of the total purchase price of houses, plots, and apartments. The repayment terms for these loans typically range from 5 years to 20 years. The properties for which loans are disbursed are held as security under registered or equitable mortgages. Apart from housing and lease finance, NHFIL also engages in other activities such as accepting deposits, offering services to small and medium-sized enterprises (SMEs), project financing, and more.

10.01 Shareholding pattern & Capital Structure

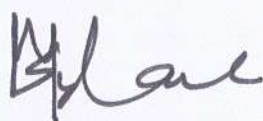
- Authorized capital –
200,000,000 ordinary shares of BDT 10 each; Total amount – BDT 2,000,000,000
- Issued, Subscribed and fully Paid-up Capital –
117,031,200 ordinary shares of BDT 10 each; Total amount - BDT 1,170,312,000



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Managing Director
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Shareholders	Number of shares	% of shareholding
General Public, Company, Investors account, Mutual funds, NRB	47,013,839	40.10%
Sponsor Shareholders	70,017,361	59.90%
Total	117,031,200	100.00%

Shareholding status of Parent/Subsidiary/Associated Companies and other related parties

Shareholders	Ownership %
PRAGATI INSURANCE LTD.	4.55%
BANGLADESH LAMPS LTD.	4.82%
SQUARE PHARMACEUTICALS LTD	4.72%
EASTLAND INSURANCE CO. LTD	2.25%
UCBL	4.82%
SADHARAN BIMA CORPORATION	4.82%
SHAW WALLACE BANGLADESH LTD.	2.21%
NATIONAL LIFE INSURANCE CO.LTD	4.82%
HRC BANGLADESH LIMITED	2.41%
NATIONAL BANK LIMITED	4.82%
EASTERN INSURANCE CO. LTD.	3.99%
BORAK TRAVELS (PVT) LTD	2.00%
IFIC BANK LTD.	4.52%
RELIANCE INSURANCE LTD.	4.82%
JIBAN BIMA CORPORATION	4.52%

Capital structure for the National Housing Finance and Investments Limited.

Particulars (all amounts are in mn BDT)	2018	2019	2020	2021	2022
Liabilities:					
Borrowings from other banks, Fis and agents	1,760.75	1,629.48	849.73	882.19	2,146.64
Deposits and other accounts:	16,149.00	13,245.55	13,510.91	14,421.04	12,472.19
Savings bank deposits/Mudaraba Savings Deposits	8,180.00	3,820.00	500.00	500.00	100.00
Term Fixed deposits/Mudaraba Term Deposits	7,956.88	9,413.85	12,999.36	13,917.20	12,369.34
Other Deposits/ Mudarabba Deposits	12.12	11.70	11.55	3.83	2.86
Other Liabilities	1,307.20	1,472.54	1,325.43	1,573.76	1,513.08
Total liabilities	19,216.95	16,347.57	15,686.08	16,876.99	16,131.91
Shareholder's Equity	1,761.71	1,892.13	2,096.49	2,182.23	2,269.83
Paid up capital	1,063.92	1,170.31	1,170.31	1,170.31	1,170.31

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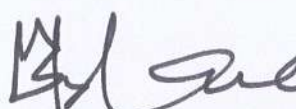
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Statutory Reserve	466.54	513.90	578.18	630.44	683.07
Retained Earnings/ Retained Surplus	231.25	207.92	348.00	381.48	416.45
Total liabilities and shareholders' equity	20,978.67	18,239.70	17,782.57	19,059.22	18,401.74

Particulars (% of total assets)	2018	2019	2020	2021	2022
Liabilities:					
Borrowings from other banks, Fis and agents	8.4%	8.9%	4.8%	4.6%	11.7%
Deposits and other accounts:	77.0%	72.6%	76.0%	75.7%	67.8%
Savings bank deposits/Mudaraba Savings Deposits	39.0%	20.9%	2.8%	2.6%	0.5%
Term Fixed deposits/Mudaraba Term Deposits	37.9%	51.6%	73.1%	73.0%	67.2%
Other Deposits/ Mudarabba Deposits	0.1%	0.1%	0.1%	0.0%	0.0%
Other Liabilities	6.2%	8.1%	7.5%	8.3%	8.2%
Total liabilities	91.6%	89.6%	88.2%	88.6%	87.7%
Shareholder's Equity	8.4%	10.4%	11.8%	11.4%	12.3%
Paid up capital	5.1%	6.4%	6.6%	6.1%	6.4%
Statutory Reserve	2.2%	2.8%	3.3%	3.3%	3.7%
Retained Earnings/ Retained Surplus	1.1%	1.1%	2.0%	2.0%	2.3%


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Description of issuer's regulatory capital

Particulars (amounts are in mn BDT)	2021A	2022A
Tier-1 (Core Capital)	2,182.2	2,269.8
Paid-up Capital	1,170.3	1,170.3
Statutory Reserve	630.4	683.1
Retained Earnings	381.5	416.4
Tier-2 (Supplementary Capital)	138.8	134.4
General Provision	138.8	134.4
Total Eligible Capital	2,321.0	2,404.2
Total risk weighted assets (RWA)	12,419.4	12,085.2
Capital Adequacy Ratio	18.7%	19.9%
Surplus	1,079.1	1,195.7
Minimum requirement at 10% of RWA	1,241.9	1,208.5

As per the section 4 (GHA) of the financial institutions rule, 1994 and subsequently updated vide DFIM circular no. 5 dated July 24, 2011, of Bangladesh Bank and NBFi requires to have BDT 100 crore as its minimum capital which shall be deemed to be adequate capital. When the core capital equals or exceeds its minimum capital then the capital shall be treated as adequate capital of NBFi. Core capital consists of paid-up capital, retained earnings, statutory reserve, and balance of current year's profit but in case of total capital it includes core capital plus general provision on good loans/leases. Status of the capital is given below.

Particulars (amounts are in mn BDT)	2021A	2022A
Core capital (paid-up capital, retained earnings & statutory reserve)	2,182.2	2,269.8
Add; provision on good loan/leases	175.0	127.4
Total capital	2,357.2	2,397.3
Less; Required minimum capital	1,000.0	1,000.0
Surplus over minimum required capital	1357.25	1397.26

In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institutions are required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of share premium and statutory reserve 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 reserve account. Statutory reserve has been created at the rate of 20% of the net profit as per Bangladesh Bank's guidelines.

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10.02 Business

The core business of National Housing Finance and Investments Limited lies in the housing market. Other than the housing market, the NBFi has exposure in the other sectors as well.

Home mortgage loan

1. Purchase of apartment or house
2. Self-construction of own house
3. Group home loan
4. NRB home financing scheme
5. Renovation of existing house/apartment
6. Housing plots purchase
7. Commercial space and chamber of professionals
8. Any purpose mortgage loan

Deposit Schemes with Attractive Return

1. Term deposit account
2. Money multiplier scheme
3. Mohila savings scheme
4. Kotipoti scheme
5. Housing deposit scheme
6. Education pension scheme
7. Income account
8. Monthly savings scheme (MSS)
9. Millionaire savings account

SME Finance

1. Agro-based processing industrial loan
2. Women entrepreneur Loan
3. Cluster financing

Project Mortgage Loan


1. Project mortgage loan for property development

Lease Finance

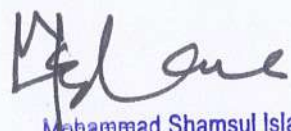
1. Acquisition of industrial machineries, equipment, generators, power plants etc.
2. Car purchase
3. Medical/Hospital equipment



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Mohammad Shamsul Islam
 Managing Director
 National Housing Finance
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Reza Uddin Ahmad
 Managing Director
 IDLC Investments Limited

10.03 Board Of Directors & Management

Board of Directors

Name	Designation
Mr. Mahbubur Rahman	Chairman
Mr. Syed M. Altaf Hussain	Vice Chairman
Mr. Md. Kabir Reza, FCMA	Director & Chairman, Executive Committee
Mr. Abdul-Muyeed Chowdhury	Independent Director & Chairman, Audit Committee
Mr. Akhtar Ahmed	Director
Mr. Md. Kazim Uddin	Director
Mr. Muminul Haque Chowdhury	Director
Mr. Azmal Hossain	Director
Mr. A.K.M Moinuddin, FCA	Director
Mr. Siddiqur Rahman Choudhury	Independent Director
Mr. Mohammad Shamsul Islam	Managing Director (Ex-Officio)


Executive Committee

Member	Designation	Committee Status
Mr. Md. Kabir Reza, FCMA	Director	Chairman
Mr. Syed M. Altaf Hussain	Vice-Chairman	Member
Mr. Muminul Haque Chowdhury	Director	Member
Mr. A.K.M Moinuddin, FCA	Director	Member
Mr. Abdul-Muyeed Chowdhury	Independent Director	Member
Mr. Siddiqur Rahman Choudhury	Independent Director	Member
Mr. Mohammad Shamsul Islam	Managing Director	Ex-officio Member
Mr. Md. Sarwar Kamal FCS	Company Secretary	Member Secretary

Management Committee (MANCOM)

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


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Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

10.04 Description of encumbered and unencumbered assets

All the assets of the Issuer including all fixed assets are unencumbered as on 31 December 2022.

10.05 Profile of the board of directors

Mr. Mahbubur Rahman

Chairman

Representing Eastland Insurance Co. Ltd



Mr. MAHBUBUR RAHMAN, President, International Chamber of Commerce (ICC) – Bangladesh, the world business organization having its HQs in Paris.

Mr. Rahman is the Chairman & CEO of ETBL Holdings Limited - a conglomerate of 5 (Five) wholly owned Business affiliates and stake holders of 4 (Four) PLCs. He is the Founder Chairman of Eastland Insurance Co. Ltd. (plc), International Publications Limited (Publishers of The Financial Express), and Bangladesh International Arbitration Centre (BIAC) – The Institution for Alternative Dispute Resolution.

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

He is the Sole Arbitrator in Bangladesh for The China International Economic and Trade Arbitration Commission (CIETAC) ; Co-Chair of the Steering Board of 2030 Water Resource Group of World Bank; Vice Chairman of Bangladesh Foreign Trade Institute (BFTI), Member of the Board of Governors of Institute of Business Administration (IBA) of the University of Dhaka, Founder Member of the Independent University Bangladesh (IUB) and a Director in the Board of Karnaphuli Fertilizer Co. Ltd. (KAFCO)- a multinational company comprising Bangladesh, Japan, Denmark & The Netherlands.

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


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During 1972-79, Mr. Rahman represented Government of Sri Lanka in Bangladesh before Colombo setup its Diplomatic Mission in Dhaka. He was a Sponsor Director and Chairman of National Bank Limited (plc), Former Board Member of BIMAN-Bangladesh Airlines, The Dhaka Stock Exchange Ltd. and Member of the Board of Governors of Bangladesh Open University (BOU). He was a Member of the Board of ICC HQs. during 1997-99.

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

Mr. Rahman was awarded The Lifetime Achievement Award in 2012, by the "DHL-The Daily Star" sponsored most prestigious 'Bangladesh Business Award'. He has also been honoured by The Daily Star as an Eminent Personality for Lifetime Contribution to Nation-Building, 2016.

Mr. Rahman has been awarded FBCCI Business Excellence Award 2023 for his enormous contribution to the Economy, Trade and Commerce in international stage during Bangladesh Business Summit in Dhaka organized by FBCCI on its 50th Anniversary.

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

Mr. Syed M. Altaf Hussain

Vice Chairman

Representing Pragati Insurance Ltd.



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

As Chairman and CEO of WW Grains Corp. representing Cargill Inc., USA, he pioneered large-scale trading of food grains and fertilizer commodities. Through his work, he has spent considerable time traveling internationally and had the opportunity to attain an Engineering degree from the University of Texas, Arlington as well as successfully completed Grain Marketing & Agronomical courses from North Dakota State University and Harvard Business School. Additionally, he holds the Chairman title in the following businesses: Sonic Allied Industries Ltd., WW Properties Ltd.

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and the editorial board of 'The Daily Janata'. He is also Co-Chairman of Jamuna Resort Ltd. and was former Chief Advisor of ATDP-II projects funded by the USAID. Several social, governmental and educational institutions at home and abroad have acknowledged his agro-based expertise.

Mr. Md. Kabir Reza FCMA

Director and Chairman, Executive Committee

Representing Square Pharmaceuticals Ltd.



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

Mr. Reza started his career with Rafkhat Group of companies as an Assistant Manager (Accounts) from 1991 to 1993. Then he took the responsibility of chief accountant of Bangladesh Engineering & Technological Services limited during the period from 1993 to 1995. At the height of his professional career, he is working as Executive Director of Accounts and Finance of Square Pharmaceuticals Limited.

Mr. Abdul-Muyeed Chowdhury

Independent Director and Chairman, Audit Committee



Mr. Abdul-Muyeed Chowdhury former Secretary, Government of Bangladesh and former Advisor to the non-party Caretaker Government of Bangladesh is an Independent Director of the Company. He is a retired CSP. He was the ED of BRAC from 2000 to 2006. Prior to that, he spent more than three decades in the civil service of Bangladesh and was the Secretary to the Government from 1994 to 2000 holding charge of various ministries. He served as the Chairman of NBR, Managing Director of Biman Bangladesh Airlines and Executive Director of Jamuna Multipurpose Bridge Authority, President of National Shooting Federation of Bangladesh, Chairman of SME Foundation and Vice President of Bangladesh Olympic Association. He was the Chairperson of BRACNet Limited. Currently, he is serving as the CEO of Tiger Tours Limited.


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Besides, he is also an Independent Director of ACI Formulations Ltd, Independent Director of Grameen Phone (GP) Ltd, Independent Director of Desh Garments Ltd, Nominated Director of MJLB Ltd and its subsidiary companies (Omera Petroleum Ltd, Omera Fuels Ltd and Omera Cylinders Ltd)., Nominated Director of Summit Alliance Port Ltd. Nominated Director of ACI Ltd, Founding Member of the BRAC University Trustee Board, Chairman of GSS, a well-known NGO of the country, Member of the National council of Bangladesh Diabetic Samity (BADAS) and Chairman of the Management Board of BIRDEM Hospital of BADAS.

He is also Former Independent Director of Pioneer Insurance Company Ltd, Former Independent Director of Summit Alliance Port Ltd, Former Independent Director of ACI Ltd, Former Syndicate Member of the Chittagong University (Govt. Nominee), Former Syndicate Member of the Shahjalal University of Science and Technology (Govt. Nominee), Former Director of the Rajshahi Krishi Unnayan Bank at inception (Govt. Nominee), Former Director of the then Shilpa Bank (Govt. Nominee) and Former Chairman, Sajida Foundation.

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

Mr. Akhtar Ahmed

Director

Representing Reliance Insurance Co. Ltd.



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

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

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

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Mr. Md. Kazim Uddin

Director

Representing National Life Insurance Co. Ltd.



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

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

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

Mr. Muminul Haque Chowdhury

Director


Representing Borak Travels (Pvt.) Limited



Mr. Muminul Haque Chowdhury holds an M.S. in Economics from University of Darmstadt of New York. He also holds a Post Graduate Diploma in Energy Management from the State University of New York. His area of specialization includes Business Administration, Negotiation, Financial and Economic Analysis, Monitoring and overall Management. Mr. Chowdhury is also an Advisor of Unique Group of Companies Limited. He has actively participated in many professional seminars at home and abroad.


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Mr. Azmal Hossain

Director

Representing Eastern Insurance Co. Ltd.



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

Mr. A.K.M. Moinuddin, FCA

Director

Representing Bangladesh Lamps Ltd.



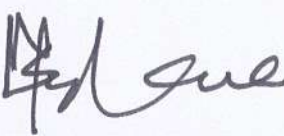
Mr. A.K.M. Moinuddin, FCA is a business professional with more than 35 years of experience in multiple organizations. He headed the finance, supply chain, human resource management and administration functions of various national and multinational Companies/organizations of Bangladesh and the United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

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

He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh.


Md. Sarwar Kamal FCS
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Company Secretary
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and Investments Limited


Sayed Ahmed, FCMA
SVP & Chief Finance Officer
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Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited


Reza Uddin Ahmad
Managing Director
IDLC Investments Limited
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Mr. Siddiqur Rahman Choudhury
Independent Director



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

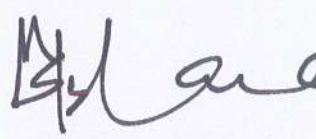
He has received trainings from Government Finance Statistics, IMF Institute, Singapore; Development Management, Asian Institute of Management (AIM), Manila, Philippines; Audit of Computerized Systems Australian Audit Office, Canberra, Australia; Civil Service Foundation Training, Bangladesh Academy for Rural Development (BARD), Comilla, Bangladesh; Departmental Training on Government Audit and Accounts and Financial Management, Bangladesh; Senior Staff Course, Public Administration Training Center (PATC), Savar, Dhaka, Bangladesh. Mr. Siddiqur Rahman Choudhury completed B.Sc (Honours) in Chemistry and M.Sc (Chemistry) from University of Dhaka. He also obtained Diploma in Public Financial Management from University of Connecticut, USA.



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Mr. Mohammad Shamsul Islam
Managing Director & CEO



Mr. Mohammad Shamsul Islam is the Managing Director of National Housing Finance and Investments Limited (NHFIL), having been appointed in July 2021 after joining as an Additional Managing Director (AMD) in February of the same year. Prior to joining as Additional Managing Director, he was Deputy Managing Director of Global Islami Bank Limited from May 2017.

Mr. M.S. Islam has over 33 years of experience in the banking sector, starting his career as a Probationary Officer at AB Bank Limited in the year 1989 and holding various managerial positions throughout his career. Throughout his career at AB Bank Limited, he worked as Manager of various branches and functional Heads in Head Office of different Divisions. During his banking career, Mr. M.S. Islam has undergone a number of professional trainings and seminars at home and abroad.

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



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Profile of ManCom members

Mr. Shital Chandra Saha

Executive Vice President (EVP) & Head of Operation

Mr. Shital Chandra Saha obtained his MBA from University of Dhaka after completing his MSS in Public Administration from the same university. In 1998 he started his career as "Probationary Officer" in Arab Bangladesh Bank Ltd. and served up to 2002 as "Officer". Then he joined The Trust Bank Limited as "Principal Officer" and served from 2002 to 2004. He worked for Bangladesh and Investment Co. Ltd. (BFIC) as "Senior Executive Officer" from 2004 to 2005. He was a "Manager" in Union Capital Limited before he joined National Housing Finance and Investments Limited as "Senior Manager" in 2005. Currently he is serving National Housing Finance and Investments Limited as "Executive Vice President (EVP)" and Head of Operation Department. During his professional career, he participated in various trainings from BIBM and different banks.

Mr. Sayed Ahmed, FCMA

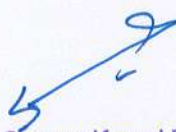
Senior Vice President (SVP) & Chief Financial Officer (CFO)

Mr. Sayed Ahmed is a Fellow Member of The Institute of Cost and Management Accountants of Bangladesh (ICMAB). He also completed his M.Com in Accounting. He started his career as a "Senior Executive (Audit & Accounts)" in H.R. Textile from 2003 to 2004. After that he served as a "Deputy Manager (Accounts)" in Shamsul Alamin Pharmaceuticals Ltd. from 2004 to 2007. Then he joined GSP Finance Company (Bangladesh) Limited as "Manager (Accounts)" in 2007. In 2009 he joined as "Manager (Finance & Accounts)" in Bengal Group of Industries. In 2010 he joined National Housing Finance and Investments Limited as "First Assistant Vice President (FAVP)" in 2010. Currently he is serving as a Senior Vice President (SVP) & Chief Financial Officer (CFO) of the company. He is also CAMLCO of the company. He took part in various training programs in his career arranged by Bangladesh Bank.

Mr. Md. Sarwar Kamal FCS

Senior Vice President (SVP) & Company Secretary

Mr. Md. Sarwar Kamal is a Fellow member of The Institute of Chartered Secretaries of Bangladesh (ICSB). He also completed his Master's in Accounting. He started his career in Trio Hologram Industries Ltd. as an Executive, Accounts & Administration in 2006. Later he joined GSP Finance Company (Bangladesh) Ltd. as an "Assistant Company Secretary" in 2007 and served up to 2010 as "Deputy Company Secretary". After that he joined National Housing Finance and Investments Limited as a "First Assistant Vice President (FAVP)" in 2010. Currently he is serving as a "Senior Vice President and Company Secretary".



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He participated in various training and workshop such as "Corporate Governance Board Leadership for Chartered Secretaries" jointly organized by IFC, Ministry of Foreign Affairs of the Netherlands and ICSB, "Corporate Governance Dispute Resolution & Mediation" jointly organized by IFC and ICSB and "Audit Committee: Role, Responsibility, Structure & Function" jointly organized by IFC and ICSB. He also participated "47th International Convention of Company Secretaries of India" Jaipur, Rajasthan, India as a delegate from ICSB. Besides he visited various countries such as Malaysia, Thailand etc.

Mr. Mahbubur Rashid Al-Amin

Vice President (VP) & Head of Business

Mr. Mahbubur Rashid Al-Amin, MBA (Finance) & M.Com (Management), started his career in National Credit and Commerce Bank Ltd. as a "Junior Officer" in 1994. After that he served as an "Operation Manager" in Air Bridge International Ltd. from 1995 to 2003. After serving as an "Executive Officer" in China National Overseas Engineering Corporation (COVEC) and "First Executive Officer & Board Secretary" in Information Technology Consultants Ltd. during the period of 2003 to 2006, he joined National Housing Finance and Investments Limited as a "Senior Counselor" in 2006. After several promotions during the course of his career, he is now working as a "Vice President (VP)" in the company and also holding the position of Head of Business. He took part in various training sessions arranged by Bangladesh Bank and SouthAsia Enterprise Development Facility (SEDF).

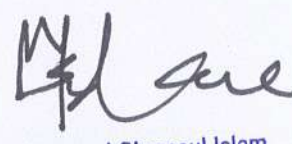
He is a Rotarian and the President (2022-23) of the Rotary Club of Dhaka Buriganga. Besides he plays snooker and participated several tournament on behalf of Dhaka officers club.



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10.07 Description of Assets & Liabilities

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institutions Act, 1993 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated 06 November 2003, FID Circular No. 02 dated 10 November 2004, DFIM Circular Letter No. 01, dated 12 January 2017 and DFIM Circular Letter No. 03, dated 21 June 2020. Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposit' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions) and Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bill, bond and any other assets approved by Government gazette or by Bangladesh Bank.

Total cash amount for National Housing and Investments Limited stands around BDT 210,951,993

Particulars (amounts are in BDT)	2021	2022
Cash		
Cash in hand		
Local currency	40,358	31,694
Foreign currency	-	-
Balance with Bangladesh Bank and its agent Bank		
Local currency	209,358,124	210,920,299
Foreign currency	-	-

Balance with other banks and financial institutions stands around BDT 1,249,881,404


Particulars (amounts are in BDT)	2021	2022
Balance with banks and other financial institutions		
In Bangladesh		
On current accounts	7,175,187	16,549,433
On short term deposit accounts	819,927,654	723,331,972
On fixed deposit accounts	2,660,000,000	510,000,000



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Particulars (amounts are in BDT)	2021	2022
Money at call and on short notice		
Bank	-	-
National Credit and Commerce Bank Limited	-	600,000,000

Significant of NHFIL's investments are deployed into the government securities. However, the financial institution also has some money invested into preference shares of Union Capital and ordinary shares.


Particulars (amounts are in BDT)	2021	2022
Investments		
Government securities	454,620,200	899,845,052
Other investments	150,086,381	182,898,009
Other investments		
Preference shares	5,059,496	3,059,496
Ordinary shares	145,026,885	179,838,513

Even though, National Housing has majority of its concentration is in the housing loan category, but the financial institution has started to explore different sets of consumer segment tersely, the SME segment.


Particulars (amounts are in BDT)	2021	% of loans	2022	% of loans
Loans and advances				
Mortgage loans	13,068,035,423	93.7%	13,618,111,185	94.6%
Lease finance	45,454,621	0.3%	46,055,201	0.3%
Term loans	116,450,023	0.8%	108,448,341	0.8%
Small & Medium Enterprises loans	639,393,717	4.6%	564,325,354	3.9%
Loan against fixed deposits	43,408,540	0.3%	27,740,811	0.2%
Staff loan	26,715,543	0.2%	28,737,659	0.2%



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Fixed assets including premises, furniture and fixtures:	2021	2022
Cost		
Opening balance	423,931,620	435,451,486
Add; addition during the year	11,519,866	4,734,278
Less; disposed during the year	-	(7,952,685)
Balance as on 31.12.2022	435,451,486	432,233,079
Less; accumulated depreciation	123,899,677	134,119,946
Written down value as on 31.12.2022	311,551,809	298,113,133

Particulars	2021	2022
Land	65,219,993	65,219,993
Existing building	7,948,184	7,374,750
Newly acquired building	181,441,816	175,792,674
Furniture	23,349,731	22,284,530
Office equipment	18,192,601	16,242,141
Intangible asset	6,930,000	4,830,000
Right of use assets	4,894,978	3,825,506
Motor vehicle	3,574,507	2,543,539
Total	311,551,809	298,113,133

Majority of its other assets had been allocated for the Advance Income Tax and Other receivables amounting BDT 566,629,776

Particulars (amounts are in BDT)	2021	2022
Other assets		
Income generating other assets	-	-
Non-income generating other assets		
Advance against fixed assets	-	-
Security deposits	594,460	572,000
Advance income tax	320,374,157	336,197,583
Advance against branch office	-	-
Advance against office rent	-	-
Stamp and security paper	594,057	351,030
Other receivables	185,440,084	229,509,163

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Borrowings from other banks and financial institutions had increased significantly from the previous fiscal year and it stands around BDT 2,146,644,446 in 2022 fiscal year.

Particulars (amounts are in BDT)	2021	2022
Borrowings from banks, other financial institutions and agents		
Secured		
Secured overdraft		
Banking companies		
Eastern Bank Limited	312,311	16,479,629
Mercantile Bank Limited	587,533	99,283,162
Pubali Bank Limited	567,786	67,939,347
Mutual Trust Bank Limited	-	58,916
Term Loan		
Banking companies		
Agrani Bank Limited	33,225,187	179,973,362
Woori Bank Limited	162,000,000	162,000,000
Pubali Bank Limited	-	287,520,000
NCC Bank Limited	-	300,000,000
Eastern Bank Limited	27,872,921	17,328,395
Bangladesh Bank Loan		
SME Loan	41,584,173	10,380,000
HML Refinance Scheme	153,318,960	127,770,687
Secured loan from others	462,723,188	527,910,949
Unsecured		
Short term borrowing		
Banking companies	-	350,000,000

Deposit collections from the term deposits segment declined in 2022 from the last fiscal year that led to the overall decline in the deposit basket where the amount stands at BDT 12,472,190,833


Particulars (amounts are in BDT)	2021	2022
Savings bank deposits/Mudaraba Savings Deposits	500,000,000	100,000,000
Term Fixed deposits/Mudaraba Term Deposits	13,917,204,471	12,369,335,605
Other Deposits/ Mudarabba Deposits	3,833,858	2,855,228



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Particulars (amounts are in BDT)	2021	2022
Other liabilities		
Provision for loans, advances, investments and others	385,283,568	385,768,426
Interest suspense	306,727,246	323,122,361
Provision for gratuity	-	8,123,227
Withholding tax payable	1,252,240	1,593,488
VAT & Exercise duty payable	698,222	491,753
Provision for current tax	443,566,929	431,333,416
Provision for deferred tax note	4,315,528	9,197,074
Interest payable	392,681,637	325,345,399
Accrued expense	316,520	345,000
Unclaimed dividend	3,854,342	3,795,287
Lease liabilities	4,208,499	3,405,088
Account payable	11,114,337	9,426,821
Sundry deposits	19,737,205	11,128,202
Sundry liabilities	-	-

10.08 Description Of Previously Issued Debt or Equity Securities

1. Did not issue any debt securities previously.

2. **Public Offer (IPO):**

Date – October 2008

5,00,000 Ordinary Shares of Tk. 100 each


Total Raised: BDT 50,000,000 (50 million)



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11 AUDITED FINANCIAL STATEMENT OF THE ISSUER

	2021	2022
Balance sheet as of 31st of December		
Cash:	209,398,482	210,951,993
In hand (including foreign currencies)	40,358	31,694
Balances with Bangladesh Bank, its agent banks (including foreign currencies)	209,358,124	210,920,299
Balance with other banks and financial institution	3,487,102,841	1,249,881,404
In Bangladesh	3,487,102,841	1,249,881,404
Investments	604,706,581	1,082,743,061
Government	454,620,200	899,845,052
Others investments	150,086,381	182,898,009
Money at call and on short notice	-	600,000,000
Loans, cash credits, overdrafts etc.	13,939,457,867	14,393,418,552
Fixed assets including land, building, furniture and fixtures	311,551,809	298,113,133
Other assets	507,002,758	566,629,776
Total assets	19,059,220,338	18,401,737,918
Liabilities:		
Borrowings from other banks, financial institutions and agents	882,192,060	2,146,644,446
Deposits and other accounts:	14,421,038,329	12,472,190,833
Savings bank deposits/Mudaraba Savings Deposits	500,000,000	100,000,000
Term Fixed deposits/Mudaraba Term Deposits	13,917,204,471	12,369,335,605
Other Deposits/ Mudarabba Deposits	3,833,858	2,855,228
Other Liabilities	1,573,756,003	1,513,075,542
Total liabilities	16,876,986,392	16,131,910,821
Shareholder's Equity	2,182,233,947	2,269,827,097
Paid up capital	1,170,312,000	1,170,312,000
Statutory Reserve	630,437,167	683,065,157
Retained Earnings/ Retained Surplus	381,484,780	416,449,939
Total liabilities and shareholders' equity	19,059,220,338	18,401,737,918
Net Asset Value Per Share	18.65	19.40
Off-Balance Sheet Items		
Un-disbursed contracted loans and leases	1,162,959,288	984,542,132



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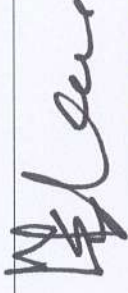


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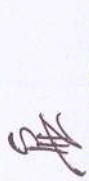
	2021	2022
Interest income	1,620,020,397	1,456,285,526
Less: Interest expenses on deposits & borrowings	972,019,341	917,975,619
Net interest income	648,001,056	538,309,907
Income from investments	63,925,696	66,515,423
Commission, exchange and brokerage	-	500
Other operating income	15,559,692	15,641,081
Total operating income	727,486,444	620,466,911
Salaries, allowances and other benefits	133,687,163	144,176,796
Rent, taxes, insurance, electricity etc.	13,338,070	14,954,313
Legal and professional fees	-	-
Postage, stamps, telecommunication etc.	2,709,307	2,556,559
Printing, stationary, advertising	8,712,019	10,288,347
Salary and allowances paid to Managing director	6,090,001	6,860,000
Directors' fees and expenses	1,513,600	1,610,400
Audit fees	316,250	345,000
Charges on loan losses	-	-
Depreciation, and repairs to assets	19,994,145	18,023,720
Other operating expense	14,946,334	16,542,643
Total operating expenses	201,306,889	215,357,778
Profit before provision against loans and advances	526,179,555	405,109,133
Provisions for:		
Loans, investments and other assets / Specific provision	88,796,120	(29,691,350)
Diminution in value of investment	(1,727,647)	16,378,775
Others Asset	2,892,406	10,124,532
Total provision	89,960,879	(3,188,043)
Profit before tax and reserve	436,218,676	408,297,177
Current Tax	(186,684,496)	(140,275,681)
Deferred tax	11,754,663	(4,881,546)
Provision for tax	(174,929,833)	(145,157,227)
Net profit after tax for the year	261,288,843	263,139,949
EPS	2.23	2.25



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Cashflow Statement for the Year Ended Dec 31st	2021	2022
Interest received/Investment income in cash	1,604,767,353	1,481,992,085
Interest payments/Profit paid on deposits in cash	(1,046,293,774)	(984,950,482)
Dividend received/ Dividend receipts from investment in shares & securities	7,045,236	5,467,587
Fees and commission receipts in cash	-	500
Recoveries of loans previously written off	-	11,907,484
Cash payments to employees (including directors)	(139,212,496)	(152,724,312)
Cash payments to suppliers	(11,786,912)	(13,386,336)
Income taxes paid	(186,176,862)	(168,332,619)
Income received from investments	34,993,466	57,627,014
Receipts from other operating activities	37,446,687	19,061,902
Payments for other operating activities	(28,200,758)	(31,534,762)
Cash generated from operating activities before changes in operating assets and liabilities	272,581,939	225,128,061
Statutory Deposits	-	-
Purchase/Sale of trading securities	206,587,474	-
Loans and advances to customer	(311,096,849)	(453,960,685)
Other assets	(46,981,517)	(78,241,490)
Term Deposit	917,839,941	(1,947,868,866)
Other Deposits	(7,715,734)	(978,630)
Other liabilities	46,218,301	13,428,191
Net increase / (decrease) in operating liabilities	804,851,615	(2,467,621,479)
Net cash from operating activities (A)	1,077,433,555	(2,242,493,418)
Proceeds from sale of securities	(21,374,971)	(32,811,628)
Payments for purchase for securities	-	(445,224,852)
Purchase/Sale of property, plant & equipment	(11,519,866)	(4,043,614)
Net cash used in investing activities (B)	(32,894,837)	(482,080,094)



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Receipt of long-term loan/Receipt of borrowings from other banks, financial institutions and agents	-	-	-
Repayment of long-term loan/Repayment of borrowings from other banks, financial institutions and agents	-	-	-
Loans from banks	32,461,222		1,264,452,386
Dividend paid	(175,546,800)		(175,546,800)
Net Cash used in financing activities (C)	(143,085,578)		1,088,905,586
D) Net increase/(decrease) in cash and cash equivalents(A+B+C)	901,453,139		(1,635,667,926)
Add: Cash & Cash Equivalents at beginning of the year (F)	2,795,048,183		3,696,501,323
G) Cash and cash equivalents at end of the year(D+E+F)	3,696,501,323		2,060,833,397
NOCFPS	9.21		(19.16)



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12 AUDITORS REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS



Md. Sarwar Kamal FCS
Senior Vice President and
Company Secretary
National Housing Finance
and Investments Limited



Sayed Ahmed, FCMA
SVP & Chief Finance Officer
National Housing Finance
and Investments Limited



Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited



Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

**Independent Auditor's Report
To
the Shareholders of
National Housing Finance and Investments Limited
on the Audit of the Financial Statements
For the Year Ended 31st December 2022**




Md. Sarwar Kamal FCS
Senior Vice President and
Company Secretary
National Housing Finance
and Investments Limited


Sayed Ahmed, FCMA
SVP & Chief Finance Officer
National Housing Finance
and Investments Limited

Date: 17th April 2023


Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited


Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

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

Loans & Advances	
Risk	Our response to the risk
<p><u>Classification</u> The classification of loans & advances are determined by specific Bangladesh Bank's circulars which have wide ranging effect on the financial position and performance of the FI, namely through provisioning requirements.</p> <p>Furthermore, the calculation of RWA (Risk Weighted Assets) is, to some extent, dependent on the classification of loans and advances which ultimately impact the CAR (Capital Adequacy Ratio) – a significant indicators of FI's health under the BASEL - II regime.</p> <p>Furthermore, the recognitions and measurement of these Loans & Advances are dictated by Bangladesh Bank's circulars namely FID circular No. 08 dated 03 August 2002, FID circular No. 03 dated May 2006, FID circular No. 05 dated 18 July 2006, FID circular No. 06 dated 20 August 2006, FID circular No. 02 dated 05 May 2007 and DFIM Circular No. 04 dated 28 June 2007, DFIM Circular No. 1, dated 24th March, 2020 and DFIM Circular Letter No. 05, dated 26th August 2020, DFIM Circular No. 04, Dated 26th July 2021, DFIM Circular No. 09, Dated 14th September 2021, DFIM Circular Letter No. 33, Dated 19th December 2021 and DFIM(P) 1052/27/2022-26, Dated 2nd January 2022 (Effective 1st January 2021 to 31st December 2021), 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. The Company's disclosures about classifications of loans & advances are included in note 8.07, 8.08 & 8.11 to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • The credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Financial Institution Classification of Loans (CL); <p>Furthermore, we have assessed on test basis the loan application receipt, assessment, documentation and authorization process against Company's policy and Bangladesh Bank's requirements. Legal expert's views regarding securitization of the loans have also been considered.</p> <p>As part of our process, we have reviewed the loan files, bank statements, and its provisioning requirements.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p><u>Provisioning & write off:</u> 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>

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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 tasted 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;

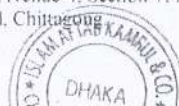
Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

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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"> • Verify and calculate interest income based on cut of date with the value of investment, amortization or appreciation by security value adjustment (Treasury Bond), applicable interest rate; • Verify proper revenue recognition through cut of date for interest receivable; • Verify the authentication of documents; • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for transactions recorded for Interest on Investment such as make loans and advance, Purchase date of FDR and Treasury Bond, physical verification of FDR to confirm maturity date and amount of interest, bank statement and interest receivable at the year ended date to determine whether revenue was recognized in the correct period; • Verified the interest revenue from Treasury Bond by measuring holding period interest, adjustment by security value adjustment, Coupon rate, Yield rate, Board authorization of investment, ledger and calculation of interest; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

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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>


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Legal & Regulatory Matters

Risk	Our response to the risk
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>Significant Legal & Regulatory matters pertaining to the Company were:</p> <ul style="list-style-type: none"> • Compliance of rules & regulations, including submission of returns to various regulators: and • Litigation (cases) filed on behalf of or against the Company including any provisioning requirements. <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p> <p>The Company's disclosures relating to its legal & regulatory compliance are included in note 3.11 & 2.12 of the financial statements.</p> <p><u>Current Tax:</u> 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 & 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>	

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Deferred Tax Liability	
Risk	Our response to the risk
<p>Deferred Tax: The Company reported net deferred tax Liabilities 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 & 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 recent 5 years
Rational for benchmark applied	Based on the benchmarks used in the Annual Report, profit or loss before tax is a key measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.

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

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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.

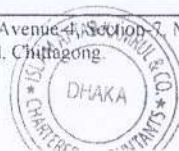
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosed in note 2.10.03, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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:



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Momtaz Shamsur Islam
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- 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;

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- (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;

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Dhaka
Dated: 17th April 2023

(Signature)

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
Property and Assets			
Cash:	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
		210,951,993	209,398,482
Balance with banks and other financial institutions:	5.00		
In Bangladesh		1,249,881,404	3,487,102,841
Outside Bangladesh		-	-
		1,249,881,404	3,487,102,841
Money at call and on short notice	6.00	600,000,000	-
Investments:	7.00		
Government		899,845,052	454,620,200
Others		182,898,009	150,086,381
		1,082,743,061	604,706,581
Loans and advances:	8.00		
Loans, cash credits, overdrafts etc.		14,393,418,552	13,939,457,867
Bills purchased and discounted		-	-
		14,393,418,552	13,939,457,867
Fixed assets including premises, furniture and fixtures	9.00	298,113,133	311,551,809
Other assets	10.00	566,629,776	507,002,758
Non-banking assets	11.00	-	-
Total Assets		18,401,737,918	19,059,220,338
Liabilities and capital			
Liabilities:			
Borrowing from other banks, financial institutions and agents	12.00	2,146,644,446	882,192,060
Deposits and other accounts:	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
		12,472,190,833	14,421,038,329
Other liabilities	14.00	1,513,075,542	1,573,756,003
Total Liabilities		16,131,910,821	16,876,986,392
Capital/Shareholders' equity:			
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		-	-
Total Shareholders' equity		2,269,827,097	2,182,233,947
Total liabilities and Shareholders' equity		18,401,737,918	19,059,220,338

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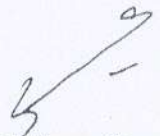


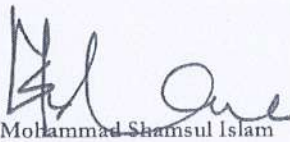
Mohammad Shamsul Islam
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Reza Uddin Ahmad
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Note	2022 Taka	2021 Taka
Off-Balance Sheet Items		
Contingent Liabilities:		
Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters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

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



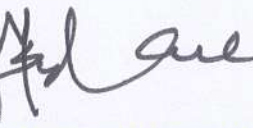
AKM Kamrul Islam, FCA
Senior Partner
Enrollment No.-670
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC No.: 2304270670AS604986

Place: Dhaka
Dated: 17th April, 2023


Md. Sarwar Kamal FCS
Senior Vice President and
Company Secretary
National Housing Finance
and Investments Limited


Sayed Ahmed, FCMA
SVP & Chief Finance Officer
National Housing Finance
and Investments Limited




Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited


Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

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
Net interest income		538,309,907	648,001,056
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
		82,157,004	79,485,388
Total operating income		620,466,911	727,486,444
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
Total operating expenses		215,357,778	201,306,889
Profit/ (Loss) before provisions		405,109,133	526,179,555
Provisions for			
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
Total provisions		(3,188,043)	89,960,879
Total profit/(loss) before taxation		408,297,177	436,218,676
Provisions for taxation			
Current	14.08	(140,275,681)	(186,684,496)
Deffered	14.08	(4,881,546)	11,754,663
		(145,157,227)	(174,929,833)
Net Profit/(loss) after taxation		263,139,949	261,288,843
Appropriations:			
Statutory reserve	16.00	52,627,990	52,257,769
General reserve	-	-	-
Dividend etc.	-	-	-
		52,627,990	52,257,769
Retained surplus		210,511,959	209,031,074
Earnings per share	32	2.25	2.23

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Managing Director
IDLC Investments Limited

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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

(Signature)

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

Place: Dhaka
Dated: 17th April, 2023



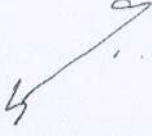
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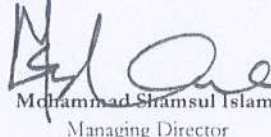
NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED
Statement of Changes in Equity
For the year ended December 31, 2022


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)	-
Balance as at December 31, 2022	1,170,312,000	683,065,157	-	-	416,449,939	2,269,827,097

Annexed notes from an integral part of these financial statements


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Managing Director


Md. Kabir Reza, FCMA
Director


Mambur Rahman
Chairman

Place: Dhaka
Dated: 17th April, 2023


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IDLC Investments Limited



NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Cash Flow Statement

For the year ended December 31, 2022

	2022 Taka	2021 Taka
A. Cash flows from operating activities		
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)
Cash generated from operating activities before changes in operating assets and liabilities	225,128,061	272,581,939
Increase/(decrease) in operating assets and liabilities:		
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
	(2,467,621,479)	804,851,615
Net cash flow from operating activities	(2,242,493,418)	1,077,433,555
B. Cash flows from investing activities		
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	-	-
Net cash from investing activities	(482,080,094)	(32,894,837)
C. Cash flows from financing activities		
Receipts from issue of loan capital & debt securities	-	-
Payments for redemption of loan capital & debt securities	-	-
Receipt from ordinary shares	-	-
Loan from banks	1,264,452,386	32,461,222
Dividend paid	(175,546,800)	(175,546,800)
Net cash from financing activities	1,088,905,586	(143,085,578)
D. Net increase/(decrease) in cash	(1,635,667,926)	901,453,139
E. Effects of exchange rate changes on cash and cash equivalent	-	-
F. Cash and cash equivalent at beginning of the year	3,696,501,323	2,795,048,183
G. Cash and cash equivalent at end of the year	2,060,833,397	3,696,501,323
Cash and cash equivalent at end of the year		
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	-
	2,060,833,397	3,696,501,323
Net Operating Cash Flow Per Share (NOCFPS) (Note- 42.01)	(19.16)	9.21

Annexed notes from an integral part of these financial statements

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Company Secretary

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Managing Director

Md. Kabir Reza, FCMA
Director

Mamunur Rahman
Chairman

Place: Dhaka
Date: 17th April, 2023

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NATIONAL HOUSING FINANCE AND INVESTMENTS LIMITED

Liquidity Statement
(Maturity Analysis of Assets & Liabilities)
As at December 31, 2022

Particulars	Figures in Taka					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	
Asset						
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	-	-	-	-	-	-
Total Asset	2,288,531,255	430,535,119	668,110,793	3,008,547,288	12,006,013,463	18,401,737,918
Liabilities						
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
Total Liabilities	1,802,166,979	11,128,202	12,796,820,989	1,392,991,106	128,803,545	16,131,910,821
Net Liquidity Gap	486,364,276	419,406,917	(12,128,710,196)	1,615,556,183	11,877,209,918	2,269,827,097

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

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(Signature)

(Signature)

(Signature)

(Signature)

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.


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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.

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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):

- Balance Sheet as at 31 December 2022.
- Profit and Loss Account for the year ended 31 December 2022.
- Statement of Cash Flows for the year ended 31 December 2022.
- Statement of Changes in Equity for the year ended 31 December 2022.
- Liquidity Statement for the year ended 31 December 2022 and
- 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 NHFFIL.

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.

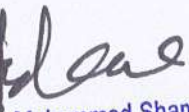
2.07 Branch accounting

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.


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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

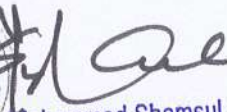
Following IFRS 16: Leases, accounting for lease transactions have been recorded under finance lease method since all the risks and rewards incidental to ownership are substantially transferred to the lessee as per agreement. Accordingly the aggregate lease receivables excluding un-guaranteed residual 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.


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IDLC Investments Limited

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.


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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

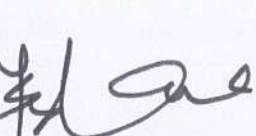
Items of fixed assets excluding land and building are measured at cost less accumulated depreciation and accumulated impairment losses. Land and building is recognized at cost at the time of acquisition. The cost of an asset comprises its purchase price and any directly attributable costs of bringing 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.


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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.

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3.11 Regulatory & Legal Compliances

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

- a) The Financial Institutions Act 1993;
- b) The Companies Act 1994;
- c) Rules and Regulations Issued by Bangladesh Bank;
- d) The Securities and Exchange Rules-1987;
- e) The Securities and Exchange Ordinance-1969;
- f) The Securities and Exchange Commission Act-1993;
- g) The Securities and Exchange Commission(Public Issue) Rules-2006;
- h) The Financial Institutions Regulations, 1994
- i) The Income Tax Ordinance 1984;
- j) The VAT and Supplimentary Duty Act 2012.
- k) The VAT and Supplimentary 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 Economies	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


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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 institutions 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.


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Money Laundering and Terrorist Financing Risk

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

- Business risk which is the risk that NHFIL may be used for money laundering or for the financing of terrorism and
- 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:

- Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing.
- A dedicated structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance.
- Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU.
- Independent audit functions, including internal and external audit, to test the programs.
- 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.


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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.

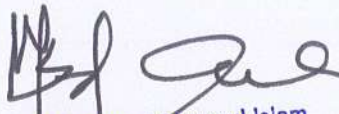
ICT Risks

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.


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	2022 Taka	2021 Taka
4.00 Cash		
Cash in hand:		
Local currency	31,694	40,358
Foreign currencies	-	-
	31,694	40,358
Balance with Bangladesh Bank and its agent Bank:		
Local currency	210,920,299	209,358,124
Foreign currencies	-	-
	210,920,299	209,358,124
	210,951,993	209,398,482

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

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

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on Total Term Deposits (Except Bank & NBF'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.

4.01.01 Cash Reserve Requirement (CRR)

Required reserve	200,672,773	200,452,125
Actual reserve held	210,920,299	209,358,124
Surplus/(deficit)	10,247,525	8,905,999

4.01.02 Statutory Liquidity Reserve (SLR)

Required reserve	709,291,438	696,520,158
Actual reserve held (including CRR)	970,859,590	3,282,459,965
Surplus/(deficit)	261,568,153	2,585,939,806

5.00 Balance with banks and other financial institutions

5.01 In Bangladesh

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
	1,249,881,404	3,487,102,841

Outside Bangladesh

	1,249,881,404	3,487,102,841
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5.01.01 On Current Accounts

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	-
	16,549,433	7,175,187

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5.01.02 On Short Term Deposit (STD) Accounts

Schedule Banks:

Islami Bank Bangladesh Limited	1,862,136	2,438,468
AB Bank Limited	441,572	179,482
Commercial Bank of Ceylon PLC	3,166,649	2,194,861
Dutch Bangla Bank Limited	1,230,085	601,777
Bank Asia Limited	5,450,316	7,807,008
Mutual Trust Bank Limited	3,606,872	95,955.91
Eastern Bank Limited	2,641,922	644,749
Exim Bank Limited	4,525,347	446,667,121
Jamuna Bank Limited	18,878,684	26,235,945
Jamuna Bank Limited (Unclaimed Dividend Account)	16,642	17,597
National Bank Limited	2,340,131	10,398,503
National Credit and Commerce Bank Limited	141,263,566	1,984,013
NRB Bank Limited	1,310,456	67,651,613
NRBC Bank Limited	494,810	-
One Bank Limited	2,244,136	3,371,493
Prime Bank Limited	156,405,565	766,636
Premier Bank Limited	48,870	217,805
Pubali Bank Limited	425,094	2,063,900
Shahjalal Islami Bank Limited	270,552	1,111,158
Social Islami Bank Limited	2,191,361	1,030,127
Standard Bank Limited	5,537	1,249,722
Standard Chartered Bank Limited	82,985	99,096
Sonali Bank Limited	1,711,710	532,446
SBAC Bank Limited	53,160	155,928
Southeast Bank Limited	1,136,340	1,817,851
Trust Bank Limited	48,808	345,184
Dhaka Bank Limited	33,833,794	12,521,578
Padma Bank Limited	51,915	51,553
Uttara Bank Limited	29,890	34,069
Bank Alfalah Limited	1,055,423	551,984
Midland Bank Limited	17,147,842	-
Mercantile Bank Limited	96,459,803	1,504,697

Sub-Total

500,431,972 **594,342,321**

Non-Bank Financial Institutions:

International Leasing and Financial Services Limited	150,400,000	152,085,333
Premier leasing & Finance Limited	60,500,000	61,000,000
Fareast Finance Limited	12,000,000	12,500,000

Sub-Total

222,900,000 **225,585,333**

Total Short Term Deposit (STD) Accounts

723,331,972 **819,927,654**

5.01.03 On Fixed Deposit Account

Dhaka Bank Limited	280,000,000	-
IPDC Finance Limited	200,000,000	-
One Bank Limited	-	200,000,000
Exim Bank Limited	-	230,000,000
NRBC Bank Limited	-	150,000,000
Social Islami Bank Limited	30,000,000	100,000,000
Agrani Bank Limited	-	1,980,000,000

510,000,000 **2,660,000,000**

5.02 Maturity Grouping of Balance with other Banks and Financial Institutions

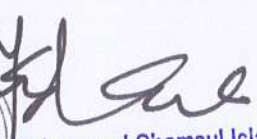
On demand	739,881,404	827,102,841
Up to 3 (three) months	410,000,000	2,210,000,000
More than 3 (three) months but not more than 1 (one) year	100,000,000	450,000,000
More than 1 (one) year but not more than 5 (five) years	-	-
More than 5 (five) years	-	-

1,249,881,404 **3,487,102,841**


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and Investments Limited


Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

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

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
Total			179,838,513		146,192,151	36,705,858

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)
Balance as on December 31	36,705,858	20,327,083

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	899,845,052	454,620,200
More than 1 (one) year but not more than 5 (five) years	1,082,743,061	604,706,581


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	2022 Taka	2021 Taka
8.00 Loans and advances		
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
	14,393,418,552	13,939,457,867
8.01 Maturity-wise Grouping of loans and advances		
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
	14,393,418,552	13,939,457,867
8.02 Loans, Advances and Leases		
In Bangladesh		
Loans	14,347,363,351	13,894,003,246
Leases	46,055,201	45,454,621
Overdraft	-	-
Cash Credit	-	-
	14,393,418,552	13,939,457,867
Outside Bangladesh		
	14,393,418,552	13,939,457,867
8.03 Geographical Location-wise Grouping		
In Bangladesh		
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
	14,393,418,552	13,939,457,867
Outside Bangladesh		
	14,393,418,552	13,939,457,867
8.04 Significant Concentration-wise Grouping		
Directors & their related parties (Note: 53.00)		
Staff:		
Managing Director	-	-
Senior Executives	28,737,659	26,715,543
Others	27,740,811	43,408,540
	56,478,470	70,124,083
Industries:		
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
	718,828,896	801,298,361
Mortgage Loan		
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
	13,618,111,185	13,068,035,423
Trade & commercial		
	14,393,418,552	13,939,457,867

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	2022 Taka	2021 Taka
8.05 Staff Loan		
Personal loan	22,394,283	19,979,501
Car loan	6,343,376	6,736,042
	<u>28,737,659</u>	<u>26,715,543</u>
8.06 Details of Large Loan		
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).		
8.07 Grouping as per Classification Rules		
Unclassified:		
Standard	13,100,048,838	12,422,549,852
Special Mention Account	295,836,231	697,380,550
Classified:	13,395,885,069	13,119,930,402
Sub-standard	48,512,960	130,050,984
Doubtful	311,654,003	116,749,440
Bad/loss	637,366,520	572,727,040
	<u>997,533,483</u>	<u>819,527,465</u>
	<u>14,393,418,552</u>	<u>13,939,457,867</u>
8.08 Loan Type-wise Classified Loan		
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
	<u>997,533,483</u>	<u>819,527,465</u>
8.09 Sector-wise Allocation of Loans, Advances and Leases		
Government		
Private:		
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
	<u>14,393,418,552</u>	<u>13,939,457,867</u>
8.10 Securities Against Loans, Advances and Leases		
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	-	-
	<u>14,393,418,552</u>	<u>13,939,457,867</u>


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	2022 Taka	2021 Taka			
8.11 Particulars of Required Provision for Loans, Advances and Leases					
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:					
Unclassified-General Provision:					
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
Sub-total:	13,395,885,069	13,369,361,986		144,531,839	184,531,790
Classified-Specific Provision:					
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
Sub-total:	997,533,483	243,590,553		195,060,021	172,011,438
Grand-total:	14,393,418,552	13,612,952,539		339,591,860	356,543,228

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	-	-
	14,393,418,552	13,939,457,867
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	-	-
Classified loans, advances and leases:		
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.

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9.00 Fixed assets including premises, furniture and fixtures for 2022

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

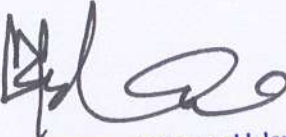
9.02 Accumulated depreciation

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

For details please refer to Annexure - A


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	2022 Taka	2021 Taka
10.00 Other assets		
Income Generating Other Assets:	-	-
Non-income Generating Other Assets:		
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
	566,629,776	507,002,758
10.01 Advance Income Tax		
Balance as at 1st January	320,374,157	134,197,295
Add: 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
Less: Adjusted against tax provision	(152,509,194)	-
	15,823,425	186,176,862
Balance as at 31 December	336,197,583	320,374,157
10.02 Other Receivables		
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
	229,509,163	185,440,084
10.03 Advance against fixed assets		
Opening balance	-	240,000
Add: Advance payment	-	-
Less : Transfer to fixed assets	-	240,000
	-	-
10.04 Advance against office rent		
Opening balance	-	-
Add: Advance payment	-	-
Less : Adjustment for the year	-	-
	-	-
11.00 Non-banking assets	-	-


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	2022 Taka	2021 Taka
12.00 Borrowing from banks, other financial institutions and agents		
Secured		
In Bangladesh:		
Secured Overdraft		
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	-
	183,761,054	1,467,630
Non-banking financial institution	-	-
	183,761,054	1,467,630
Outside Bangladesh		
Sub-total:	183,761,054	1,467,630
Term Loan :		
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
	946,821,757	223,098,109
Non-banking financial institution	-	-
	946,821,757	223,098,109
Outside Bangladesh		
Sub-total:	946,821,757	223,098,109
Bangladesh Bank Loan:		
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
Sub-total:	666,061,636	657,626,321
Un-secured		
Money at call and on short notice: (note-12.02)		
Banking companies:	-	-
	-	-
Non-banking financial institution	-	-
	-	-
Un-secured		
Short term borrowing		
Banking companies:	350,000,000	-
	350,000,000	-
Total:	2,146,644,446	882,192,060

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	2022 Taka	2021 Taka
12.01 Remaining Maturity Grouping of Borrowing		
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	-	-
	2,146,644,446	882,192,060
12.02 Money at call and on short notice		
Money at call and on short notice normally ranges between 1-3 days. At the closing date of 31 December 2022, all Money at call and on short notice had been paid for, resulting in zero balance.		
13.00 Deposits and other accounts		
Bank Term deposits	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
	12,472,190,833	14,421,038,329
13.01 Remaining Maturity Grouping of Deposits and Other Accounts		
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
	12,472,190,833	14,421,038,329
13.02 Other Deposits		
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
	2,855,228	3,833,858
14.00 Other liabilities		
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	-	-
	1,513,075,542	1,573,756,003


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	2022 Taka	2021 Taka
14.01 Specific Provision on Loans, Advances		
Balance as at 1st January	181,541,849	112,712,642
<i>Less:</i> Fully provided debt written off	-	-
Provision after written off	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)
Net charge in the profit & loss account	17,867,453	68,829,207
<i>Add:</i> Recoveries of amounts previously written off	12,739,983	-
<i>Less:</i> Written off of provision no longer required	-	-
Provisions held at 31 December	212,149,285	181,541,849
14.02 General Provision on Loans, Advances and Leases		
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)
Net charge in the profit & loss account	(47,558,803)	19,966,913
Balance as at 31 December	127,442,575	175,001,378
14.03 Provision on investments in share		
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)
Net charge in the profit & loss account	16,378,775	(1,727,647)
Balance as at 31 December	36,705,859	20,327,084
14.04 Provision on others		
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)
Net charge in the profit & loss account	1,057,451	(7,913,403)
<i>Less:</i> Fully provided debt written off	9,470,708	8,413,257
Provisions held at 31 December	9,470,708	8,413,257
14.05 Interest Suspense Account		
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)
Net charge in the profit & loss account	16,395,115	81,148,656
<i>Less:</i> Interest written off	323,122,361	306,727,246
Balance as at 31 December	323,122,361	306,727,246

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	-	-
Balance of loans/leases written-off at 31 December 2022	316,136,785	316,136,785

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Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

	2022 Taka	2021 Taka
14.06 Provision for Gratuity		
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	-	-
Balance as at 31 December	8,123,227	-
14.07 Provision for Current Tax		
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)	-
Balance as at 31 December	431,333,416	443,566,929
14.07.01 Provision made during the year		
Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 37.50% on taxable income.		
14.08 Provision for taxation Net Charged for in the Profit & Loss Account		
Current tax (note: 14.07)	140,275,681	186,684,496
<i>Add/ (less):</i> Deferred tax	4,881,546	(11,754,663)
	145,157,227	174,929,833
14.08.01 Average effective tax rates		
The average effective tax rate is calculated below as per International Accounting Standard (IAS) 12: "Income Taxes".		
Tax expenses (A)	145,157,227	174,929,833
Accounting profit before tax (B)	408,297,177	436,218,676
Average effective tax rate (A÷B)	35.55%	40.10%
14.08.02 Reconciliation of effective tax rate:		
Tax using the company's tax rate	37.50%	37.50%
Tax effect of:		
Provision for non-deductible expenses	-1.88%	-1.88%
Adjustment/provision released during the year	-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%
Effective tax rate	35.55%	40.10%
14.09 Deferred tax liability		
Balance as at 1st January	4,315,528	16,070,191
Deferred tax income/(Expenses)	4,881,546	(11,754,663)
	9,197,074	4,315,528
14.09.01 Calculation of deferred tax		
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	9,197,074	4,315,528


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	2022 Taka	2021 Taka
14.10 Accrued Expenses		
Promotion and publicity	-	-
Audit fees	345,000	316,250
Sundry creditors	-	-
	345,000	316,250
14.11 Interest payable		
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)
	325,345,399	392,681,637
14.12 Unclaim dividend		
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)	3,795,287	3,854,342
14.13 Lease Liability		
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)
	3,405,088	4,208,499
Movement of lease liabilities has been included due to implementation of IFRS-16 Leases (office rent).		
15.00 Share Capital		
15.01 Authorized Capital:		
200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
15.02 Issued, Subscribed and fully Paid-up Capital:		
117,031,200 ordinary shares of Tk.10 each	1,170,312,000	1,170,312,000
% of holding:	% of holding	% of holding
Sponsors	59.90%	62.21%
General public	40.10%	37.79%
	100.00%	100.00%
Number of holding:		
Sponsors	70,107,361	72,807,361
General public	46,923,839	44,223,839
	117,031,200	117,031,200


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

		2022 Taka	2021 Taka
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%
Total:	8910	117,031,200	100.00%

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

15.04 Capital Requirement

As per the Section 4(GHA) of the Financial Institutions Rule, 1994 and subsequently updated vide DFIM circular no. 05 dated July 24, 2011 of Bangladesh Bank, an NBFi requires to have Tk.100 crore as its minimum capital which shall be deemed to be adequate capital. When the core capital equals or exceeds its minimum capital then the capital shall be treated as adequate capital of NBFi. Core capital consists of paid-up capital, retained earnings, statutory reserve and balance of current year's profit but in case of total capital it includes core capital plus general provision on good loans/leases. Status of the capital has given below:

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

2,269,827,097

2,182,233,947

Less: Required minimum capital

(1,000,000,000)

(1,000,000,000)

Surplus over minimum required capital

1,269,827,097

1,182,233,947

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

2,269,827,097

2,182,233,947

Add: Provision on good loan/leases

127,442,575

175,001,378

Total capital

2,397,269,672

2,357,235,325

Less: Required minimum capital

(1,000,000,000)

(1,000,000,000)

1,397,269,672

1,357,235,325

15.05 Capital Adequacy Ratio-As per BASEL-II

1. Tier-1 (Core Capital)

1.1 Fully Paid-up Capital/Capital Deposited with BB

1,170,312,000

1,170,312,000

1.2 Statutory Reserve

683,065,157

630,437,167

1.3 Non-repayable share premium account

-

-

1.4 General Reserve

-

-

1.5 Retained Earnings

416,449,939

381,484,780

1.6 Minority interest in Subsidiaries

-

-

1.7 Non-Cumulative irredeemable Preference shares

-

-

1.8 Dividend Equalization Account

-

-

1.9 Others (if any item approved by Bangladesh Bank)

-

-

1.10' Sub-Total (1.1 to 1.9)

2,269,827,097

2,182,233,947

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	2022 Taka	2021 Taka
Deductions from Tier-1 (Core Capital)		
1.11		
Book Value of Goodwill and value of any contingent assets which are shown as assets	-	-
1.12		
Shortfall in provisions required against classified assets	-	-
1.13		
Shortfall in provisions required against investment in shares	-	-
1.14		
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
1.15		
Any investment exceeding the approved limit.	-	-
1.16		
Investments in subsidiaries which are not consolidated	-	-
1.17		
Increase in equity capital resulting from a securitization exposure	-	-
1.18		
Other (if any)	-	-
1.19		
Sub-Total (1.11 to 1.18)	-	-
1.20'		
Total Eligible Tire-1 Capital (1.10-1.19)	2,269,827,097	2,182,233,947
2. Tier-2 (Supplementary Capital)		
2.1		
General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheer 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)	134,361,711	138,765,661
2.8		
Applicable Deductions if any	-	-
2.9		
Total Eligible Tire-2 Capital (2.7-2.8)	134,361,711	138,765,661
Total Capital	2,404,188,807	2,320,999,608
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		
Statutory reserve		
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
Balance as at 31 December	683,065,157	630,437,167
16.01		
Reserve made during the year *		
Net Profit/(loss) after taxation	263,139,949	261,288,843
Applicable Rate	20%	20%
	52,627,990	52,257,769
*In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account. Statutory reserve has been created at the rate of 20.00% of the net profit as per Bangladesh Bank's guidelines.		
17.00		
Retained earnings		
Balance as at 1st January	381,484,780	348,000,506
Add: Net profit after tax for the year	263,139,949	261,288,843
	644,624,729	609,289,349
Less: Allocations:		
Transferred to statutory reserve	(52,627,990)	(52,257,769)
Issue of Bonus Share	-	-
Dividend	(175,546,800)	(175,546,800)
	(228,174,790)	(227,804,569)
Balance as at 31 December	416,449,939	381,484,780

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	2022 Taka	2021 Taka
18.00 Income statement		
Income:		
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
	1,480,815,515	1,664,512,320
Expenses:		
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
	1,103,280,671	1,261,637,722
	377,534,844	402,874,597
19.00 Interest income		
Interest on mortgage loan:		
Home mortgage loan	1,190,199,740	1,204,149,941
Commercial mortgage loan	154,611,157	158,121,906
Project mortgage loan	23,520,571	32,173,863
	1,368,331,268	1,394,445,710
Interest on lease finance:		
Industrial equipment	612,992	606,466
Vehicles	302,280	518,374
Delinquent interest	-	-
Interest on term finance	33,456,166	50,052,417
	34,371,438	51,177,257
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
	1,456,285,526	1,620,020,397
20.00 Interest paid on deposits, borrowings etc.		
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
	917,975,619	972,019,341
20.01 Interest paid on deposits, borrowings		
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. - Koupoú 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-MI.NR	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
	917,614,244	971,534,713

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	2022 Taka	2021 Taka
20.02 Interest Expenses-Lease Liability	361,375	484,628
21.00 Investment Income		
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
	<u>66,515,423</u>	<u>63,925,696</u>
21.01 Dividend Income *		
Dividend on ordinary shares	5,467,587	5,986,226
Dividend on preference shares	-	1,059,010
	<u>5,467,587</u>	<u>7,045,236</u>
21.02 Interest income from treasury bond		
Interest income from treasury bond	57,627,014	24,155,143
	<u>57,627,014</u>	<u>24,155,143</u>
21.03 Gains /losses from sale of shares*		
Gain on sale of shares	4,172,752	31,480,892
Loss on sale of shares	(751,930)	(9,593,898)
	<u>3,420,822</u>	<u>21,886,995</u>
*The overall market condition of shares and securities deteriorated during the financial year, which had resulted in diminution of values of shares and securities and decreased payout of dividend from investments in share in various companies. Investment income has significantly decreased due to the aforesaid reason		
22.00 Commission, exchange and brokerage		
Fees	500	-
	<u>500</u>	<u>-</u>
23.00 Other operating income		
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
	<u>15,641,081</u>	<u>15,559,692</u>
24.00 Administrative expenses		
24.01 Directors' fees and expenses		
This represents fees paid for attending board meetings and other committee meetings @ Tk. 8,000/- per attendance per person.	1,610,400	1,513,600
	<u>1,610,400</u>	<u>1,513,600</u>
24.02 Salaries and allowances		
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
	<u>144,176,796</u>	<u>133,687,163</u>

24.02.01 Salary & allowances
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.

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	2022 Taka	2021 Taka
24.03 Rent, taxes, insurance, electricity etc.		
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
	14,954,313	13,338,070
24.03.01 Insurance		
Taka 912,642 being premium paid for insurance coverage against damages/loss of the Company's fixed assets by fire, earthquake etc.		
24.04 Legal expenses		
Legal charges	-	-
	-	-
25.00 Postage, stamps, telecommunication etc.		
Courier	69,073	114,365
Postage	90,857	60,669
Stamps & security paper	-	-
Telephone, fax & e-mail	2,396,629	2,534,273
	2,556,559	2,709,307
26.00 Stationary, printing, advertisement etc.		
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
	10,288,347	8,712,019
27.00 Managing Director's salary and fees		
Salary & allowances	5,900,000	5,186,130
Provident fund contribution	360,000	303,871
Bonus	600,000	600,000
	6,860,000	6,090,001
28.00 Auditors' fees	345,000	316,250
29.00 Depreciation on and repairs to assets		
Depreciation:		
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
	17,482,290	19,628,559
Repair and maintenance	541,430	365,586
	18,023,720	19,994,145

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


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	2022 Taka	2021 Taka
30.00 Other expenses		
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
	16,542,643	14,946,334
31.00 Provisions for loan and advances		
For classified loans, advances and leases	17,867,453	68,829,207
For unclassified loans, advances and leases	(47,558,803)	19,966,913
	(29,691,350)	88,796,120
31.01 Provision for investments		
Made during the year	18,378,775	5,059,496
Recovery during the year	(2,000,000)	(6,787,143)
	16,378,775	(1,727,647)
31.02 Others		
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)
	10,124,532	2,892,406
32.00 Earnings per share		
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)	2.25	2.23
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.		
33.00 Interest receipts in cash		
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)
	1,481,992,085	1,604,767,353
34.00 Interest payments		
Total interest expenses (note: 20.00)	917,614,244	971,534,713
Add: Opening balance of interest payable	392,681,637	467,440,698
Less: Closing balance of interest payable	(325,345,399)	(392,681,637)
	984,950,482	1,046,293,774
35.00 Fees and commissions receipts in cash		
Fees, commission and brokerage (note: 22.00)	500	-
Add: Opening balance of fees, commission and brokerage	-	-
Less: Closing balance of fees, commission and brokerage	-	-
	500	-
36.00 Cash payments to employees		
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
Add: Opening balance of staff dues	11,114,337	10,549,669
Less: Closing balance of staff dues	(9,426,821)	(11,114,337)
	152,724,312	139,212,496

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SVP & Chief Finance Officer
National Housing Finance
and Investments Limited

Mohammad Shamsul Islam
Managing Director
National Housing Finance
and Investments Limited

Reza Uddin Ahmad
Managing Director
IDLC Investments Limited

	2022 Taka	2021 Taka
37.00 Cash payments to suppliers		
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
Add: Opening balance of suppliers dues	-	-
Less: Closing balance of suppliers dues	-	-
	13,386,336	11,786,912
38.00 Receipts from other operating activities		
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)
	19,061,902	37,446,687
39.00 Payments for other operating activities		
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
Add: Opening balance of outstanding payable	316,250	287,500
Less: Closing balance of outstanding payable	(345,000)	(316,250)
	31,534,762	28,200,758
40.00 Increase/(Decrease) of other deposits		
Closing balance:		
Term deposits	12,469,335,605	14,417,204,471
Other deposits	2,855,228	3,833,858
	12,472,190,833	14,421,038,329
Opening balance:		
Term deposits	14,417,204,471	13,499,364,530
Other deposits	3,833,858	11,549,592
	14,421,038,329	13,510,914,122
	(1,948,847,496)	910,124,207
41.00 Sanction and disbursement		
Sanction	3,595,775,000	3,238,365,395
Disbursement	2,611,232,868	2,075,406,107
Undisbursed	984,542,132	1,162,959,288
41.01 Contingent liabilities (Other Commitments)		
Government	-	-
Directors	-	-
Bank and other Financial Institution	-	-
Other	984,542,132	1,162,959,288
<p>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.</p>		
42.00 Net Asset Value (NAV) per Share		
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
Net Asset Value (NAV) per share (A ÷ B)	19.40	18.65
42.01 Net Operating Cash Flow Per Share (NOCFPS)		
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
Net operating cash flow from operating activities per share (A ÷ B)	(19.16)	9.21

*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.

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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), ACCI
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:

	Meeting no	Held no
Meetings held by the committee during the year by date:	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


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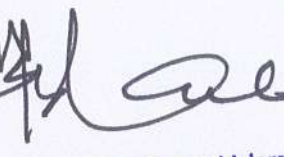

Mohammad Shamsul Islam
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- 44.00 **Company information**
Last year's figures and account heads have been rearranged to conform current year's presentation in accordance with the Bangladesh Bank DFIM Circular # 11 dated December 23, 2009.
- 45.00 **Geographical 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, NHFL 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.


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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
		Kamaphuli 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
		Grameenphone 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
		MJI, 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


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

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


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

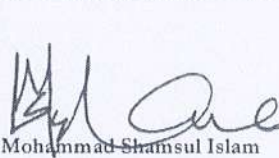
53.04 Investment in the Securities of Directors and their related concern-Nil

53.05 Related party transactions


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

Name of related	Transaction	Balance at year end (receivable)/payable
		Taka
National Bank Limited (Sponsor)	STD/CD account	(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

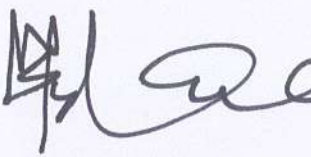

Mohammad Shamsul Islam
Managing Director


Md. Kabir Reza, FCMA
Director


Mahbubur Rahman
Chairman


Md. Sarwar Kamal FCS
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Fixed assets including premises, furniture and fixtures for 2022

(Annexure-A)

Figures in Taka

Particulars	Cost			Rate	Depreciation			Balance as on 31.12.22	Written down value as on 31.12.22	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 01.01.22	Adjustments for disposal	Charged during the year			
Land	65,219,993	-	-	-	-	-	-	65,219,993	65,219,993	65,219,993
Existing Building	39,289,100	-	-	10.00%	31,340,916	573,434	31,914,350	7,374,750	7,948,184	
Newly acquired Building	211,494,142	-	-	3.00%	30,052,326	5,649,142	35,701,468	175,792,674	181,441,816	
Furniture	41,970,864	-	1,410,859	10.00%	18,621,134	2,476,059	21,097,193	22,284,530	23,349,731	
Office equipment	44,149,124	-	2,110,075	20.00%	25,956,523	4,060,535	30,017,058	16,242,141	18,192,601	
Intangible Assets	10,500,000	-	-	20.00%	3,570,000	-	5,670,000	4,830,000	6,930,000	
Right-use of lease Assets	10,459,498	5,009,085	1,213,344	-	5,564,520	4,713,504	2,838,251	3,825,506	4,894,978	
Motor vehicle	12,368,765	2,943,600	-	20.00%	8,794,258	2,548,517	6,881,626	2,543,539	3,574,507	
Total:	435,451,486	7,952,685	4,734,278		123,899,677	17,482,290	134,119,946	298,113,133	311,551,809	


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13 BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

Balance sheet as of December 31st	2018	2019	2020	2021	2022
Cash:	194,499,488	258,336,535	185,065,969	209,398,482	210,951,993
In hand (including foreign currencies)	77,732	48,259	47,790	40,358	31,694
Balances with Bangladesh Bank, its agent banks (including foreign currencies)	194,421,756	258,288,276	185,018,179	209,358,124	210,920,299
Balance with other banks and financial institution	7,445,254,949	3,533,338,489	2,609,982,215	3,487,102,841	1,249,881,404
In Bangladesh	7,445,254,949	3,533,338,489	2,609,982,215	3,487,102,841	1,249,881,404
Investments	129,891,081	123,259,172	789,919,084	604,706,581	1,082,743,061
Government	-	-	661,207,674	454,620,200	899,845,052
Other investments	129,891,081	123,259,172	128,711,410	150,086,381	182,898,009
Money at call and on short notice	-	-	-	-	600,000,000
Loans and advances	12,363,967,591	13,494,876,567	13,628,361,018	13,939,457,867	14,393,418,552
Fixed assets including land, building, furniture and fixtures	227,944,259	313,587,886	319,660,502	311,551,809	298,113,133
Other assets	617,108,891	516,302,661	249,581,107	507,002,758	566,629,776
Total assets	20,978,666,259	18,239,701,310	17,782,569,894	19,059,220,338	18,401,737,918
Liabilities:					
Borrowings from other banks, financial institutions and agents	1,760,754,410	1,629,476,912	849,730,838	882,192,060	2,146,644,446
Deposits and other accounts:	16,148,998,406	13,245,549,740	13,510,914,122	14,421,038,329	12,472,190,833
Savings bank deposits/Mudaraba Savings Deposits	8,180,000,000	3,820,000,000	500,000,000	500,000,000	100,000,000
Term Fixed deposits/Mudaraba Term Deposits	7,956,881,144	9,413,847,419	12,999,364,530	13,917,204,471	12,369,335,605
Other Deposits/ Mudarabba Deposits	12,117,263	11,702,321	11,549,592	3,833,858	2,855,228


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Other Liabilities	1,307,199,242	1,472,544,931	1,325,433,030	1,573,756,003	1,513,075,542
Total liabilities	19,216,952,059	16,347,571,583	15,686,077,990	16,876,986,392	16,131,910,821
Shareholder's Equity	1,761,714,200	1,892,129,727	2,096,491,904	2,182,233,947	2,269,827,096
Paid up capital	1,063,920,000	1,170,312,000	1,170,312,000	1,170,312,000	1,170,312,000
Statutory Reserve	466,539,218	513,900,723	578,179,399	630,437,167	683,065,157
Retained Earnings/ Retained Surplus	231,254,982	207,917,003	348,000,505	381,484,780	416,449,939
Total liabilities and shareholders' equity	20,978,666,259	18,239,701,310	17,782,569,894	19,059,220,338	18,401,737,918
Net Asset Value Per Share	15.16	16.17	17.91	18.65	19.40
Off-Balance Sheet Items	1,303,262,879	1,311,245,477	453,660,951	1,162,959,288	984,542,132
Un-disbursed contracted loans and leases	1,303,262,879	1,311,245,477	453,660,951	1,162,959,288	984,542,132



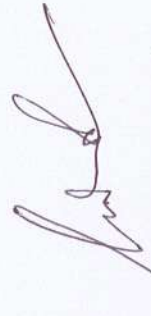
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Income statement as of December 31 st	2018	2019	2020	2021	2022
Interest income	1,995,665,758	2,051,842,879	1,910,025,179	1,620,020,397	1,456,285,526
Less: Interest expenses on deposits & borrowings	1,344,114,201	1,486,020,924	1,343,656,498	972,019,341	917,975,619
Net interest income	651,551,557	565,821,955	566,368,680	648,001,056	538,309,907
Income from investments	7,643,076	4,397,834	162,270,271	63,925,696	66,515,423
Commission, exchange and brokerage	57,500	6,500	2,000	-	500
Other operating income	24,971,263	18,743,844	11,056,298	15,559,692	15,641,081
Total operating income	684,223,396	588,970,133	739,697,250	727,486,444	620,466,911
Salaries, allowances and other benefits	100,397,298	127,685,283	125,474,269	133,687,163	144,176,796
Rent, taxes, insurance, electricity etc.	9,844,693	11,669,653	13,459,068	13,338,070	14,954,313
Legal and professional fees	2,039,068	3,987,640	259,125	-	-
Postage, stamps, telecommunication etc.	1,767,957	1,974,066	2,594,945	2,709,307	2,556,559
Printing, stationary, advertising	19,873,942	10,039,628	17,951,025	8,712,019	10,288,347
Salary and allowances paid to Managing director	7,626,083	7,600,000	7,200,000	6,090,001	6,860,000
Directors' fees and expenses	1,950,400	1,124,800	844,800	1,513,600	1,610,400
Audit fees	287,500	287,500	287,500	316,250	345,000
Depreciation and repairs to asset	10,718,782	15,807,434	19,407,079	19,994,145	18,023,720
Charges on loan losses	-	-	-	-	-
Other operating expense	15,968,331	15,506,433	11,655,970	14,946,334	16,542,643
Total operating expenses	170,474,054	195,682,437	199,133,781	201,306,889	215,357,778
Profit before provision	513,749,342	393,287,695	540,563,469	526,179,555	405,109,133
Provisions for:					
Loans, advances & leases	47,662,031	(23,994,355)	69,707,865	88,796,120	(29,691,350)
Diminution in value of investment	14,001,352	24,131,612	(24,422,500)	(1,727,647)	16,378,775
Others	4,492,425	2,527,590	11,918,774	2,892,406	10,124,532
Total provision	66,155,808	2,664,847	57,204,139	89,960,879	(3,188,043)

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 National Housing Finance
 and Investments Limited

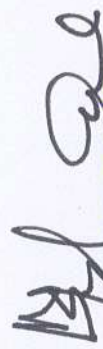

 Mohammad Shamsul Islam
 Managing Director
 National Housing Finance
 and Investments Limited


 Reza Uddin Ahmad
 Managing Director
 IDLC Investments Limited

Profit before tax and reserve	447,593,534	390,622,848	483,359,330	436,218,676	408,297,177
Current Tax	(170,988,049)	(150,636,500)	(159,403,849)	(186,684,496)	(140,275,681)
Deferred tax	(833,985)	(3,178,821)	(2,562,103)	11,754,663	(4,881,546)
Provision for tax	(171,822,035)	(153,815,321)	(161,965,953)	(174,929,833)	(145,157,227)
Net profit after tax for the year	275,771,499	236,807,527	321,393,377	261,288,843	263,139,949
EPS	2.36	2.02	2.75	2.23	2.25


 Md. Sanwar Kamal FCS
 Senior Vice President and
 Company Secretary
 National Housing Finance
 and Investments Limited


 Sayed Ahmed, FCMA
 SVP & Chief Finance Officer
 National Housing Finance
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 Mohammad Shamsul Islam
 Managing Director
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 Reza Uddin Ahmad
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 IDLC Investments Limited

Cashflow Statement For the Year Ended Dec 31st	2018A	2019A	2020A	2021A	2022A
Interest receipts in cash	1,927,642,261	2,101,747,491	1,993,794,832	1,604,767,353	1,481,992,085
Interest payments	(1,161,026,083)	(1,409,901,392)	(1,432,564,604)	(1,046,293,774)	(984,950,482)
Dividend receipts	5,812,457	3,405,417	7,037,290	7,045,236	5,467,587
Fees and commission receipts in cash	57,500	6,500	2,000	-	500
Recoveries of loans previously written off	1,860,000	40,408,513	-	-	11,907,484
Cash payments to employees (including directors)	(110,116,879)	(135,104,107)	(127,457,955)	(139,212,496)	(152,724,312)
Cash payments to suppliers	(21,999,522)	(12,401,028)	(20,829,989)	(11,786,912)	(13,386,336)
Income taxes paid	(188,556,861)	(145,987,063)	(129,344,755)	(186,176,862)	(168,332,619)
Income received from Investments	-	-	163,049,755	34,993,466	57,627,014
Receipts from other operating activities	26,801,882	19,736,261	12,216,628	37,446,687	19,061,902
Payments for other operating activities	(26,074,992)	(32,576,026)	(26,506,463)	(28,200,758)	(31,534,762)
Cash generated from operating activities before changes in operating assets and liabilities	454,399,763	429,334,565	439,396,739	272,581,939	225,128,061
Statutory Deposits	-	-	-	-	-
Purchase/Sale of trading securities	-	-	-	206,587,474	-
Loans, advances and leases to customer	(2,157,416,907)	(1,130,908,976)	(147,146,118)	(311,096,849)	(453,960,685)
Other assets	(29,817,900)	31,052,828	(15,800,842)	(46,981,517)	(78,241,490)
Right-of-use Assets	-	-	(8,008,958)	-	-
Term Deposit	4,481,898,047	(2,903,033,725)	265,517,111	917,839,941	(1,947,868,866)
Other Deposit	(1,064,226)	(414,942)	(152,729)	(7,715,734)	(978,630)
Other liabilities	29,071,771	57,992,153	58,200,817	46,218,301	13,428,191
Net increase / (decrease) in operating liabilities	2,322,670,784	(3,945,312,662)	152,609,281	804,851,615	(2,467,621,479)
Net cash from operating activities (A)	2,777,070,547	(3,515,978,097)	592,006,020	1,077,433,555	(2,242,493,418)
Proceeds from sale of securities	2,203,270	6,631,909	(5,452,238)	(21,374,971)	(32,811,628)
Payments for purchase for securities	-	-	(661,207,674)	-	(445,224,852)
Purchase/Sale of property, plant & equipment	(4,144,231)	(101,063,727)	(25,195,676)	(11,519,866)	(4,043,614)
Net cash used in investing activities (B)	(1,940,961)	(94,431,818)	(691,855,588)	(32,894,837)	(482,080,094)


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 IDLC Investments Limited


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Md. Sayar Kamal
 Senior Vice President and
 Company Secretary
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Receipt of long-term loan/Receipt of borrowings from other banks, financial institutions and agents	39,911,930						
Repayment of long-term loan/Repayment of borrowings from other banks, financial institutions and agents	-						
Loans from banks		(131,277,498)	(779,746,074)		32,461,222	1,264,452,386	
Dividend paid		(106,392,000)	(117,031,200)		(175,546,800)	(175,546,800)	
Net Cash used in financing activities (C)	(162,232,870)	(237,669,498)	(896,777,274)		(143,085,578)	1,088,905,586	
D) Net increase/(decrease) in cash and cash equivalents(A+B+C)	2,612,896,716	(3,848,079,413)	(996,626,841)		901,453,139	(1,635,667,926)	
Add: Cash & Cash Equivalents at beginning of the year (F)	5,026,857,721	7,639,754,437	3,791,675,024		2,795,048,183	3,696,501,323	
G) Cash and cash equivalents at end of the year(D+E+F)	7,639,754,437	3,791,675,024	2,795,048,183		3,696,501,323	2,060,833,397	
NOCFPS	23.73	(30.04)	5.06		9.21	(19.16)	



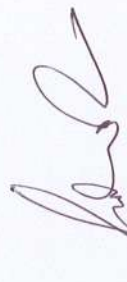
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14 RATIOS FOR THE LAST 5 YEARS

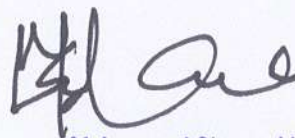
Ratios	2018	2019	2020	2021	2022
Current ratio	N/A	N/A	N/A	N/A	N/A
Quick ratio	N/A	N/A	N/A	N/A	N/A
Breakeven point	N/A	N/A	N/A	N/A	N/A
Debt to equity	10.62	8.40	7.48	7.73	6.44
Debt to equity (after issuance of zero-coupon bond)					8.08
Debt to total assets	0.92	0.90	0.88	0.89	0.88
Accounts receivable turnover	N/A	N/A	N/A	N/A	N/A
Gross margin	N/A	N/A	N/A	N/A	N/A
Operating income	N/A	N/A	N/A	N/A	N/A
Net Income	40.3%	40.2%	43.4%	35.9%	42.4%
Return on assets	1.3%	1.3%	1.8%	1.4%	1.4%
Return on equity	15.60%	12.96%	16.12%	12.21%	11.82%
Earnings per share	2.36	2.02	2.75	2.23	2.25
Net asset value per share	15.16	16.17	17.91	18.65	19.4
Net operating cash flow per share	23.73	(30.04)	5.06	9.21	(19.16)
Total debt to tangible asset ratio	84.31	52.13	49.07	54.17	54.11
Cost to income ratio	24.9%	33.2%	26.9%	27.7%	34.7%
Capital adequacy ratio	16.61%	17.45%	19.06%	18.69%	19.89%
Non-performing loan (NPL)	4.21%	5.16%	5.33%	5.88%	6.93%



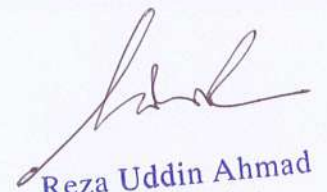
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15 CREDIT RATING REPORT OF THE ISSUE & ISSUER

Credit rating of the issuer: National Housing and Finance and Investments Limited.

CRISL has reaffirmed AA- rating in the long term and ST-2 rating in the short term to National Housing Finance and Investments Limited based on both relevant qualitative and quantitative information up-to date of the rating. The above rating has been assigned in consideration of fundamentals such as good capital base, good quality and sound deposit base etc. However, the above factors are constrained to some extent by declining profitability indicators, significant increase in fresh NPL, moderate asset quality, moderate performance of reschedule asset, exposure to capital market risk etc.

The long-term rating implies that entities rated in this category are adjudged to offer high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The short-term rating indicates high certainty of payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also views the company with a stable outlook for its steady business growth and consistent fundamentals.

Date of declaration	Validity	Long term	Short term	Rated by	Outlook
21 st June, 2023	20 th June, 2024	AA-	ST-2	CRISL	Stable

Credit rating of the issuer: National Housing 1st Zero-Coupon Bond

Date of declaration	Validity	Long term	Rated by	Outlook
30 th May, 2023	29 th May, 2024	A+B	ECRL*	Stable

*Emerging Credit Rating Limited (ECRL)

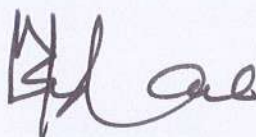
Emerging Credit Rating Limited (ECRL) has assigned A+B* long term credit rating to NHFIL 1st Zero-Coupon Bond (hereinafter referred to as "The Bond" or "The Issue") for the proposed issuance of BDT 3,744.00 million in face value based on audited financials still FY2022 (from FY2019) and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating is consistent with ECRL's methodology for this type of Bond rating. ECRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer, trustee and mandated lead arranger provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.



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Managing Director
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16 LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

BOND RATING SYMBOL

LONG-TERM RATINGS	
ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.	
RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.



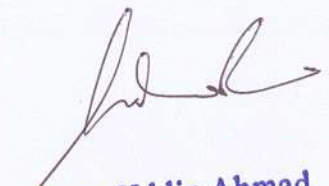
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ECRL Default Studies 2021

Default Summary by Rating Category

Year	Issuers as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1068	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

Cumulative Default Rate by Rating Band


Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%



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Managing Director
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Rating Transition Matrix (2011 – 2021)

1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.3%	98.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.6%	96.2%	2.1%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.4%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	12.4%	86.4%	0.7%	0.0%	0.5%
B	0.0%	0.0%	0.0%	0.0%	14.3%	85.7%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

2-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	97.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	2.6%	96.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.2%	92.6%	4.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.6%	93.6%	2.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.2%	22.7%	74.9%	1.2%	0.0%	1.0%
B	0.0%	0.0%	0.0%	1.8%	24.6%	73.6%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

3-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.9%	95.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	4.6%	89.2%	5.8%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.1%	5.2%	90.8%	3.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.6%	31.2%	65.2%	1.5%	0.0%	1.3%
B	0.0%	0.0%	0.0%	4.8%	31.8%	63.2%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%


4-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.7%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	5.1%	93.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	6.0%	85.9%	7.5%	0.3%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	6.7%	88.3%	4.5%	0.2%	0.0%	0.0%
BB	0.0%	0.0%	1.2%	38.2%	57.0%	1.8%	0.0%	1.7%
B	0.0%	0.0%	0.1%	8.5%	36.6%	54.4%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5-year cumulative rating transition matrix


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Private & Confidential


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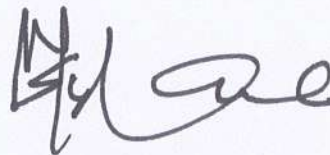
From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.5%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.2%	7.3%	82.8%	9.0%	0.4%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.1%	86.0%	5.2%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	1.9%	44.0%	50.1%	1.9%	0.0%	2.0%
B	0.0%	0.0%	0.3%	12.8%	39.5%	46.9%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%



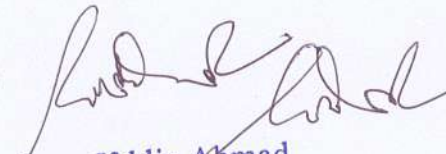
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 Managing Director
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17 DESCRIPTION OF TRUSTEE

IDLC Investments Limited is the Trustee for the Bond subject to necessary regulatory approval

IDLC Investments Limited (the "Company") is a private limited company incorporated on 19 May 2010 under the Companies Act, 1994 having its registered office at D R Tower (4th floor), 65/2/2, Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000, Bangladesh. It is a wholly owned subsidiary of IDLC Finance Limited since inception.

The Company received Merchant Banking License (license no. MB-67/2011) from Bangladesh Securities and Exchange Commission (BSEC) on 02 August 2011 and commenced its operation on 16 August 2011. 1.2 Principal activities and nature of operation IDLC Investments Limited provides high standard of professional and personalized services to its local and Non-Resident Bangladeshi (NRB) clients.


The company's principal activity includes the following: i. Investment banking (issue management, underwriting of shares, and corporate advisory); ii. Discretionary portfolio management; iii. Non-discretionary portfolio management; iv. Own portfolio management, etc.

Details of the board of Directors

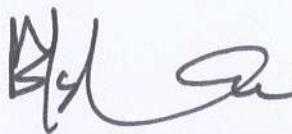
Md. Khalilur Rahman	CHAIRMAN
Asif Saad Bin Shams	SHAREHOLDING DIRECTOR
M. Jamal Uddin	DIRECTOR
Md. Mesbah Uddin Ahmed	DIRECTOR
Reza Ahmad	MANAGING DIRECTOR, EX-OFFICIO MEMBER



Md. Sarwar Kamal FCS
 Senior Vice President and
 Company Secretary
 National Housing Finance
 and Investments Limited



Sayed Ahmed, FCMA
 SVP & Chief Finance Officer
 National Housing Finance
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Mohammad Shamsul Islam
 Managing Director
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 and Investments Limited



Reza Uddin Ahmad
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List of the debt securities where IDLC Investments Limited has been serving as a Trustee.

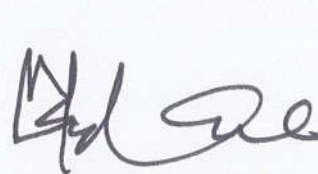
Sl.	Name of the Issuer	Name of the Issue	Maturity Period	Value of debt (BDT Million)
1.	City Bank Limited	City Bank 2nd Subordinated Bond	7 years	5,000
2.	Standard Bank Limited	Standard Bank 2nd Subordinated Debt	7 years	4,000
3.	City Bank Limited	City Bank 4th Subordinated Bond	8 years	7,000
4.	United Commercial Bank Limited	United Commercial Bank 3rd Subordinated Bond	7 years	7,000
5.	Tarasima Apparels Limited	Tarasima Apparels Limited Zero-Coupon Bond	4 years	230
6.	City Bank Limited	City Bank Perpetual Bond	Perpetual	4,000
7.	DBH Finance Plc.	DBH Zero Coupon Bond	4 years	3,000
8.	BRAC Bank Limited	BRAC Bank Affordable Housing Bond	5 years	4,751
9.	Standard Bank Limited	Standard Bank Perpetual Bond	Perpetual	4,500
10.	Dhaka Bank Limited	Dhaka Bank Perpetual Bond	Perpetual	2,000



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18 MODUS OPERANDI OF THE ISSUE

18.1 Application Procedure

The Bonds shall be distributed 100% through private placement. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

18.2 The Issuance of Bond

Notwithstanding anything contained anywhere in the Trust Deed, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws. The Bond shall be rated by a Credit Rating Company and its periodical surveillance rating shall be done by the said Credit Rating Company in line with the provisions of the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022 up to the full and final redemption or conversion of the issued securities.

18.3 Allotment

On the date of allotment, the Issuer shall allot and issue the Bonds in favour of the respective Bondholder. The Bonds will be allotted according to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

18.4 Refund

The refund mechanism of the Bond (if any) will be done as per the rules and regulations of the BSEC and Bangladesh Bank


18.5 Transfer

Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed

18.6 Trading or listing with the stock exchange

Unlisted, however, may be allowed in accordance with and as per, instructions from the Bangladesh Securities and Exchange Commission (BSEC).

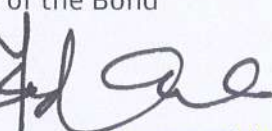
18.7 Repayment and Redemption features of the Bond



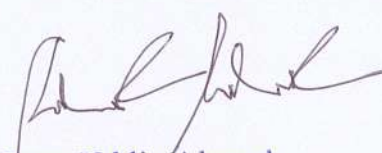
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The principal of the Bonds to be redeemed equally on Redemption Dates in accordance with Scheduled Redemption during the tenor. However, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, together with any accrued & unpaid coupon, subject to the consent of the appropriate authorities.

18.8 Details of conversion or exchange option. Bonds are unsecured and non-convertible hence there is no feature for conversion.

18.9 Payments

18.9.1 Calculation of Discount Rate

- The Bonds shall be issued on their respective Issue Date at the discount rate of 7.00 – 9.00% p.a. (the "**Discount Rate**"). Such discount rate is payable on the Redemption Date of each Bond in arrears, subject as provided in the Trust Deed.
- All amounts resulting from any calculations referred to in the (*Payments*) clause will be rounded upwards to the nearest unit (if 0.5 of a unit or higher) and downwards to the nearest unit (if less than 0.5 of a unit) of BDT.

18.9.2 Payments to Bondholders

Payment of redemption amount and other payments (if any) will be made on the Redemption Date in accordance with Clause (*Scheduled Redemption*) by the Issuer to the Bondholders. All such payments shall be made by the Issuer to the Bondholders.

18.9.3 Payments subject to applicable laws

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh, but without prejudice to the provisions of Clause (*Events of Default*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

18.9.4 Partial payments

Where the Issuer makes a partial payment in respect of any Bond, it shall procure that the amount and date of such payment are noted.

18.9.5 Record Date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register maintained with CDBL at the close of business on the day that is ten Business Days before the due date for such payment (the "**Record Date**").

18.9.6 Default Rate



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If the Issuer fails to pay any sum in respect of the Bonds on the Redemption Date under the Trust Deed, Issuer shall pay for the delay period, an additional Default Rate to the Bondholders from the Redemption Date until the date of payment (along with interest) of such amount to the Bondholders.

18.9.7 Payment to Nominee

If the Holder of a Bond is a natural person, he may appoint a nominee who shall on the death of the Holder of a Bond is entitled to all money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Trustee in the prescribed form under Schedule 5 below the name of his nominee and upon receipt of such information the Trustee shall inform the CDBL to record the name of nominee in the Register and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the surviving Holder of the Bond. Payment by the Trustee to the nominee on the Redemption Date on the death of the Bondholder shall be sufficient to discharge payment obligations of the Issuer to the Bondholders.

18.10 Taxation

- 18.10.1 All payments made by the Issuer under or in respect of the Bonds and the Trust Deed will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Bangladesh or any authority thereof or therein having power to tax ("Tax Deduction"), unless Tax Deduction is compelled by law.
- 18.10.2 References in the Trust Deed to principal and premium (if any) shall be deemed also to refer to any additional amounts which may be payable under this Clause or any undertaking or covenant given in addition thereto or in substitution therefore pursuant to the Trust Deed.

18.11 Events of Default

Each of the events or circumstances set out in the following sub-clauses of the respective Clause is an Event of Default, provided however that no Event of Default under respective paragraph in the trust deed will occur if the failure to comply is capable of remedy and is, unless otherwise extended by the Trustee



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(acting under the instructions of an Extraordinary Resolution) remedied within thirty (30) days of the earlier of (A) any Bond Holder or Trustee giving notice to the Issuer or (B) the Issuer becoming aware of the failure to comply.

- 18.11.1 *Non-Payment*: a default is made in the payment, if due remain unpaid for seven days from the due date in respect of the Bonds;
- 18.11.2 *Downgrade of Credit Rating*: the credit rating of the Issuer and of the Bonds falling below Investment Grade or the failure to provide the written confirmation of the credit rating of the Issuer and of the Bonds to the Trustee as required pursuant to the respective Clause (*Undertakings to Maintain Investment Grade*);
- 18.11.3 *Breach of Other Obligations*: the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 90 days after written notice of such default shall have been given to the Issuer by the Trustee;
- 18.11.4 *Misrepresentation*: any representation or statement made or deemed to be made by the Issuer in any Bond Document or any other document delivered by or on behalf of the Issuer under or in connection with any Bond Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- 18.11.5 *Insolvency*: the Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; an administrator or liquidator of the Issuer or the whole or any material part of the assets and turnover of the Issuer is appointed (or application for any such appointment is made);
- 18.11.6 *Cross-Default*: (a) any other present or future indebtedness (whether actual or contingent) of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the



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case may be, within any applicable grace period, or (c) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds BDT _____ (BDT _____) or its equivalent in any other currency on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantees or indemnity;

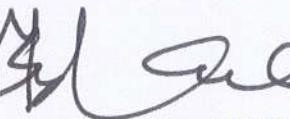
- 18.11.7 *Enforcement Proceedings:* a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or turnover of the Issuer and is not discharged or stayed within 90 days;
- 18.11.8 *Security Enforced:* an encumberer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or turnover of the Issuer and is not discharged or stayed within 90 days;
- 18.11.9 *Winding-up:* an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders;
- 18.11.10 *Nationalisation:* (a) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or (b) the Issuer is prevented from exercising normal control over all or a material part of its property, assets and turnover;
- 18.11.11 *Governmental Intervention:* by or under the authority of any government or of the Bangladesh Bank (as the case may be) (a) the management of the Issuer is wholly or partially displaced; or (b) the authority of the Issuer in the conduct of its business is wholly or partially curtailed; or (c) any of the Shares of the Issuer or any material part of its assets is seized, nationalised, expropriated or acquired;
- 18.11.12 *Repudiation:* it rescinds or purports to rescind or repudiates or purports to repudiate a Bond Document or evidences an intention to rescind or repudiate a Bond Document.



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- 18.11.13 *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed;
- 18.11.14 *Material Adverse Change*: any event or circumstance (or any series of events or circumstances) occurs which the Trustee reasonably believes might have a Material Adverse Effect;

18.12 Acceleration

(a) If an Event of Default as defined in respective clause in the trust deed occurs and is known to the trustee, the trustee shall give notice of the default within seven days after it occurs to Bond Holders and BSEC, and shall convene a Meeting of the Bond Holders in accordance with associated clause.

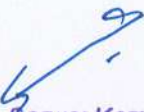
(b) If no Meeting is held after providing notice as required by sub-rule (a) or the Meeting does not adopt any Extraordinary Resolution instructing the Trustee, the Trustee shall declare all other amounts accrued or outstanding under the Bonds be immediately due and payable, whereupon they shall become immediately due and payable and the Trustee can proceed to file Enforcement Proceedings in accordance with respective clause. If the Meeting takes place and adopt any Extraordinary Resolution instructing the Trustee, the Trustee shall follow those instructions.

(c) The trustee shall incur no liability if it follows the Extraordinary Resolution or, if there is no Extraordinary Resolution, the procedures required by the Trust Deed, and notwithstanding anything contained in the Trust Deed, Trustee will not be bound to take any Enforcement Proceedings unless it shall have been indemnified and/or secured to its satisfaction.

(d) If all efforts of negotiation by the Trustee fail, it can enforce the charge over the Securities in the manner provided in respective clause of the trust deed. In the event the Trustee is directed by the Bondholders by written instruction to enforce the Securities or the Trustee itself resolves to enforce the Securities pursuant to respective clause, the Trustee shall, at its discretion, dispose of any of the Securities without the intervention of the court including sale through auction or private negotiation in pursuance of the power of attorney executed in its favour. The beneficiaries of the Securities shall be the Bondholders.

18.13 Enforcement Proceedings


At any time after the Bonds have become due and repayable, the Trustee may, without further notice to Issuer, take any action, remedy or method of judicial proceedings for the enforcement of rights of Bondholders as may be available under the Governing Law from time to time (Enforcement Proceedings) against the Issuer. No Bondholder will be entitled to proceed directly against the Issuer unless



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the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

18.14 Application of Moneys

All moneys received by the Trustee in respect of the Bonds or amounts payable under the Trust Deed, under an Enforcement Proceeding or otherwise, will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the Trust Deed (including remuneration of the trustee) agreed between the trustee and the Issuer but not paid by the issuer;
- secondly, in or towards payment pari-passu and ratably of all amounts remaining due and unpaid in respect of the Bonds; and
- thirdly, the balance (if any) in payment to the Issuer for itself.

18.15 Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution in accordance with respective clause (*Meetings*), a modification, waiver in accordance with respective clause and associated clause respectively the Issuer will procure that the Bondholders be notified in accordance with respective clause.


18.16 Notices

18.16.1 Addresses for notices

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

- Issuer*: If to the Issuer, to it at:


Address: National Housing Finance and Investments Limited. Corporate Head Office, Concord Baksh Tower (7th Floor), Plot 11A, Road 48, Block CWN (A), Gulshan 2, Dhaka 1212, Bangladesh



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b) *Trustee*: If to the Trustee, to it at:

Address: IDLC Investments Limited. Head Office DR Tower (4th Floor),
65/2/2 Bir Protik Gazi Golam Dastagir Road, Purana Paltan, Dhaka 1000,
Bangladesh.

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

18.16.2 Effectiveness

Every notice or other communication sent in accordance with respective clause shall be effective if sent by letter, seven days after the time of despatch and if sent by fax or email, 24 (twenty four) hours after the time of dispatch *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

18.16.3 Notices to Bondholders:

- All notices are validly given if:
- mailed to the Bondholders at their respective addresses in the Register; or
- published in one English newspaper and one Bengali newspaper, each having wide circulation in Bangladesh; or
- emailed to the Bondholders at their respective e-mail addresses set out in the Issuer Register.

Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.

18.17 Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

18.18 Cancellation

All Bonds which are redeemed by the Issuer, will forthwith be cancelled.



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19 DETAILED COST STRUCTURE

Particulars	Fees
Non-Regulatory Fees	11,316,382
Arranger Fee	7,435,332
Legal Fee	130,000
Credit Rating Fee	275,000
Annual Trustee Fee	2,000,000
VAT on Non-Regulatory Fee	1,476,050
Regulatory Fees	7,265,600
BSEC Application Fee	10,000
BSEC Consent Fee	3,744,000
BSEC Trustee Application Fee	50,000
BSEC Trustee Registration Fee	100,000
BSEC Annual Trustee Fee	250,000
Trust Deed Stamp Duty	1,100,000
CDBL Fee	561,600
Stock Exchange Listing Fee	-
Annual Stock Exchange Listing Fee	-
ATB Listing Fee	500,000
ATB Annual Listing Fee	950,000
Total	18,581,982
% of Amount Raised	0.625%
Annualized Cost	0.125%



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