



SAVING WITH CONFIDENCE,
LIVING WITH COMFORT.



ANNUAL REPORT 2024



National Housing Finance PLC.

LETTER OF TRANSMITTAL

Date: June 29, 2025

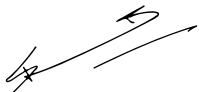
To
The Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC
Chittagong Stock Exchange PLC

Subject: Annual Report for the year ended December 31, 2024

Dear Sir/Madam,
We are pleased to enclose herewith a copy of the Annual Report 2024 of National Housing Finance PLC containing Directors' Report and Auditor's Report along with the Audited Financial Statements for the year ended December 31, 2024 for your kind information and record.

Thanking you.

Sincerely Yours,



(Md. Sarwar Kamal FCS)
Company Secretary



PAGE OF CONTENTS



National Housing Finance PLC.

Notice of the 26 th AGM	05	Statement on Status of Compliance with the Corporate Governance Code	67
CORPORATE INFORMATION	07-16	Report on Corporate Governance	77
Corporate Information & Key Milestones	07	Internal Audit & Internal Control System	86
Vision & Our Goal	08	Risk Management Framework	88
Mission	08	Statement on Going Concern	90
Core Values	09	Statement on Interests of Directors in other entities	90
Strategic Objectives	09	Summary of Unclaimed Dividend	91
Corporate Social Responsibility	10	Value Added Statement	92
Code of Conduct	10	Economic Value Added (EVA) Statement	93
Products & Services	11	Market Value Added (MVA) Statement	94
Organizational Structure	12	Treasury at a Glance	96
6-Years Financial Highlights	13	Horizontal Analysis of Balance Sheet	98
Graphs on 5-Years Financial Highlights	14	Horizontal Analysis of Profit and Loss Account	99
Outstanding Portfolio	15	Vertical Analysis of Balance Sheet	100
Portfolio Mix	15	Vertical Analysis of Profit and Loss Account	101
Sectoral Portfolio	16	Disclosures under Pillar-III Market Discipline	102
STAKEHOLDERS	18-35	Islamic Banking Operation of National Housing Finance PLC	110
Shareholding Structure	18	Declaration by MD & CFO regarding Financial Statement	112
Our Promoters	18	BAPLC Membership Renewal Certificate	113
Banking Partners	19	AUDITORS' REPORT & AUDITED FSs	114-166
Our past Chairmen	21	Auditors' Report	115
Directors' Profiles	22	Statement of Financial Position	121
Shari'ah Supervisory Committee Members' Profile	28	Statement of Profit or Loss and other Comprehensive Income	123
Mancom Members Profiles	30	Statement of Changes in Equity	124
Management Team	33	Cash Flow Statement	125
Different Committees	34	Liquidity Statement	126
REPORTS & ANALYSIS	36-113	Notes to the Financial Statements	127
From the Desk of the Chairman	37	Schedule of Fixed Assets	165
From the Desk of the Managing Director	39	Operating Segment Report	166
Directors' Report	41	OTHERS	167-171
Report of the Audit Committee	52	Our Branch Network	167
Attendance in Meetings of Directors	54	Occasions and Events	168
Statement on Remuneration to Directors	56	Greetings	170
Pattern of Shareholding	56	Proxy Form & Attendance Slip	171
Management Discussion and Analysis (MDA)	59		
Dividend Distribution Policy	65		
Certificate on Compliance with the Corporate Governance Code	66		

HOTLINE +88 09609 200 555

শুদ্ধতম আর্থিক সেবার প্রতিশ্রুতি নিয়ে
ইসলামী শরিয়াহভিত্তিক ব্যাংকিং-এ আমাদের পদার্পণ।



National Housing Finance PLC.

NATIONAL HOUSING FINANCE PLC

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

Notice of the 26th Annual General Meeting (Virtually)

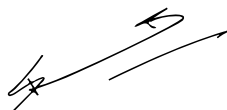
Notice is hereby given that the 26th Annual General Meeting (AGM) of National Housing Finance PLC will be held on Sunday, September 21, 2025 at 12.00 noon (Bangladesh Standard Time) virtually by using digital platform through the following link: <https://agmbd.live/nationalhousing2025> to transact the following businesses:

Agenda:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2024 together with Auditors' Reports thereon and the Directors' Report.
2. To declare Dividend for the year ended December 31, 2024.
3. To elect/re-elect Directors in accordance with the relevant provisions of the Articles of Association of the Company and to confirm the appointment of one Independent Director.
4. (a) To appoint Statutory Auditors for the year 2025 and fix their remuneration.
(b) To appoint Corporate Governance Auditors for the year 2025 and fix their remuneration.

All the Members / Shareholders of the Company are requested to attend the meeting.

By order of the Board



(Md. Sarwar Kamal FCS)
Company Secretary

QR Code:



Dated: June 29, 2025

Notes:

- (i) Record Date is July 30, 2025. Members, whose names appeared on the Depository/Members Register as on "Record Date" i.e. July 30, 2025 are eligible to attend and vote at the AGM and also receive dividend, if any.
- (ii) The Members will be able to submit their questions/comments and vote electronically 72 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://agmbd.live/nationalhousing2025>
- (iii) We encourage the Members to log in to the system prior to the meeting start time of 12:00 noon (Dhaka time) on September 21, 2025. Please allow ample time to login and establish your connectivity. The webcast will start at 12:00 noon (Dhaka Time). Please contact **01911874308** for any technical difficulties in accessing the virtual meeting.
- (iv) A shareholder may, as per Article 98 of the Articles of Association of the Company, appoint Proxy to attend on a pool and to vote instead of him/her. The instrument for appointing a proxy and the Power of Attorney, where applicable, must be sent through email to the Registered Office at **share@nationalhousingbd.com** at least 72 hours before the time of holding the meeting. The Proxy Form must be affixed with stamp(s) of Tk. 100.00.
- (v) Members are requested to notify e-mail address, through their respective Depository Participants well in time.
- (vi) Pursuant to the clause 9(1) of the BSEC notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018, soft copy of Annual Report 2024 will be sent through e-mail as per registered e-mail ID received from CDBL. The soft copy of the Annual Report 2024 will also be available on the company's website at: **www.nationalhousingbd.com**.



CORPORATE INFORMATION

CORPORATE INFORMATION & KEY MILESTONES

Registered Name	: National Housing Finance PLC changed from National Housing Finance and Investments Limited
Legal Form	: Public Limited Company under Companies Act, 1994
Incorporated on	: August 18, 1998
Registration Number	: C-36097(397)/98
Authorized Capital	: BDT 2,000 Million
Paid-up Capital	: BDT 1,170.31 Million
Certificate of Commencement	: August 18, 1998
Date of Bangladesh Bank License	: December 29, 1998
First Mortgage Loan	: June 16, 1999
Opening of Motijheel Branch	: August 18, 2001
First Lease Finance	: February 22, 2004
Opening of Chattogram Branch	: April 06, 2004
Opening of Gulshan Branch	: June 01, 2004
Date of Listing:-	
• Chittagong Stock Exchange	: November 11, 2008
• Dhaka Stock Exchange	: December 23, 2008
Opening of Bogura Branch	: April 19, 2009
Opening of Rangpur Branch	: October 16, 2014
Opening of Principal Branch	: March 22, 2016
Opening of Gazipur Branch	: December 01, 2018
Opening of Feni Branch	: December 21, 2019
Opening of Rajshahi Branch	: December 28, 2019
Opening of Khulna Branch	: October 06, 2022

Corporate Head Office:

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

Registered Office:

National Plaza (7th Floor), 109, Bir Uttam C.R Datta Road (Ex-Sanargaon Road), Dhaka-1205
Tel: +88 02 9632587-88, +88 02 9632590-93, +88 09609200555 (Ext. 230), Fax: +88 02 223361016

Web:

www.nationalhousingbd.com

E-mail:

info@nationalhousingbd.com

Auditors:

Zoha Zaman Kabir Rashid & Co.

Corporate office: House 6/B, Road 32, Level 7 & 8, Gulshan 1, Dhaka 1212, Bangladesh.

T: +8809609-006260, E: info@zzkrca.com, W: www.zzkrca.com

Corporate Governance Auditor

Jasmin & Associates

Chartered Secretaries & Corporate Affairs Consultants

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

Legal Retainer:

Barrister Md. Mahfuzur Rahman (Milon) (The Legal Solutions)

Legal Advisor:

Advocate Abdul Quddus (Law and Remedy)

Barrister Monzur Alam Khan (Legal Professional)

Barrister Nuruzzaman (Capital Law Chamber)

Advocate Md. Khaled Hossain Sarker (K. H. Sarker & Associates)

Membership:

Bangladesh Association of Finance Companies (BAFC)

Bangladesh Leasing & Finance Companies Association (BLFCA)

Metropolitan Chamber of Commerce & Industry (MCCI)

International Chamber of Commerce- Bangladesh (ICC- Bangladesh)

Bangladesh Association of Publicly Listed Companies (BAPLC)

The Institute of Bankers, Bangladesh (IBB)

OUR VISION



To be a role-model financial institution with corporate social responsibility contributing to social growth through maintaining the highest standard of business ethics. In doing so, company would add value to the wealth of the society

OUR GOAL



To build up excellent client relationship and long-term value to the shareholders.

OUR MISSION



- To be equal Housing Lender to all, irrespective of cast, creed and sex.
 - To offer quickest service to the satisfaction of customer with the latest technology.
 - To create innovative products to cater to the market needs at competitive price.
 - To form a high quality team of satisfied and motivated employees.
 - To ensure a steady return on shareholders' equity
-

OUR CORE VALUES



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

OUR STRATEGIC OBJECTIVES



- Maximize shareholders' value through development of stringent investment strategy and control procedures.
 - Create balanced portfolio in Potential sectors for enhancement of corporate strength.
 - Provide diversified products and uninterrupted services to the valued clients.
 - Pursue ways to reduce cost and apply extremely vigilant terms monitor to risks and to operate most efficiently.
 - Maintain highest standards of transparency and strengthen good corporate governance practices.
-



CORPORATE SOCIAL RESPONSIBILITY

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

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

- National Housing Finance has provided 9,270 Home Mortgage Loans over the years at comparatively low interest rate on reasonable terms and for long durations.
- National Housing Finance has provided relief to the people of Bangladesh who were effected by natural disaster in past years.
- A good number of clients got waiver of interest due to their inability to pay the loan because of permanent disability or through death, furthermore, their loans are reschedule for reasonable durations with installments commensurate with their ability to pay their loans.
- National Housing is always strict on principle about not providing any lease/loan facilities for any environmentally hazardous or child labor oriented Company.

CODE OF CONDUCT AND ETHICAL PRINCIPLES

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

PRODUCTS & SERVICES



Home Mortgage Loan

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

Project Mortgage Loan

- Project mortgage loan for property development

Lease Finance

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

Shari'ah Based Islamic Products:

Deposit Products:

- Mudaraba Term Deposit
- Mudaraba Senior Citizen Term Deposit
- Mudaraba Periodical Income Scheme
- Mudaraba Probable Money Multiplier Scheme
- Mudaraba Monthly Savings Scheme
- Mudaraba Pension Deposit Scheme
- Mudaraba Probable Millionaire Scheme
- Mudaraba Housing Deposit Scheme
- Mudaraba Mohila Savings Scheme
- Mudaraba Probable Kotipoti Scheme
- Mudaraba Hajj Savings Scheme

SME Finance

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

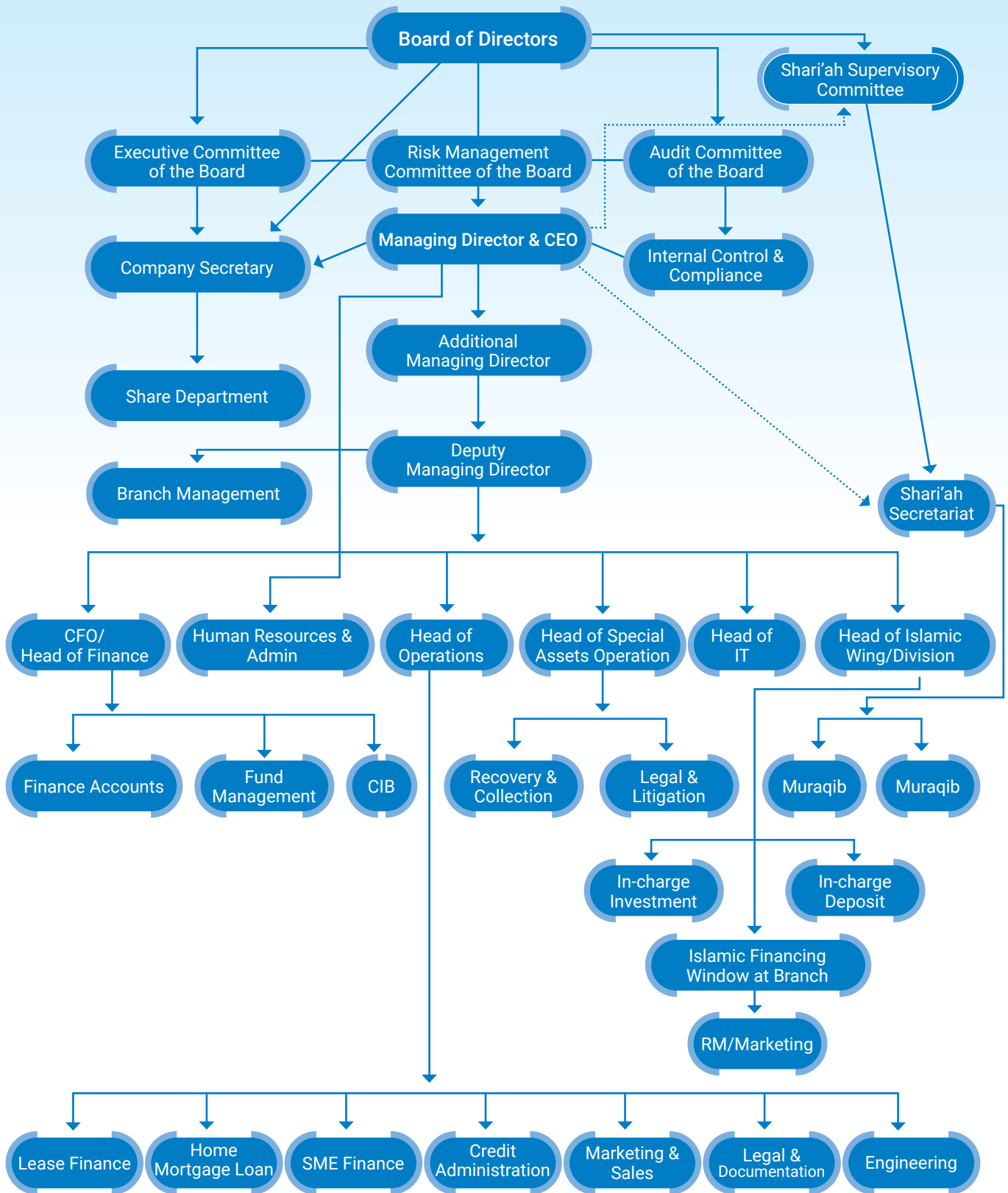
Deposit Schemes

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

Investment Products:

- HPSM - House/Apartment Purchase Project
- HPSM - House Construction Project
- HPSM - House Renovation Project
- HPSM - Commercial Space/Chamber Purchase Project
- HPSM - Housing Plot Purchase Project
- HPSM - Car/Machinery Investment Project

ORGANIZATIONAL STRUCTURE



6-YEARS FINANCIAL HIGHLIGHTS

Business Environment and Its likely impact on the Financial Performance of NHFPLC

These statements involve uncertainties, and actual results may differ due to changes in the business environment. Key influencing factors include:

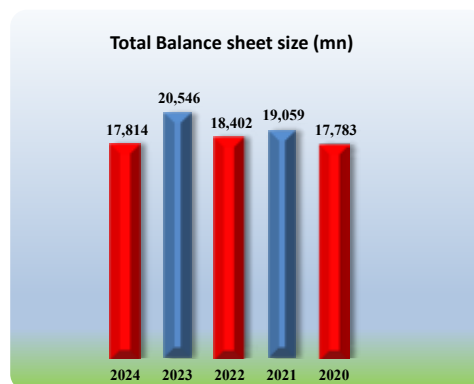
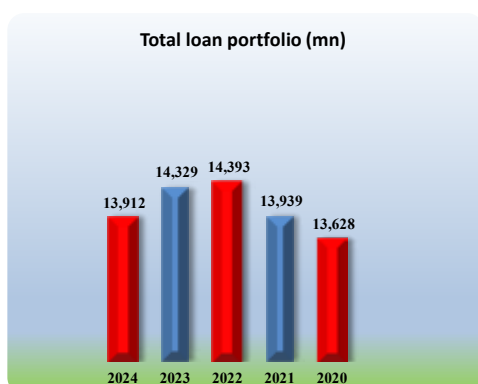
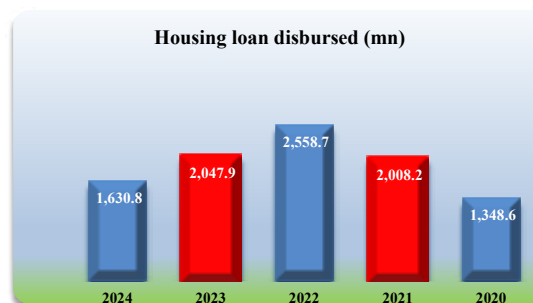
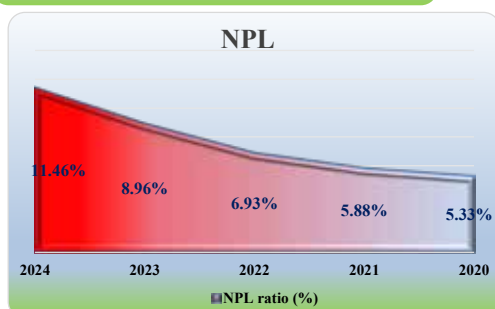
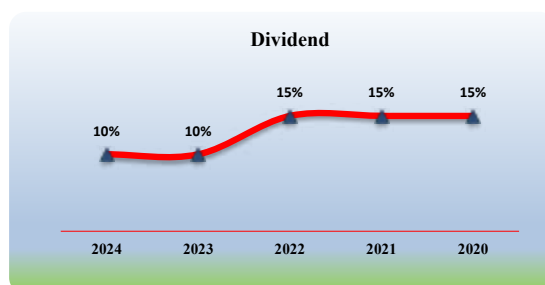
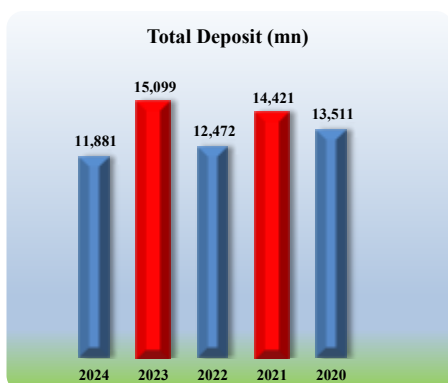
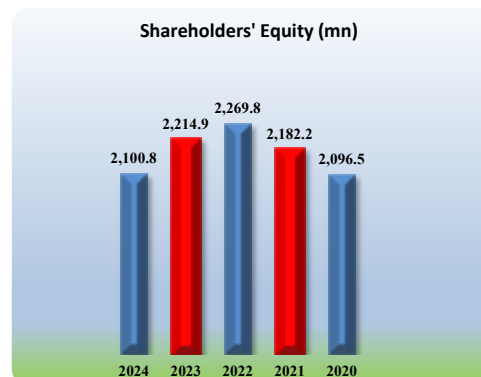
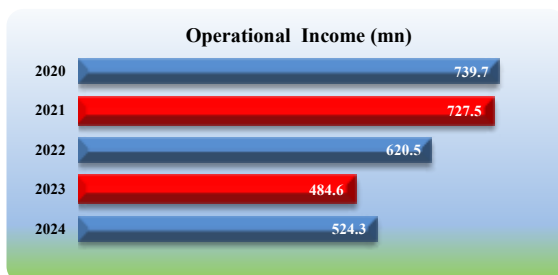
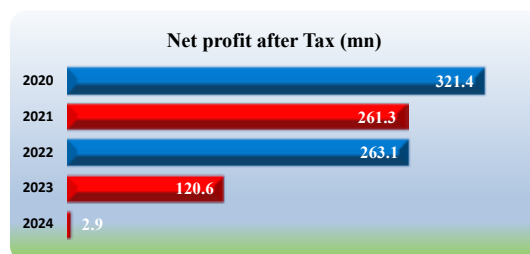
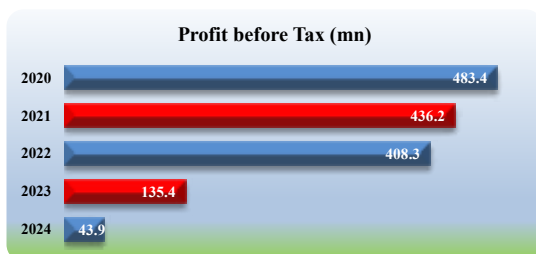
- Shifts in national economic conditions.
- Fluctuations in commodity prices.
- Interest rate volatility.
- Changes in government policies
- Modifications in Bangladesh Bank's monetary policies, including.
 - Increased provisioning requirements.
 - Higher statutory liquidity and cash reserve requirements.
 - Changes in refinancing schemes.

Key Operating and Financial Highlights

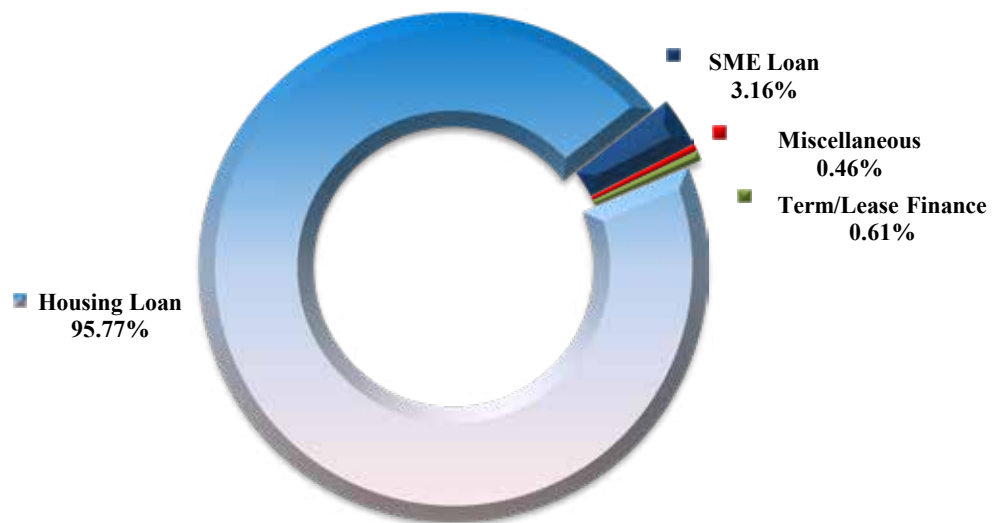
(Figures in Million Taka except ratios and per share data)

Particulars	2024	2023	2022	2021	2020	2019
Operational Highlights						
Housing loan sanction	2,214.25	2,446.86	3,188.08	3,151.67	2,024.72	3,936.25
Lease, Term and SME loans sanction	50.00	24.70	27.50	86.70	23.80	2.00
Housing loan disbursed	1,630.80	2,047.92	2,558.69	2,008.21	1,348.61	2,540.13
Lease, Term and SME loans disbursed	50.00	24.70	52.54	67.20	21.30	86.88
Cumulative housing loan disbursed	29,967.13	28,336.33	26,288.41	23,729.72	21,721.51	20,372.90
Cumulative lease, Term and SME loans disbursed	8,238.89	8,188.89	8,164.19	8,111.65	8,044.45	8,023.15
Cumulative housing loan sanction	37,284.84	35,070.60	32,623.74	29,435.66	26,283.99	24,259.27
Cumulative lease, Term and SME loans sanction	8,354.90	8,304.90	8,280.20	8,252.70	8,166.00	8,142.20
Financial Highlights						
Operational income	524.30	484.56	620.47	727.49	739.70	588.97
Operational expenses	232.60	229.91	215.36	201.31	199.13	195.68
Financial expenses	1,504.23	1,056.98	917.98	972.02	1,343.66	1,486.02
Administrative Expenses	197.90	194.17	180.79	166.37	168.07	164.37
Profit before tax	43.85	135.42	408.30	436.22	483.36	390.62
Provision for taxes	40.92	14.79	145.16	174.93	161.97	153.82
Net profit after tax	2.93	120.63	263.14	261.29	321.39	236.81
Shareholders' fund	2,100.82	2,214.91	2,269.83	2,182.23	2,096.49	1,892.13
Total deposit	11,881.33	15,098.89	12,472.19	14,421.04	13,510.91	13,245.55
Total borrowing	2,074.80	1,703.57	2,146.64	882.19	849.73	1,629.48
Total loan portfolio	13,912.11	14,328.81	14,393.42	13,939.46	13,628.36	13,494.88
Total balance sheet size	17,813.55	20,545.83	18,401.74	19,059.22	17,782.57	18,239.70
NPL ratio (%)	11.46%	8.96%	6.93%	5.88%	5.33%	5.16%
Financial ratios						
Earnings per share	0.03	1.03	2.25	2.23	2.75	2.02
Dividend per share	10.00% (Stock)	10.00%	15.00%	15.00%	15.00%	10.00%
Net asset value per share	17.95	18.93	19.40	18.65	17.91	16.17
Financial expenses coverage (times)	1.03	1.13	1.44	1.45	1.36	1.26
Profit margin (before tax)	2.16%	8.78%	26.54%	25.67%	23.20%	18.83%
Profit margin (after tax)	0.14%	7.83%	17.10%	15.37%	15.43%	11.41%
Return on equity	0.14%	5.38%	11.82%	12.21%	16.12%	12.96%
Debt equity ratio	6.64	7.59	6.44	7.73	7.48	8.40

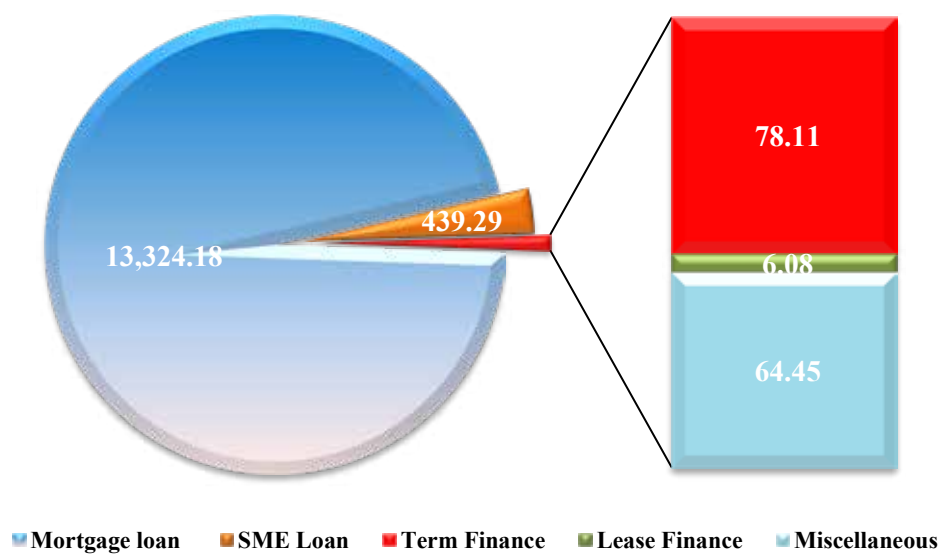
Graphs on 5-Years Financial Highlights



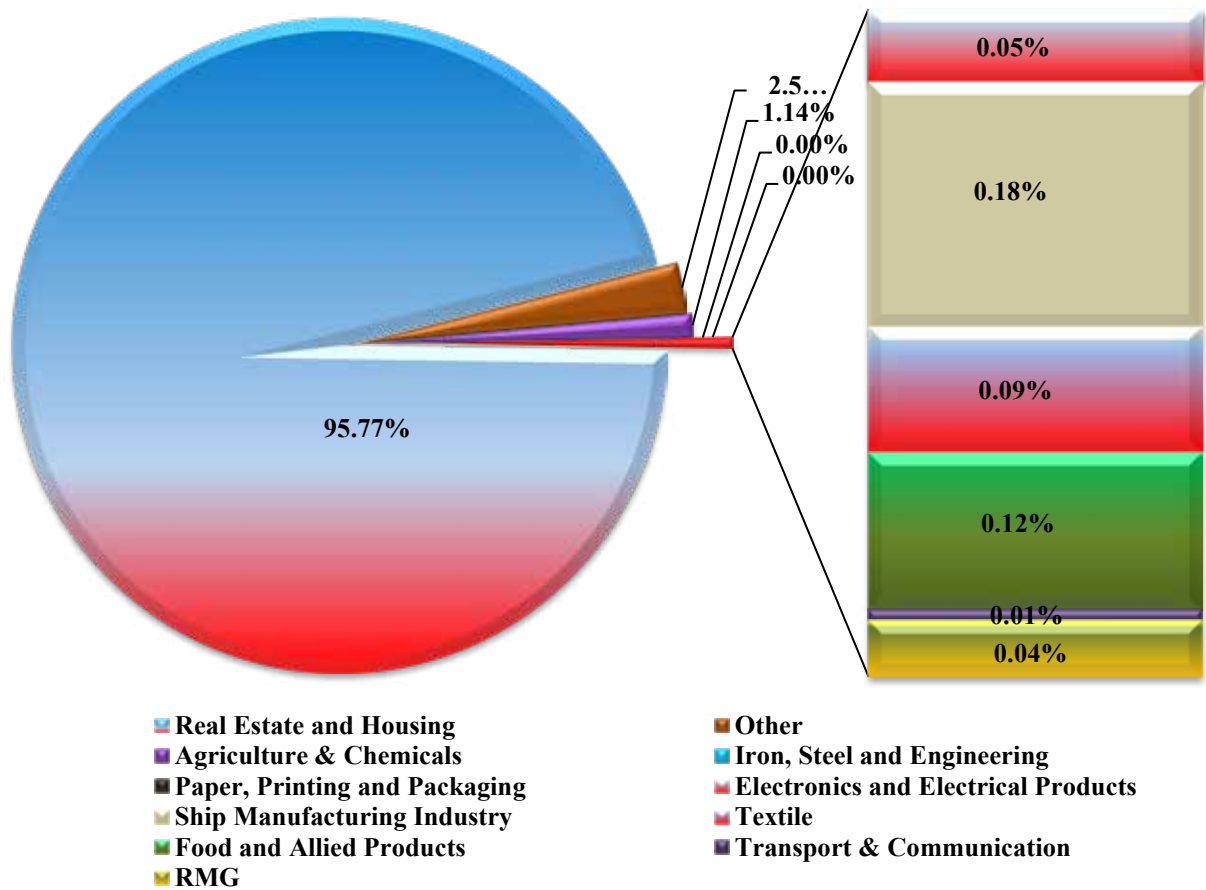
OUTSTANDING PORTFOLIO



PORTFOLIO MIX



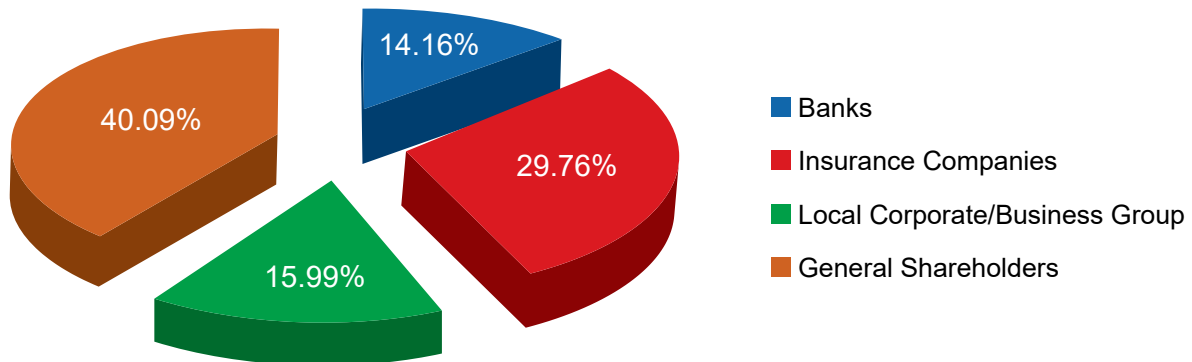
SECTORAL PORTFOLIO





STAKEHOLDERS

SHAREHOLDING STRUCTURE



OUR PROMOTERS





BANKING PARTNERS



• Agrani Bank PLC	• National Bank PLC
• Bank Asia PLC	• NCC Bank PLC
• Commercial Bank of Ceylon PLC	• Prime Bank PLC
• Dhaka Bank PLC	• Pubali Bank PLC
• Dutch Bangla Bank PLC	• Shahjalal Islami Bank PLC
• Eastern Bank PLC	• Sonali Bank PLC
• Islami Bank Bangladesh PLC	• Standard Chartered Bank
• Jamuna Bank PLC	• Southeast Bank PLC
• Mercantile Bank PLC	• Uttara Bank PLC
• Mutual Trust Bank PLC	• Woori Bank Bangladesh



২৭ বছরের আস্থার বন্ধন সৃষ্টি হ'ব স্বপ্নের আবাসন

অবিরত আস্থার প্রতিফলন ঘটিয়ে ২৭টি বছর অতিবাহিত করেছে ন্যাশনাল হাউজিং ফাইন্যান্স পিএলসি। নিরাপদ হোমলোনে শীর্ষে থেকে স্থায়ী আবাসনের স্বপ্নপূরণ করে চলেছে প্রতিনিয়ত। এ ধারা বজায় রেখে আমাদের সম্মানিত গ্রাহক এবং শুভানুধ্যায়ীদের সাথে নিয়ে আমরা যেতে চাই সর্বোচ্চ শিখরে।



ন্যাশনাল হাউজিং ফাইন্যান্স পিএলসি



+88 09609 200555



www.nationalhousingbd.com

OUR PAST CHAIRMEN



Mr. M. Motiul Islam

Tenure: Inception - August 17, 2003



Late M. Haider Chowdhury

Tenure: August 18, 2003 - December 31, 2008



Late Latifur Rahman

Tenure: February 10, 2009 - July 01, 2020



Mr. Mahbubur Rahman

Tenure: September 17, 2020 - June 02, 2025



Dr. Khondaker Showkat Hossain
[Representing Borak Travels (Pvt.) Limited]

- Chairman
- Member, Executive Committee

DR. KHONDAKER SHOWKAT HOSSAIN a Non-Executive Nominee Director is a former civil servant, Government of Bangladesh having more than 30 years of working experience in administrative, management, policy level posts in different tiers of the government as a career civil servant. His last position as civil servant was the Secretary, Ministry of Expatriates Welfare and Overseas Employment, GoB. He is also former Secretary, Ministry of Housing and Public Works and former Divisional Commissioner, Dhaka. At present, he is the Chief Advisor of Unique Group (mother group of Borak Travels (Pvt.) Limited).

He also served as Additional Secretary, Ministry of Establishment (Present-Public Administration), Joint Secretary, Ministry of Social Welfare and Adviser (Admin & Dev), Bangladesh Association for Social Advancement (BASA), Dhaka. He was appointed by World Bank as Consultant (Senior Advisor) for pro-poor slum upgradation project under Ministry of Housing and Public Works; Asian Development Bank (ADB) as consultant for 'Good Governance Initiatives' Project for strengthening Anti Corruption Commission of Bangladesh. He also worked for various Socio-Economic NGO programs supported by European Union; UNICEF for project on "Protection of Children at Risk (PCAR)" to support Ministry of Social Welfare, GoB.

He has received Law Training at Civil Officers' Training Academy (COTA), Dhaka; Military Training at Bangladesh Military Academy (BMA), Chittagong; Managing at the Top-2 (MATT) courses and Advanced Course on Administration and Development (ACAD) at Bangladesh Public Administration Training Centre (BPATC), Savar, Dhaka. He has also received training on Organized Crime Suppression in United Nations Asia and Far-East Institute (UNAFEI), Tokyo, Japan; Management at the Top (Matt) in Singapore Civil Service College.

Dr. Khondaker Showkat Hossain obtain his BA (Hons), MA, M. Phil and Ph-d. from Department of Bengali, University of Dhaka. He also studied in Bradford University, UK in the Department of Development Economics.



Mr. Abdul-Muyeed Chowdhury

- Independent Director
- Chairman, Audit Committee
- Member, Risk Management Committee

Mr. ABDUL-MUYEED CHOWDHURY an Independent Director is a former Secretary, Government of Bangladesh was a civil servant belonging to the erstwhile Civil Service of Pakistan (CSP) cadre which he joined in October 1967. He has extensive experience in administration working with the Government of Bangladesh in field level assignments as Deputy Commissioner and Divisional Commissioner as well as at the policy level as Secretary in several ministries. He served as an Adviser to the non-party Caretaker Government of Bangladesh in 2001 and held charge of five ministries. He is nominated as Chairman of the Public Administration Reformation Commission and Chairman of the Board of Directors of the Biman Bangladesh Airlines Ltd.

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. Currently, he is serving as the CEO of Tiger Tours Limited. He is also serving as Independent Director of ACI Formulations PLC; Grameen Phone (GP) PLC; Desh Garments Ltd, Nominated Director of MJLB PLC and its subsidiary companies (Omera Petroleum Ltd, Omera Fuels Ltd and Omera Cylinders Ltd); Summit Alliance Port Ltd.; ACI PLC, 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. Besides He served as the Chairman of NBR; SME Foundation; BRACNet Limited and Sajida Foundation, Managing Director of Biman Bangladesh Airlines and Executive Director of Jamuna Multipurpose Bridge Authority, President of National Shooting Federation of Bangladesh, and Vice President of Bangladesh Olympic Association. He is also Former Independent Director of Pioneer Insurance Company Ltd.; Summit Alliance Port Ltd.; ACI PLC, Former Director of the Rajshahi Krishi Unnayan Bank at inception (Govt. Nominee); the then Shilpa Bank (Govt. Nominee). He was also Syndicate Member of the Chittagong University (Govt. Nominee); the Shahjalal University of Science and Technology (Govt. Nominee).

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. A.K.M. Moinuddin, FCA
[Representing Bangladesh Lamps PLC]

- Director
- Member, Audit Committee

Mr. A.K.M. MOINUDDIN, FCA a Non-Executive Nominee Director 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.



Mr. Mohammad Khaled Mamun FCII (UK)
[Representing Reliance Insurance Ltd.]

- Director
- Member, Audit Committee

Mr. MOHAMMAD KHALED MAMUN a Non-Executive Nominee Director is a renowned professional in the insurance sector with more than 30 years of experience in multiple organizations, including Sadharan Bima Corporation (SBC). He is the Chief Executive Officer of Reliance Insurance Limited, Bangladesh since 2014. Prior to this, he has been discharging his dedicated service for more than a decade to the company in different management position such as Executive Director, Deputy Managing Director (DMD).

He is a member of 'Central Rating Committee' of Insurance Development and Regulatory Authority (IDRA) of Bangladesh, the insurance regulator. For the expansion of insurance education in the country, he has served as the member of 'National Syllabus Committee' under the directive of National Parliament of Bangladesh with a view to introducing professional BBA and MBA program in Insurance and Risk Management at Bangladeshi universities.

As an insurance professional, Mr. Mamun has 11 and half year-long proven track record of insurance/reinsurance services at SBC, a fully Govt. owned entity. During his career in SBC, he received Advanced Non-Life Insurance & Reinsurance Course from Swiss Insurance Training Centre (SITC) of Swiss Re, Zurich, Switzerland.

In addition to that Mr. Mamun has attended the Comprehensive Course on Reinsurance Management Training from Asian Reinsurance Corporation, Bangkok. He has also attended a number of international seminars/conferences on Insurance and Reinsurance.

Mr. Mamun has a high profile in teaching as well as insurance publications relating to Risk Management, Insurance and Reinsurance. He has visited many countries across the world.

Academically he has two Masters Degrees from the University of Dhaka, and also obtained Diploma in Development Planning from National Academy for Planning and Development, a body under Ministry of Planning, Government of Bangladesh.

By profession, Mr. Mamun is a 'Chartered Insurer' and Fellow Member both Bangladesh Insurance Academy, Dhaka and Chartered Insurance Institute, London.



Ms. Mahmuda Begum

- Independent Director
- Member, Executive Committee

Ms. MAHMUDA BEGUM has been appointed as an Independent Director of the Company on 20 February 2025. She is a retired civil servant of the Government of Bangladesh.

Ms. Mahmuda joined the Bangladesh Civil Service in 1986. She worked as Assistant Commissioner and Magistrate in different districts of Bangladesh. Her work experience covers field administration, General Certificate Officer, Criminal Justices, Local Government Institutions, Land Administration and Secretariat. Her last position was Additional Secretary, in Economic Relations Division (ERD), Ministry of Finance where she was entrusted with the responsibilities for aid programming of World Bank Group, European Development Partners; Middle East & Africa including IDB, Nordic Countries, WFP, and IFAD. She has also experience in dealing with Aid and Debt management including management of commitment, disbursement and repayment of external debt and accounting thereof, aid effectiveness issues including coordination of Local Consultative Groups (LCGs) for harmonization of donor activities to make aid more effective. As a Debt Policy Management Specialist, she played instrumental role in strengthening of public debt management system in Bangladesh through installation and implementation of UNCTAD Debt Management Financial Analysis System (DMFAS). Moreover, she has a wide range of experience of conducting Debt Sustainability Analysis (DSA) and preparing a number of policy documents and concept notes including Medium Term Debt Management Strategy (MTDS), Public Debt Act, Debt Statistical Bulletin, Institutional Reforms and Management of Contingent Liabilities.

Ms. Mahmuda was an Alternate Governor of WB-Group and was an Alternate Governor of Islamic Development Bank (IDB). She was a Director of Agrani Bank PLC, Infrastructure Investment Facilitation Company (IIFC) and Governing Body Member of Social Development Foundation (SDF) and Member, General Body, Palli Karma-Sahayak Foundation (PKSF).

Ms. Mahmuda did her Masters in Rural Management Studies major in Financial Management, Marketing and Human Resources Development from University of Sydney, Australia in 1997. She also did her Masters in Zoology (1st class) from Dhaka University. As a career civil servant she underwent different professional trainings in various training institutions of home and abroad.



Mr. Mohammad Shamsul Islam

- Managing Director & CEO
- Chairman, Management Committee
- Chairman, Asset Liability Management Committee (ALCO)

Mr. MOHAMMAD SHAMSUL ISLAM is the Managing Director of National Housing Finance PLC, 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. He is a member of the Executive Committee of Bangladesh Leasing & Finance Companies Association (BLFCA) and The Institute of Bankers, Bangladesh (IBB).

Mr. M.S. Islam has over 36 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.

SHARI'AH SUPERVISORY COMMITTEE MEMBERS' PROFILE



Janab Fariduddin Ahmed

• Chairman
Shari'ah Supervisory Committee

Janab FARIDUDDIN AHMED is an Islamic scholar and Shari'ah based Banking leader of the country. Janab Farid is the Chairman of Board of the Directors of Union Bank PLC; he is also the chairman of the Shari'ah Supervisory Committee of One Bank PLC, ICB Islami Bank PLC and Hajj Finance Company Ltd; member of the Shari'ah Supervisory Committee of Dhaka Bank PLC, DBH Finance PLC, Premier Bank, Shahjalal Islami Bank, Agrani Bank, Executive Committee and Fiqh Committee of Central Shari'ah Board for Islamic Banks of Bangladesh (CSBIB) and Advisor at Islamic Bank Consultative Forum.

Janab Ahmed has more than 45 years of experience in the area of Shari'ah Based Banking. He is former Managing Director and CEO of Islami Bank Bangladesh PLC and EXIM Bank PLC.

Besides he carried out the responsibility of designing, testing and implementing the Islamic banking system. Prepared the Accounting, Finance, Investment, Operations and other working Manuals for Islami Bank Bangladesh Limited. Constantly associated with the Shari'ah Council of Islami Bank Bangladesh Limited for development of Shari'ah rules, norms for Islamic Banking. He was associated with the establishment of an Islamic Bank named 'Jaiz Bank' in Nigeria as its sponsoring CEO duly nominated by the Islami Bank Bangladesh Limited. He held the position of the Secretary General of Bangladesh Islamic Bankers Association.

He awarded 'Nawab Sir Salimullah Gold Medal' for remarkable contribution towards establishment, growth and development of Islamic Banking and bestowed with the 'Central Shari'ah Board Islamic Banking Award' for outstanding contribution towards establishment, growth and development of Islamic Banking in the country.



Mufti Shahed Rahmani

• Member Secretary
Shari'ah Supervisory Committee

Janab MUFTI SHAHED RAHMANI is an Islamic Scholar, Faqih and Islamic banking Shari'ah expert of the country. Janab Rahmani is the President of the Shari'ah Supervisory Committee of Shah-Jalal Islami Bank, Bank Asia, Eastern Bank and Insaf Australia Ltd.

Janab Rahmani is a member of the Shari'ah Supervisory Committee of Bangladesh Bank, One Bank, Mutual Trust Bank, Premier Bank PLC, Zakat Management (CZM), City Bank, Al-Arafah Islami Bank, Agrani Bank.

Janab Rahmani is the Chief Executive Officer of Center for Islamic Economics Bangladesh, Bashundhara, Dhaka. He is also Muhaddith of Jamiatul Abrar Bangladesh, Bashundhara Riverview, Dhaka.

Janab Rahmani holds Dawra-E-Hadith (Masters Equivalent) from Jamia Darul Uloom, Karachi. He has also attended Professional Certification of Islamic Banking & Finance, Centre for Islamic Economics (CIE), AAOIFI Shari'ah Standards, Professional Certification of Islamic Banking & Takaful, Centre for Islamic Economics (CIE) and Takhassus Fil Fiqh (Islamic Jurisprudence) Jamia Al Uloom Al Islamia Banuri Town, Karachi.

SHARI'AH SUPERVISORY COMMITTEE MEMBERS' PROFILE



Shah Muhammad Wali Ullah

• Member
Shari'ah Supervisory Committee

Janab SHAH MUHAMMAD WALI ULLAH is an Islamic Scholar, TV speaker and Islami Banking Shari'ah Expert of the country. Janab Wali Ullah is the President of the Shari'ah Supervisory Committee of Mercantile Bank PLC and NRB Bank PLC.

Janab Wali Ullah is the member secretary of the Shari'ah Supervisory Committee of Eastern Bank PLC. He is also a member of the Shari'ah Supervisory Committee of Bangladesh Bank, Zakat Management (CZM), Bank Asia, Global Islami Bank, Central Shari'ah Board for Islamic Banks of Bangladesh (CSBIB), Mutual Trust Bank, Bank Asia, Prime Bank, Bengal Commercial Bank, City Bank and NCC Bank.

Janab Wali Ullah holds Kamil (Hadith), Kamil (Fiqh), Kamil (Tafseer) alongwith Fazil (B.A.) and B.A. Hon's. He also holds M. Ad. in Dawah & Fatwa and Islamic Economics & Banking from Al Azhar University, Egypt. He has obtained training on Arabic Language Course from Darul Ihsan University and Islamic Economics & Banking from Shari'ah Board for Islamic Banks of Bangladesh.

Janab Wali Ullah is Imam & Khatib of Subhanbagh Jame Masjid and Madrasah, Dhanmondi, Dhaka.



Barrister Md. Mahfuzur Rahman

• Member
Shari'ah Supervisory Committee

BARRISTER MD. MAHFUZUR RAHMAN is a renowned lawyer of Bangladesh and abroad. He is the Deputy Attorney General of Bangladesh Supreme Court. He is also a member of the Shari'ah Supervisory Committee of Social Islami Bank.

Janab Mahfuz is a Barrister at Law, Lincoln's Inn, UK, advocate of Appellate Division, Supreme Court of Bangladesh, High Court Division of Bangladesh and District & Session Judge Court. Janab Mahfuz is also a member of Supreme Court Bar Association and Dhaka Bar Association of the country.

Janab Mahfuz is also legal advisor Bangladesh Bank, City Bank, Mutual Trust Bank, Social Islami Bank, Al-Arafah Islami Bank and Sonali Bank.

Janab Rahman is a Barrister at Law of Lincoln's UK. He holds LL.M (International Commercial Law) from Northumbria University, UK, Master of Criminology & Criminal Justice from Dhaka University and Master of Peace & Human Rights Studies. He got his LL.B from University of London (UK). He also got Post Graduate Diploma in International Relation, Post Graduate Diploma in Islamic Studies and Post Graduate Diploma in Law.



Mr. Shital Chandra Saha

- Senior Executive Vice President (SEVP) & Head of CRM
- Member, Management Committee

Mr. SHITAL CHANDRA SAHA is serving as "Senior Executive Vice President (SEVP)" and Head of Credit Risk Management (CRM) in National Housing Finance PLC. He started his career as "Probationary Officer" in AB Bank Ltd. in 1998 and served up to 2002 as "Officer". Then he joined the Trust Bank Limited as "Principal Officer" and served from 2002 to 2004; Bangladesh Finance and Investment Co. Ltd. (BFIC) as "Senior Executive Officer" from 2004 to 2005 and Union Capital Limited as "Manager". Later on he joined National Housing Finance PLC as "Senior Manager" in 2005.

He obtained his MBA from University of Dhaka after completing his MSS in Public Administration from the same university. During his professional career, he participated in various trainings from BIBM and different banks.



Mr. Sayed Ahmed, FCMA

- Senior Vice President & Chief Financial Officer (CFO)
- CAMLCO
- Member, Management Committee

Mr. SAYED AHMED FCMA is serving as Senior Vice President (SVP) & Chief Financial Officer (CFO) of the company. 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; GSP Finance Company (Bangladesh) Limited as "Manager (Accounts)" in 2007; as "Manager (Finance & Accounts)" in Bengal Group of Industries in 2009. He joined National Housing Finance PLC as "First Assistant Vice President (FAVP)" in 2010.

He is a Fellow Member of The Institute of Cost and Management Accountants of Bangladesh (ICMAB). He completed his M.Com in Accounting. He took part in various training programs in his career arranged by Bangladesh Bank and ICMAB.



Mr. Md. Sarwar Kamal FCS

- Senior Vice President (SVP) & Company Secretary
- Head of General Service Department
- Member Secretary, Management Committee

Mr. MD. SARWAR KAMAL FCS is serving as a “Senior Vice President and Company Secretary. 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 “Assistant Company Secretary” in 2007 and served up to 2010 as “Deputy Company Secretary”. After that he joined National Housing Finance PLC as “First Assistant Vice President (FAVP)” in 2010.

He is a Fellow member of The Institute of Chartered Secretaries of Bangladesh (ICSB). He also completed his Master’s in Accounting. He participated in various training and workshop organized by Bangladesh Bank; BIBM; ICSB; IFC and Ministry of Foreign Affairs of the Netherlands. He also participated International Convention of Company Secretaries of India various times as a delegate from ICSB. Besides he visited various countries such as Malaysia, Thailand, India, KSA etc.



Mr. Mahbubur Rashid Al-Amin

- Vice President (VP) & Head of Business
- Member, Management Committee

Mr. MAHBUBUR RASHID AL-AMIN is working as “Vice President (VP)” in National Housing Finance PLC and also holding the position of Head of Business. He 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 PLC as “Senior Counselor” in 2006. He took part in various training sessions arranged by Bangladesh Bank and South Asia Enterprise Development Facility (SEDF).

He is an MBA (Finance) & M.Com (Management). 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.

MANAGEMENT COMMITTEE



MANAGEMENT TEAM

Managing Director

Mohammad Shamsul Islam

Sr. Executive Vice President

Shital Chandra Saha

SVP & Chief Financial Officer

Sayed Ahmed, FCMA

SVP & Company Secretary

Md. Sarwar Kamal FCS

Senior Vice President

Md. Nazrul Islam

Vice Presidents

Mahbubur Rashid Al-Amin
Md. Mahbubur Rahman (Head of Gulshan Branch)

First Vice President

Md. Jahedul Islam (Head of Rangpur Branch)

Senior Assistant Vice Presidents

Md. Mezanur Rahman
Md. Ali Tareque
Md. Mozaharul Islam (Head of Chattogram Branch)
Md. Abdur Rahim (Head of Shari'ah Business Division)
Md. Ismail Hossain Mazumder
Israt Jahan
Sharmin Zahan
Nayan Malakar
Md. Anower Hossain (Head of Principal Branch)
Reza Karim Md. Khaled
A.B.M. Qamrul Hasan (Head of Bogura Branch)
Md. Azizur Rahman

Assistant Vice Presidents

A. M. Enayet Karim (Head of Gazipur Branch)
Dilip Chandra Roy
Prabir Shel
Md. Ilious Zaved (Head of Rajshahi Branch)
Masbha Uddin
Rumana Amin
Md. Alimul Islam
Mohammad Saiful Islam (Head of Feni Branch)

First Assistant Vice Presidents

Purna Chandra Deb Sharma
Tanvir Ahmed
Md. Abu Faysal Rony
Abdullah Al Kafi
Syed Sahrif Ahmed Sumon
Md. Junayed Abedin
Suraiya Yeasmin (Head of Motijheel Branch)
Ibrahim Khalil
Mohammad Mazharul Islam ACS
Adnan Imtiaz (Head of Khulna Branch)
Iffat Ruhan
Md. Mustafizur Rahaman
Robiul Hoque
Tania Afrose
Abu Jafar Md. Abdullah
A. Q. M. AmbiaTouhid
Al Mamun Shiblu
Sharmin Jahan Shawn

Senior Executive Officers

K. M. Iftekhar Hossain
Md. Al-Amin
Noor-ul-Muhaimen Talukder
Awlia Akter
Brinta Ghosh
Md. Badiuzzaman Sarker Masum
Walid Hassan
Suvra Saha
Rajesh Saha
Sharmistha Datta
Jinat Ara Jesmin
Sarfaraj Ahmed

Executive Officers

Mohammad Shoaib
Md. Asmat Ali
Mohammad Rakibul Islam
Md. Akramul Islam

DIFFERENT COMMITTEES

Shari'ah Supervisory Committee:

SL	Name	Status in Committee
1	Janab Md. Fariduddin Ahmed	Chairman
2	Janab Mufti Shahed Rahmani	Member Secretary
3	Janab Shah Muhammad Wali Ullah	Member
4	Janab Barrister Md. Mahfuzur Rahman	Member

Board Committees

Executive Committee (w.e.f. 31.12.2024):

SL	Name	Designation	Status in Committee
1	Mr. Md. Kabir Reza FCMA (representing Square Pharmaceuticals PLC)	Director	Chairman
2	Mr. Mahbubur Rahman (representing Eastland Insurance Co. Ltd.)	Chairman	Member
3	Dr. Khondaker Showkat Hossain (representing Borak Travels (Pvt.) Ltd.)	Director	Member

Audit Committee (w.e.f. 31.12.2024):

SL	Name	Designation	Status in Committee
1	Mr. Abdul-Muyeed Chowdhury	Independent Director	Chairman
2	Mr. A.K.M. Mainuddin FCA (representing Bangladesh Lamps Ltd.)	Director	Member
3	Mr. Md. Khaled Mamun (representing Reliance Insurance Ltd.)	Director	Member

Risk Management Committee (w.e.f. 31.12.2024):

SL	Name	Designation	Status in Committee
1	Mr. Mahbubur Rahman (representing Eastland Insurance Co. Ltd.)	Chairman	Chairman
2	Mr. Md. Kabir Reza FCMA (representing Square Pharmaceuticals PLC)	Director	Member
3	Mr. Abdul-Muyeed Chowdhury	Independent Director	Member

Other Committees

Management Committee (MANCOM)

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

Asset Liability Management Committee (ALCO)

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

Credit Committee

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

Woman Entrepreneur Development Unit (WEDU)

SL	Name	Designation	Status in Committee
1.	Ms. Rumana Amin	FAVP	Head of WEDU
2.	Ms. Homayra Ashrafi	Sr. Officer	Member

Sustainable Finance Committee

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

Sustainable Finance Unit

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

Risk Management Forum (RMF)

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

Central Compliance Unit (CCU)

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

Risk Analysis Unit (RAU)

SL	Name	Designation	Status in Committee
1	Mr. Md. Sarwar Kamal FCS	Company Secretary	Head of RAU
2	Mr. Mezanur Rahman	Sr. AVP	Member
3	Mr. Ibrahim Khalil	FAVP	Member

Customer Service and Compliance Management Cell

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



REPORTS & ANALYSIS



FROM THE DESK OF THE CHAIRMAN

Assalamu Alaikum and a warm greeting to all our esteemed shareholders to the 26th Annual General Meeting of your company.

I am pleased to present the Annual Report for the year 2024 and share a reflection on our performance, the evolving landscape of the Bangladeshi housing finance sector, and our strategic direction for sustainable growth and value creation.

As we all know that Bangladesh is currently undergoing a significant period of political and economic transition through reformation. Following mass student-led protests against a quota system for public sector jobs and fell the previous government in August 2024. An interim, government led by Nobel laureate Dr. Muhammad Yunus is subsequently appointed to manage the country and prepare for reformation and fresh elections.

While Bangladesh has achieved notable economic growth and development, the recent situation presents a mixed picture. The Asian Development Bank (ADB) projects a slower GDP growth of 3.9% for the fiscal year 2025, down from 4.2% in FY24, before a potential rebound to 5.1% in FY26. This slowdown is attributed to weaker domestic demand amid the political transition, risks of natural disasters, industrial unrest,

and high inflation. The previous fiscal year (2023-24) also saw a moderation in growth to an estimated 5.2%. Despite improvements in exports and remittances, the economy continues to face instability, including high inflation and pressure on the external sector. Systemic corruption and regulatory failures under the previous government have been exposed, with significant illicit financial outflows. The banking sector is also facing vulnerabilities.

Despite that, we have witnessed a growing awareness of the importance of homeownership in Bangladesh, and National Housing Finance PLC is proud to play a pivotal role in fulfilling these aspirations. We have continued to forge strong partnerships with developers, regulatory bodies, and other stakeholders to foster a robust and transparent housing finance ecosystem.

During last one year, NBF sector is facing different reformation measures from the Regulators and NHFPLC is struggling for adaptation of the reformation measures to keep its sustainable move.

Dear Members,

I am pleased to report that NHF PLC maintained its stable position in the year 2024, despite the impact of the recent past political and economic transition. Our total portfolio stood at Tk. 1391.21 crore, and we remain committed to delivering value to our stakeholders through sound financial management and prudent investment decisions.

Consequently, the Board of Directors of your Company has recommended a 10% cash dividend for the year 2024 subject to NoC from Bangladesh Bank. Upon approach to Bangladesh Bank, they have changed the denomination of Dividend. Hence Bangladesh Bank has allowed @ 10% Stock Dividend i.e. 1 (one) share for every 10 (ten) shares held instead of "10% Cash Dividend" for the year ended December 31, 2024 which is expected to be approved by you.

Looking ahead, we recognize the evolving needs of our customers and the dynamic nature of the financial market. We are committed to expanding our branch network and leveraging digital channels to serve a wider segment of the population across Bangladesh. Diversifying our product portfolio to cater to the diverse financial needs of our customers, including innovative and Shariah-compliant housing finance solutions. Enhancing customer experience through continuous improvement in our processes and the adoption of customer-centric technologies. Maintaining asset quality by adhering to prudent lending practices and proactive risk management strategies and last but not least, contributing to national development by supporting the government's initiatives in the housing sector and promoting sustainable urban development.

We are confident that our strategic focus, coupled with the dedication of our management and employees, will enable us to navigate future challenges and capitalize on emerging opportunities. We remain committed to delivering sustainable returns to our shareholders and contributing meaningfully to the socio-economic development of Bangladesh.

I extend my sincere gratitude to our valued shareholders and all stakeholders including the Regulators for their continued trust and support. We look forward to another year of progress and shared success.



(Dr. Khondaker Showkat Hossain)
Chairman




FROM THE DESK OF THE MANAGING DIRECTOR

Assalamu Alaikum and a very warm welcome to the 26th Annual General Meeting of National Housing Finance PLC. It is my distinct privilege and honor to address you today and present a review of our performance over the past year, along with our outlook for the future.

First and foremost, I hope this message finds you and your families in good health and high spirits. The past year has presented its own set of challenges and opportunities within the dynamic landscape of the Bangladeshi financial sector. Despite these complexities National Housing Finance PLC has demonstrated resilience, adaptability, and a steadfast commitment to delivering value to our shareholders and serving the financial needs of our nation.

At present Bangladesh stands at a critical juncture. As we all know that after the fall of previous government the interim government faces the complex task of navigating a delicate political transition while addressing significant economic challenges. The success of planned reforms and the ability to foster political stability will be crucial in determining the country's trajectory in the coming years. While the underlying economic strengths remain, the current political uncertainty poses risks to sustained growth and recovery.



During last couple of year, NBFI sector is facing different reformation measures from the Regulators and National Housing Finance is taking different steps for adaptation of the reformation measures to keep your organization sustainable under the guidance of our Board of Directors.

Dividend Declaration:

In line with our commitment to rewarding our shareholders, I am pleased to announce that the Board of Directors has recommended a 10% cash dividend for the year 2024 subject to NoC from Bangladesh Bank. Upon approach to Bangladesh Bank, they have changed the denomination of Dividend. Hence Bangladesh Bank has allowed @ 10% Stock Dividend i.e. 1 (one) share for every 10 (ten) shares held instead of “10% Cash Dividend” for the year ended December 31, 2024. This is subject to your approval at this Annual General Meeting.

While we are pleased of our achievements, we remain cognizant of the evolving landscape and the challenges that lie ahead. The Bangladeshi financial sector is undergoing rapid transformation, driven by technological advancements, increasing competition, and evolving customer expectations. Our commitment to delivering sustainable value remains unwavering. Looking ahead, our strategic priorities are focused on implementing stringent cost optimization measures, strategically diversifying our loan portfolio to capitalize on emerging opportunities, deepening customer relationships through personalized services, leveraging data analytics to enhance decision-making, sustainable growth, talent development and strengthening governance and compliance. We are confident that these focused efforts will drive improved financial performance and enhance shareholder returns in the long run.

In conclusion, I am optimistic about the future of National Housing Finance PLC. We are well-positioned to capitalize on the growth opportunities within the Bangladeshi financial sector while navigating potential challenges with prudence and agility. We remain committed to delivering sustainable value to our shareholders, contributing to the economic development of Bangladesh, and upholding the highest standards of ethical conduct. Lastly, I express my gratitude to our honorable shareholders for their support and confidence in NHF PLC’s management. I also extend my sincere gratitude to the honorable members of the Board for their guidance during the operation’s challenging times. I appreciate all my colleagues for their unstinted support, commitment and dedication without which NHF PLC’s could not have become a shining star in the industry. I also express my gratitude to Bangladesh Bank, RJSC, BSEC, DSE, CSE, CDBL, our auditors, customers, other stakeholders, and well-wishers for their full cooperation and support.

Thank you.



(Mohammad Shamsul Islam)
Managing Director & CEO



DIRECTORS' REPORT

Dear Shareholders,

We, the Directors of National Housing Finance PLC ["NHFPLC"], have the pleasure to present before you this Report along with the Audited Financial Statements of Your Company for the year ended 31 December 2024 and the Auditors' Report thereon.

The Directors' Report has been prepared in compliance with the provisions of Section 184 of the Companies Act 1994, the Corporate Governance Code of BSEC dated 03 June 2018, the Listing Regulations of DSE and CSE, the Guidelines of Bangladesh Bank and other applicable Rules and Regulations. A separate reports and statements titled 'Report on Corporate Governance', 'Internal Audit and Internal Control System', 'Risk Management Framework', and various tables, graphs and presentations related to performance of the Company shall be treated as integral parts of this Directors' Report. The Board of Directors is committed to maintain proper corporate governance, self-signaling internal control systems and sharpened compliance standards.

2024 was a challenging year for whole world due to cost-of-living crisis, tightening financial conditions in most regions and Russia's invasion of Ukraine. The capital market also followed the scenario all through the year. The adverse effects of pandemic and Russia-Ukraine War created heavy pressure on business operations and long term individual investments in housing and other areas.

ECONOMIC REVIEW OF THE FINANCIAL YEAR

• REVIEW OF WORLD ECONOMY

The global economy in 2025 is navigating a complex landscape marked by heightened trade tensions, policy uncertainty, and shifting monetary and fiscal priorities. Despite earlier resilience through the COVID-19 pandemic and geopolitical disruptions like the Russia-Ukraine conflict, global growth forecasts have been downgraded due to escalating trade barriers and financial market volatility. According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) April 2025, global growth is projected to slow to 2.8% in 2025, down from 3.2% in 2024, reflecting a challenging environment driven by trade policy shocks and subdued demand. The World Bank further slashes its 2025 global growth forecast to 2.3%, marking the weakest performance outside of recessions since 2008, with nearly 70% of economies facing downgraded projections.

Growth is expected to remain modest, rising slightly from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025, according to earlier IMF projections. However, the April 2025 WEO revises the U.S. growth forecast downward to 1.8% for 2025, a 0.9 percentage point reduction from January's 2.7%, primarily due to trade tariffs and weakening consumer confidence. The Euro area is projected to grow at 0.8% in 2024 and 1.5% in 2025, supported by robust household consumption and easing inflationary pressures.

Growth is forecasted to slow from 4.3% in 2023 to 3.8% in 2025, with a slight recovery to 3.9% in 2026-2027. This slowdown is attributed to rising trade barriers, subdued foreign direct investment, and weaker global demand, particularly impacting commodity exporters. Regions like South Asia face dimming prospects due to global trade tensions, though growth remains relatively robust compared to other EMDE regions.

Global headline inflation is projected to decline to 4.2% in 2025 and 3.5% in 2026, continuing the disinflation trend from 6.8% in 2023. Advanced economies are expected to see inflation stabilize near central bank targets (around 2.0% by 2025), while EMDEs face persistent inflationary pressures, with inflation remaining above 8.0% in some regions due to trade disruptions and currency depreciations. Services inflation and tariff-induced price increases pose upside risks, potentially delaying monetary policy easing. Central banks are urged to maintain credibility and independence to anchor inflation expectations, with some countries requiring tighter policies to counter resurgent price pressures.

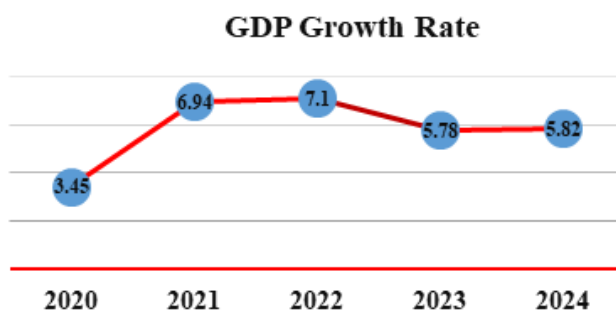
The opportunities may consider as Lower inflation in advanced economies could reduce borrowing costs, facilitating investment in green technology, digital infrastructure, and innovation. Policies promoting healthy aging, gender equity, and migrant skill alignment can boost labor force participation and long-term growth. Multilateral cooperation to stabilize trade policies and address gaps in international trading rules remains critical to fostering resilience.

Furthermore, the challenges are Escalating trade tensions, particularly U.S. tariffs, constitute a negative supply shock, raising production costs and reducing global trade growth to 1.7% in 2025. Geopolitical risks, including conflicts and policy uncertainty, threaten financial stability and fiscal sustainability. EMDEs face capital outflows and tighter financial conditions, while low-income countries grapple with declining official development assistance (ODA) and heavy debt burdens.

To navigate these challenges, from our point of view, the policymakers should prioritize fiscal consolidation to rebuild buffers, advance structural reforms to enhance productivity, and foster international cooperation to mitigate trade fragmentation. Monetary policy must remain agile, balancing inflation control with economic growth, while investments in sustainable infrastructure and human capital can counter demographic headwinds and support long-term prosperity.

• REVIEW OF BANGLADESH ECONOMY

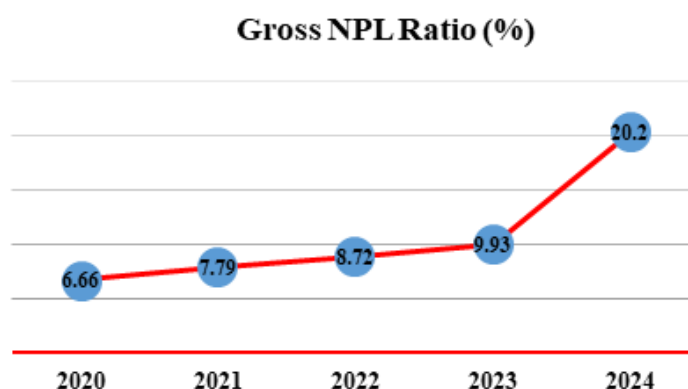
Bangladesh's economy continues to exhibit resilience amid global uncertainties, achieving a GDP growth rate of 5.82% in FY24, slightly up from 5.78% in FY23, driven by robust performances in agriculture, industry, and services. The sustained growth momentum in FY24 reflects the full resumption of economic activities post-COVID and effective policy measures mitigating external shocks, such as global commodity price spikes and trade disruptions. The agriculture sector benefited from favorable weather and government subsidies, while industrial and service sectors capitalized on recovering domestic demand and export-oriented growth, particularly in ready-made garments. However, the International Monetary Fund (IMF) projects a GDP growth rate of 3.8% for FY25, a significant slowdown from the Bangladesh Bureau of Statistics' (BBS) optimistic target of 6.75%, due to escalating global trade tensions, including U.S. tariffs of 20% on Bangladesh's exports, high inflation (10.87% in 2024), and political instability following the 2024 leadership transition. Sustaining growth hinges on continued policy support, infrastructure development, and enhanced export competitiveness, though rising import costs and global trade barriers pose significant risks.



Inflation remains elevated, driven by global food and fuel price shocks and a 10% depreciation of the Bangladeshi taka in 2024. The Bangladesh Bank (BB) has shifted from monetary targeting to interest rate targeting, increasing the weighted average call money rate to 9.2% by June 2025, up from 8.84% in December 2023, and the interbank repo rate to 8.5% from 8.06%. These measures aim to curb inflation, which reached 10.87% in 2024 and is projected to remain above 9.0% in FY25, though declining global commodity prices may offer some relief. The BB's hawkish stance is expected to persist, balancing price stability with growth objectives, but high interest rates risk constraining private investment.

Import payments declined by 15.5% to USD 50.8 billion during July–April FY25, further reducing the trade deficit to USD 17.2 billion from USD 18.7 billion in the same period of FY24, according to Bangladesh Bank data. This reflects stringent import containment policies, which, while narrowing the deficit, limit industrial inputs and growth potential. Export performance remains resilient, with ready-made garment exports growing 5% in FY24 to USD 47 billion, but faces challenges from global trade restrictions and weaker demand in key markets like the U.S. and EU. Remittances dropped by 8% to USD 21 billion in FY24, and foreign exchange reserves fell to USD 18 billion by March 2025, necessitating policies to diversify exports (e.g., IT services, pharmaceuticals) and attract foreign direct investment (FDI), which declined to USD 1.5 billion in FY24 from USD 1.8 billion in FY23.

Domestic credit growth in FY24 fell short of targets due to subdued private-sector credit expansion, aligning with programmed paths by year-end, driven by private-sector credit growth of 10.5% in FY24, down from 13.7% in FY23, per Bangladesh Bank reports. Public-sector credit growth moderated to 25.3% in FY24 from 29.1% in FY23, supported by foreign inflows and mobilization of idle funds from state-owned banks. The shift to interest rate targeting has tightened liquidity, with the BB prioritizing financial stability. Non-performing loans (NPLs) are a growing concern, with the gross NPL ratio rising sharply due to stricter IMF-mandated classifications. The table below details the NPL trend:



The sharp rise in the NPL ratio to 20.2% in December 2024 and a projected 30.0% in 2025 reflects the adoption of the IMF's 90-day classification rule from April 2025, increasing reported NPLs to an estimated USD 24 billion. This escalation is compounded by banking sector mismanagement and economic pressures, with state-owned banks accounting for 54% of NPLs in 2024. Ongoing reforms, including stricter governance, recapitalization efforts, and debt restructuring, are critical to reducing NPLs and restoring financial stability.

Bangladesh's focus on economic diversification, renewable energy, and digitalization aligns with global trends, offering avenues for sustainable growth. Investments in human capital, such as skills training programs reaching 1.5 million youths annually, and infrastructure projects like the MRT Line-6 and Padma Bridge, enhance economic resilience. Policies to boost export competitiveness, such as promoting IT services (USD 1.9 billion in FY24 exports) and pharmaceuticals, and leveraging South-South cooperation with ASEAN and African markets, can mitigate external vulnerabilities. However, persistent inflation, exchange rate volatility, and global trade tensions, including U.S.-China trade disputes, threaten export-led growth. Declining official development assistance (ODA), down 12% to USD 5 billion in FY24, and a public debt-to-GDP ratio of 40% in 2024 limit fiscal space. Climate vulnerabilities, such as cyclone-related losses costing 1% of GDP annually, further complicate the outlook.

The BB should maintain its prudent monetary policy to anchor inflation while supporting growth through targeted credit expansion, such as SME lending programs, which disbursed USD 2 billion in FY24. Fiscal policies should prioritize infrastructure investment, with USD 10 billion allocated for FY25 projects, and social protection, including subsidies for 5 million low-income households, to enhance resilience. Structural reforms to improve banking sector asset quality, reduce NPLs through debt recovery tribunals, and attract FDI via streamlined regulations, such as the One-Stop Service Act, are essential for sustaining Bangladesh's growth momentum in a challenging global environment.

MONEY MARKET SCENARIO

In 2024, Bangladesh's money market saw a rise in rates, with the money market rate increasing from 6.68% in 2023 to 9.24%. This was accompanied by a tightening of monetary policy, including policy rate hikes, to manage inflation. The Bangladesh Bank also implemented a crawling peg system to transition towards a free-floating exchange rate. BB Reverse Repo Rate was 11.99%. The Policy Rate (Repo Rate) was also 10.00%.

CAPITAL MARKET ACTIVITIES

The capital market is considered as the second largest segment of the financial system which contributes in accelerating economic growth by providing long-term funds. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), and its affiliates make up the market. In DSE total number of listed securities has increased from 653 to 660 in the year 2024.

The capital market in Bangladesh experienced a challenging but evolving year in 2024, characterized by volatility, regulatory efforts, and a focus on long-term development. Here's a summary of key activities and trends:

The benchmark index of the Dhaka Stock Exchange, DSEX, reportedly dropped by 16.49% in 2024. Market capitalization also saw a significant decline. Despite this, there were periods of tentative recovery and some sectors, like banking, showed stronger performance in terms of trading volume and price trends.

The CSE also experienced similar market sentiments to the DSE, though it recorded its highest transaction volume in history on June 30, 2024, with shares and units worth Tk 6.24 billion traded. This indicates moments of heightened activity despite overall market challenges.

The market continued to face challenges such as liquidity crunch, concerns over market manipulation, and scrutiny regarding the effectiveness of regulatory authorities.

Despite capital market volatility, Bangladesh's consistent economic growth trajectory provides a foundation for increased corporate earnings and investment opportunities in the long run. Surveys in 2024 indicated significant dissatisfaction with the market's performance, but efforts to enhance transparency and strengthen investor protection are seen as crucial for boosting confidence. The banking sector emerged as a top performer in terms of trading volume, while other sectors like real estate and pharmaceuticals showed mixed results.

Overall, 2024 was a period where the Bangladesh capital market navigated significant challenges, while also seeing continued regulatory focus on improving its structure and attracting both domestic and foreign investment.

INDUSTRY OUTLOOK

HOUSING FINANCE

The housing finance sector in Bangladesh remains a cornerstone of economic growth, driven by rapid urbanization, a burgeoning middle class, and government initiatives aimed at addressing the housing shortage. In 2025, the sector continues to exhibit resilience despite global and local economic challenges, including the lingering effects of the Russia-Ukraine conflict and inflationary pressures. The real estate market, valued at US\$2.84 trillion in 2025, is projected to grow at a compound annual growth rate (CAGR) of 1.97% through 2029, with residential real estate contributing US\$2.08 trillion.

The housing finance market in Bangladesh has shown robust growth, with total outstanding housing loans from banks and non-banking financial institutions (NBFIs) increasing by 10.5% year-on-year as of June 2025, according to Bangladesh Bank data. Private sector banks, leveraging substantial deposit bases, dominate the market, accounting for approximately 60% of housing loans, followed by state-owned commercial banks with a 25% share. Specialized housing finance institutions, including National Housing Finance (NHFPLC), DBH Finance PLC, and Bangladesh House Building Finance Corporation (BHBFC), hold a critical 15% share, catering to both individual and corporate clients.

Bangladesh's demographic profile, with over 60% of the population aged 25–45, continues to fuel demand for housing finance. This young, increasingly educated cohort drives a growing middle class with rising disposable incomes and aspirations for modern, urban living. Urbanization is accelerating, with 35% of the population now in urban areas, projected to reach 60% by 2050. This demographic shift, coupled with infrastructure projects like the MRT Line-6 and Padma Bridge, has spurred demand for housing in urban hubs like Dhaka, Chittagong, and emerging suburban areas.

The financing landscape is evolving, with private banks like BRAC Bank and Standard Bank offering competitive home loans with interest rates ranging from 9% to 15%, repayment tenors of 5–25 years, and maximum loan amounts up to BDT 2 crore. NBFIs, such as NHFPLC and DBH, provide specialized products like flat purchase and self-construction loans, with NHFPLC offering up to four times the borrower's savings for home purchases. However, mortgage penetration remains low at 3%, compared to 10% in India, indicating significant growth potential but also highlighting barriers such as high interest rates and stringent eligibility criteria, particularly for informal sector workers.

Government initiatives, such as the Ashrayan Project and the Low-Income Community Housing Support Project (LICHSP), aim to address the housing deficit of 6 million units, with an annual supply of only 31,500 units. Public-private partnerships (PPPs) and tax incentives for first-time homebuyers are fostering affordable housing, while the reintroduction of a Bangladesh Bank special discount facility could further stimulate lending. The International Finance Corporation (IFC) estimates a \$59 billion financing gap for 3.5 million residential units, underscoring the need for innovative financing models like housing bonds and Real Estate Investment Trusts (REITs).

Land scarcity in urban centers like Dhaka has made vertical development critical, with high-rise apartments and mixed-use complexes optimizing land use. Projects along the Dhaka-Mawa Expressway and in suburbs like Uttara have seen property price increases of up to 30%, driven by infrastructure improvements. This trend is creating demand for construction and housing loans, presenting opportunities for lenders like NHFPLC to expand their portfolios. The growing preference for

3-bedroom apartments in affordable areas like Mirpur and Mohammadpur, alongside luxury developments in suburban zones, reflects diverse market needs.

The adoption of advanced technologies, such as Building Information Modeling (BIM) and 3D printing, has enhanced construction efficiency, reducing costs by 5–10% and enabling high-quality, affordable housing projects. Digital platforms like Bikroy.com and Lamudi have streamlined property transactions, while government-led digitization of land records is reducing fraud and improving transparency, though challenges like bureaucratic delays persist. Green building practices, including energy-efficient designs and sustainable materials, are gaining traction, supported by tax incentives and LEED certifications for select commercial projects.

The housing sector faces significant challenges in 2025, exacerbated by global economic headwinds. The Russia-Ukraine conflict continues to impact Bangladesh indirectly, with a 15% surge in construction material costs (steel, cement, bricks) due to elevated fuel prices and a 10% depreciation of the Bangladeshi taka against the US dollar in 2024. These factors have increased project costs by 8–12%, straining developers' budgets and reducing housing affordability. Inflation, at 9.94% in January 2025, has driven interest rates higher, with Bangladesh Bank's weighted average lending rate for NBFIs reaching 9.2% by June 2025, further constraining borrowing capacity.

The COVID-19 pandemic's lingering effects have led to a 5% increase in non-performing loans (NPLs) in the housing sector, with the gross NPL ratio rising to 9% by December 2023. Financial pressures on borrowers have resulted in defaults, prompting banks and NBFIs to offer extended repayment periods (up to 25 years) and refinancing options. Government financial packages, such as those under the LICHSP, provide relief, but limited awareness and unclear eligibility criteria hinder uptake, particularly among low-income groups.

The government's Vision 2041 plan prioritizes real estate development to drive economic growth, contributing 7.5% to GDP. Initiatives like simplified land acquisition, tax rebates for green buildings, and PPPs are bolstering investor confidence. However, regulatory hurdles, including complex land ownership disputes and delays in project approvals, continue to deter investment. The Real Estate Development and Management Act 2010 requires stronger enforcement to ensure transparency.

The housing finance sector in Bangladesh is poised for growth, driven by demographic trends, urbanization, and government support. However, addressing challenges like high interest rates, limited long-term funding, and regulatory inefficiencies is critical. NHFPLC, DBH, and BHBFC are well-positioned to capitalize on opportunities by offering tailored financial products, such as NHFPLC's flat purchase loans and DBH's adjustable-rate mortgages (up to 16.5% interest). Expanding microfinance for rural housing, promoting REITs, and enhancing digital platforms will further unlock market potential. With proactive reforms, the sector can meet the growing demand for affordable housing and sustain its contribution to Bangladesh's economic development.

KEY STRENGTHS OF NHFPLC

NHFPLC is a prominent and reputable player in the housing finance sector in Bangladesh, well-known for its unparalleled knowledge and expertise in the industry. With a mission to provide comprehensive support to its customers seeking to build or purchase their homes or commercial properties, NHFPLC has built strong and lasting relationships with its clients, making it an expert in the industry. Apart from its customer-focused approach, NHFPLC's key strengths also include its efficient management of collections and the control of non-performing loans (NPLs). This has resulted in strong financial performance, generating increased revenues and profits that create value for its shareholders. NHFPLC's ability to provide diversified products and uninterrupted services to clients has also helped the company establish a solid reputation and niche in the market that is unmatched by other funding agencies.

One of NHFPLC's core strengths is its ability to provide home loan products to Bangladesh's customers, with an emphasis on offering diversified products and unparalleled services. Thus, NHFPLC is committed to provide finance for people's basic need for shelter, which helps to enhance the country's housing environment. With a strong financial position and a customer-centric focus, NHFPLC is poised to continue offering high-quality home loan products to customers in Bangladesh.

Throughout its operating history, NHFPLC has become a reliable and trusted financing partner for prominent industries and sectors in Bangladesh. Our knowledge and tailored financial solutions serve a wide range of industries including real estate, infrastructure, manufacturing and services in Bangladesh. The trust NHFPLC has gained from these reputed companies is a testament to our ability to provide comprehensive and reliable financing solutions. Our consistent focus on providing long-term financing solutions that meet our client's specific needs makes us the first choice for those seeking reliable residential or commercial property financing in Bangladesh.

NHFPLC recognizes the importance of providing innovative and diverse financial solutions that cater to the needs of all customers. As a result, the Board of Directors has decided to commence Shariah-compliant business operations under the Islamic Finance window responding to the growing demand for Shariah-compliant financing products. Respectively NHFPLC got approval from Bangladesh Bank on 24 March, 2024. Accordingly, NHFPLC has opened its Shari'ah Based Islamic Wing on 08 April, 2024. This decision highlights NHFPLC's unwavering commitment to providing comprehensive and inclusive support to all customers, attracting new customer bases, strengthening its brand image, and creating a competitive advantage.

Last but not the least, NHFPLC's employees are equipped with the relevant knowledge, skills, and experience to provide prompt and efficient services to clients. The employees receive regular training and counseling, which motivates them to follow best

industry practices while dealing with customers. The Board of Directors provides guidance and advice, formulates policies and operational strategies, and ensures NHFPLC's services meet the highest industry standards. These practices, together with the expansion plan and innovative financial products, demonstrate NHFPLC's dedication to becoming a leading housing finance company nationally and regionally.

Collectively, these strengths enable NHFPLC to deliver superior services in the housing finance sector while protecting and preserving the interests of its shareholders and stakeholders. These strengths also position NHFPLC as a reliable and trustworthy partner for businesses and individuals seeking financial support. Whether it's a first-time homebuyer or a seasoned property developer, NHFPLC's customer-centric approach ensures that each client receives tailored solutions that meet their unique needs. This personalized service, combined with NHFPLC's deep understanding of the market, has earned the company a loyal customer base and a strong reputation in the industry. As NHFPLC continues to expand and evolve its operations, it remains committed to providing exceptional services that drive growth and success for its clients.

HUMAN RESOURCES- A VITAL ELEMENT TO NHFPLC'S SUCCESS

At NHFPLC, our culture is centered on a relentless drive to maintain our position as a top performer in the market. Our approach to achieving this goal is through investing in our most valuable asset - our human resources. We recognize that to remain ahead of the curve, it is essential to continually empower and develop our employees through a combination of on-the-job and off-the-job training, as well as knowledge-sharing sessions. This commitment to talent and knowledge management is a top priority for us, and we maintain a succession plan to ensure a pipeline of skilled professionals is always available to fill any gaps or vacancies that arise.

As a company, we are committed to enhance productivity and efficiency. To achieve this, we have implemented a system that links Key Performance Indicators (KPIs) with compensation and incentives. This approach fosters a culture of cost consciousness, value addition, and decentralized decision-making, enabling us to achieve our goals while maintaining a financially stable management status.

In the highly competitive marketplace, we operate in, we recognize the importance of attracting and retaining the best talent. To achieve this, we offer competitive compensation packages and focus on creating a challenging work environment that thrives on collaboration, innovation, and idea generation. By adhering to these policies, we expect to continue achieving our company objectives and targeted growth and maintain our position as a coveted employer in the industry. Ultimately, our goal is to build a brand image reflecting our commitment to commercial and social contributions.

However, we promote diversity, equity, and inclusion in all its operations, recognizing that diverse perspectives, experiences, and backgrounds are essential to driving innovation, creativity, and business success. We have implemented various policies and initiatives to achieve this goal, including fair and inclusive recruitment and hiring processes, regular training on diversity and unconscious bias, flexible work arrangements, inclusive benefits, employee resource groups, supporting diverse suppliers and vendors, and engaging with local communities to promote diversity, equity, and inclusion. Our aim is to foster a culture of inclusion, respect, and equality for all employees and stakeholders, creating a positive work environment and better serve its customers and communities.

SOME OF THE TECHNOLOGICAL INNOVATIONS ADOPTED BY NHFPLC

- To remain competitive in today's fast-paced business environment, our organization is committed to leveraging technology to automate our credit appraisal and assessment process. Through this, we can proactively identify areas of concern and take corrective action. Additionally, our extensive portfolio and database analysis allows us to identify cross-selling opportunities and expand our lending exposure to quality accounts. By implementing online appraisal tools, we have also been able to streamline our loan disbursement process, reducing waiting times and improving customer service, which has resulted in increased customer satisfaction and loyalty.
- In our effort to provide superior customer service, we have dedicated customer relationship management teams that regularly engage with our customers to identify their needs and provide them with the necessary advisory services. Furthermore, we strive to provide a uniform and seamless experience to our customers across all our branches, with the aim of minimizing their need to visit us, thereby enhancing their convenience. To achieve this, we have established a customer experience team to monitor the activities of our relationship teams and ensure that our objectives are met.
- In addition to these initiatives, we are continuously exploring opportunities for process re-engineering to eliminate inefficiencies that may exist in our operational processes. This is a key strategy in reducing costs, creating value for our shareholders, and providing faster solutions to our customer's issues. To oversee this transformation, we have formed a change management team that will guide and support the implementation of these changes across the organization.

INTERNAL CONTROLS

NHFPLC has adequate system of internal controls for business process, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations etc. These internal controls and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances. A statement titled 'Internal Audit and Internal Control System' has been furnished separately.

RISK MANAGEMENT

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

CORPORATE GOVERNANCE

In the management of the Company, the Directors have placed emphasis on conforming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced or improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on Corporate Governance is given while the Company's Compliance Status pursuant to Condition No 1(5)(xxvii) of Corporate Governance Code issued by BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 is shown in Annexure-VIII.

ENVIRONMENT FRIENDLY POLICY ADOPTED BY NHFPLC

The impact of climate change on human civilization and the greenhouse effect is a global concern, and as such, our company is actively exploring the opportunities presented by "Green Finance". We recognize the urgent need to respond responsibly to the threats facing Bangladesh, which comprises the low-lying delta of the Ganges-Brahmaputra-Meghna Delta (GBM Delta) and are sincerely investigating the potential of green buildings, renewable energy, energy-efficient projects, waste management capacity development, and initiatives aimed at ensuring the safety and security of factory workers.

Our planet's climate is an interconnected network of the sun, earth, oceans, wind, rains, snow, forests, deserts, savannahs, and human activity plays a pivotal role in this system. Human actions have a significant positive and negative impact on the global climate, leading to abrupt sea-level rise, elevated temperatures, excessive rainfall, drought, frequent floods, cyclones, and worsening health risks.

We understand the gravity of these colossal, looming problems and have therefore instructed our Board to prioritise "Green Finance" wherever possible. Our company is poised and ready to take action towards reducing negative impacts and promoting sustainable development.

FINANCIAL PERFORMANCE

The Company's financial performance over 1st, 2nd, 3rd and 4th quarters of 2024 and the year in compare to the yearly performances of 2023 are given below in the context of its fair disclosure policy.

(Amount in BDT Million)

Particulars	2024					2023
	Q1	Q2	Q3	Q4	Yearly	
Net interest income	97.75	127.51	55.75	108.32	389.33	397.18
Total operating income	122.91	157.28	101.56	142.54	524.30	484.56
Total operating expenses	50.07	73.51	49.14	59.89	232.60	229.91
Profit before provisions	72.85	83.78	52.42	82.66	291.70	254.65
Provision for loans/ Investments	9.23	24.96	10.70	202.96	247.84	119.22
Profit before taxes	63.61	58.82	41.72	(120.30)	43.85	135.42
Provision for taxes	28.32	24.45	5.32	(17.17)	40.92	14.79
Net profit after taxation	35.29	34.37	36.40	(103.13)	2.93	120.63

The quarterly performance outlined above reflects the evolving operating environment throughout the year. Net Interest Income showed notable improvement in the second and fourth quarters, primarily driven by changes in interest rates and recoveries from previously impaired clients. Provisioning levels were comparatively elevated in the second and fourth quarters, while significantly lower in the third quarter.

The third quarter experienced a decline in profit before provisions, largely attributable to the economic slowdown during the July–August period. Although total operating income increased by 8.20% in 2024, the net profit after tax declined sharply by 97.57%. This substantial decrease was primarily due to a significant rise in provisions during the year.

DEVELOPMENT ACTIVITIES

To enhance our business activities in 2024, several measures were taken. In line with our goal to diversify our business portfolio, the Board of Directors has proposed to establish a separate business wing to operate Shariah-based Business under Islamic Banking Principles, subject to regulatory approval from the Bangladesh Bank and completion of legal and operational formalities. The company has also decided to sponsor an open-end Mutual Fund, namely the BMSL National Housing Growth Fund, with a prospectus approved by BSEC in March 2023. Furthermore, the company invested in the 3rd Subordinated Bond of Eastern Bank Limited, demonstrating our commitment to expanding our investment portfolio.

In alignment with our vision of extending our services throughout Bangladesh, NHFPLC has opened a new sales center in Aftabnagar. Strengthening our marketing activities, we have increased the number of business associates in our marketing team. Additionally, we have entered into several MOUs with promising real estate developers to procure new business. We are confident that these strategic steps will enable us to increase our business activities efficiently and effectively.

FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ and the Financial Reporting Act 2015, the Companies Act, 1994, the Finance Company Act, 2023, Securities and Exchange Rules, 2020 & the (Listing) Regulations, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations. The presentation of the financial statements of the Company has been made as instructed by Bangladesh Bank vide their DFIM Circular no-11 dated 23 December 2009. As per section 33(4) of the Finance Company Act 2023, the Financial Statements for the year ended 31 December 2024 signed by the Chairman (Director) with two (2) other Directors and the Managing Director and duly audited are given as an integral part of this Report.

DISCLOSURES REGARDING FINANCIAL STATEMENTS

The Directors are responsible for the preparation of Financial Statements of NHFPLC to reflect a true and fair view of its state of affairs of the Company complying with applicable laws, standards and principles.

The Directors do hereby confirm, in compliance with the Corporate Governance Code of BSEC, that

- the financial statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity;

- proper books of accounts of the Company have been maintained;
- appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed in the Notes to the Financial Statements;
- the system of internal control is sound in design and has been effectively implemented and monitored;
- no significant variance occurred between quarterly financial performance and annual financial statements of the Company;
- there were no significant deviation from the last year's operating results of the Company;

and

- the Managing Director & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have jointly certified to the Board that

(a) they have reviewed the financial statements for the year

and

(b) to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;

and

(iii) there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members.

As required under Condition No. 1(5)(xxvi) and Annexure-A of the Corporate Governance Code of BSEC, a Declaration of CEO & CFO regarding Financial Statements of the Company has been disclosed as Annexure-IV.

ADDITIONAL DISCLOSURES

In compliance with the Corporate Governance Code of BSEC and in accordance with good governance practices, the Directors do hereby confirm that -

- key operating and financial data of preceding 5 (five) years have been disclosed separately;
 - there are no significant doubts upon the Company's ability to continue as a going concern;
 - there is no extraordinary gain or loss during the year;
 - there are no significant changes in the Company's fixed assets and the market value;
- and
- the company had not enabled any of its directors to acquire benefits by means of acquisition of share or debentures of the company or anybody corporate.

DISCLOSURE REGARDING AUDIT INFORMATION

The Directors confirm that:

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

AUDITORS' REPORT

The Auditors M/s. Zoha Zaman Kabir Rashid & Co. (member of msi Global Alliance), Chartered Accountant carried out the audit on the Financial Statements (FSs) of the Company for the year ended 31 December 2024 and their report thereon along with the FSs, as required by the Companies Act 1994, is given as an integral part of this Report. There is no adverse opinion or observations or findings in the Auditors' Report.

SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies adopted in the preparation of the Financial Statements have been stated in the Notes to the Financial Statements.

GOING CONCERN

Details about going concern assessment of NHFPLC are presented in Statement of Going Concern.

CAPITAL EXPENDITURE

Total capital expenditure on acquisition of property, plant and equipment and intangible assets of NHFPLC as at 31 December 2024 amounted to BDT 272.01 million which were BDT 285.37 million as at 31 December 2023. Details are given in Annexure-A of the Financial Statements.

INTEREST IN OTHER ENTITIES

According to IFRS 12, NHFPLC does not have any interest in other entities.

RELATED PARTY TRANSACTIONS

The transactions that could be classified as Related Party Transactions in terms of "IAS 24: Related Party Disclosure" have been disclosed in Note 53 under the Notes to the Financial Statements.

CREDIT RATING

On August 28, 2024, Credit Rating Information and Services Ltd. (CRISL) assigned 'AA-' Rating in the Long Term, 'ST-2' Rating in the Short Term and "Stable" Outlook to the Company based on Financial Statements upto 31 December 2023 and unaudited Financials upto June 30, 2024. In Long Term Rating Scales and Definitions Banks/FIs rated as 'AA-' indicates 'High Safety for Timely Repayment' while in Short Term Rating Scales and Definitions ST-2 indicates 'High Certainty of Timely Repayments of Financial Commitments'.

Based on financial statements through December 31, 2023 and unaudited Financials upto June 30, 2024. Credit Rating Information and Services Ltd. (CRISL) gave the company a "Stable" outlook on August 28, 2024, coupled with a "AA-" rating for the long term and a "ST-2" rating for the short term. This grade is noteworthy since the company's solid financial health is reflected in the Long Term "AA-" rating, which suggests a high level of safety for timely repayment. Likewise, the company's dependability is highlighted by the Short Term "ST-2" rating, which denotes a high likelihood of prompt repayments on financial commitments. When evaluating the company's creditworthiness and general financial soundness, investors and stakeholders rely heavily on these ratings.

SHAREHOLDING PATTERN

NHFPLC's Shareholding Pattern as on 31 December 2024 is disclosed in detail in the Report on Corporate Governance and also in the Financial Statements. However, a Shareholding Pattern prepared as per Condition of the Corporate Governance Code is disclosed as Annexure-IV.

BOARD MEETINGS AND ATTENDANCE BY THE DIRECTORS

During the year 2024, 07 (seven) Meetings of the Board were held. Attendance of the Directors is disclosed as Annexure-II.

REMUNERATION OF DIRECTORS

Summary of remuneration paid to the Directors including Independent Directors is stated in Annexure-III.

MINORITY INTERESTS

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

PROPOSED DIVIDEND

NHFPLC has earned a net profit after tax of BDT 2.93 million as against BDT 120.63 million in the previous year. The Bangladesh Bank allowed NHFPLC to defer the provision requirement for next 2 (two) years but the Board of Director felt that by keeping required full provision the financial strength of the company will be stronger. Hence, the Board decided to keep full provision as required. The Board considered the financial position, current year profitability and Retain Earning of the Company and recommended 10% Cash Dividend i.e. BDT 1.00 for each share for the year ended 31 December 2024, subject to NoC from Bangladesh Bank. Upon approach to Bangladesh Bank, they have changed the denomination of Dividend. Hence Bangladesh Bank has allowed @ 10% Stock Dividend i.e. 1 (one) share for every 10 (ten) shares held on record date instead of "10% Cash Dividend" for the year ended December 31, 2024 subject to approval at the 26th Annual General Meeting. The Board herewith states that no stock dividend as interim dividend was considered during the year or will be considered in future.

PLAN FOR UTILIZATION OF UNDISTRIBUTED PROFITS

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

RESERVES

A summary of the reserves of NHFPLC is as follow:

(Amount in BDT)

Particulars	2024	2023
Statutory Reserve	707,778,407	707,191,873
Retained Earnings	222,724,937	337,410,001
Total Reserves	930,503,344	1,044,601,874

ELECTION/RE-ELECTION OF DIRECTORS

In terms of the Shareholders' Agreement and as per provisions of the Companies Act 1994, the following Directors shall retire at the 26th AGM:

Directors to Retire	Organization Represented
A.K.M. Moinuddin, FCA	Bangladesh Lamps PLC

The retiring Directors shall be eligible for re-election as Director at the 26th AGM. Brief Resume of the said Directors mentioning their area of expertise and their interests in other companies have been disclosed separately.

APPOINTMENT/RE-APPOINTMENT OF AUDITORS

The Company's Auditors, M/s. Zoha Zaman Kabir Rashid & Co. (Member of msi Global Alliance), Chartered Accountants shall retire at the 26th AGM. Being eligible for re-appointment for the year 2025 they have expressed their interest to be re-appointed. Upon appraisal by the Audit Committee, the Board of Directors of the Company recommended the re-appointment of M/s. Zoha Zaman Kabir Rashid & Co., Chartered Accountants, for the year 2025 at a remuneration of Tk. 325,000.00.

COMPLIANCE AUDITORS

The Corporate Governance Auditors, M/s. Jasmin & Associates (Chartered Secretaries), were engaged as Corporate Governance Auditor from 2022. As per regulation M/s. Jasmin & Associates were eligible for reappointment but the Audit Committee in their 48th meeting held on 21.03.2021 opined to appoint the Corporate Governance Auditor for 3 years terms. Therefore, many Compliance Audit firm has expressed their interest to be appointed as Compliance Auditors of the Company. Upon appraisal by the Audit Committee, the Board of Directors of the Company recommended the appointment of M/s. MNA Associates, Chartered Secretaries as Compliance Auditor of the Company for the year 2025 at a remuneration of Tk. 30,000.00.

LIST OF SEPARATE REPORTS, STATEMENTS & ANNEXURES TO THIS REPORT

Here is a list of Annexures to this Report :

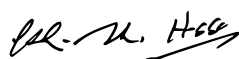
- Annexure-I : Report of Audit Committee
- Annexure-II : Attendance in Meetings of Directors
- Annexure-III : Statement on Remuneration to Directors
- Annexure-IV : Shareholding Pattern as per Corporate Governance Code
- Annexure-V : Management's Discussion and Analysis (MDA)
- Annexure-VI : Dividend Distribution Policy
- Annexure-VII : Certificate on Compliance with the Corporate Governance Code
- Annexure-VIII : Statement on Status of Compliance with the Corporate Governance Code

Here is a list of Separate Reports, Statements that would be treated as integral parts of this Report :

- Biographies of the Chairman, Directors, CEO and Senior Managerial Personnel
- Tables, Graphs and Presentations related to performance of the Company
- Key operating and financial data of preceding 5 (five) years
- Financial Statements (FSs) for the year ended December 31, 2024
- Statement on Internal Audit and Internal Control System
- Statement on Interests of Directors in other companies
- Statement on Risk Management Framework
- Report on Corporate Governance
- Statement of Going Concern
- Auditors' Report on FSs

APPRECIATION & GRATITUDE

We would take the opportunity to thank you, the valued shareholders of the Company, and also to express gratitude to our business partners and clients of all strata for remaining with us through odds and ordeals and offering sustained patronage and support. Our purpose and our strong values are the reasons why we all work for NHFPLC. They are fundamental to everything we do, particularly in times of significant challenges inside and outside the Company. We would also express appreciation of the valuable contributions of the employees of the Company.



(Dr. Khondaker Showkat Hossain)
Chairman

REPORT OF THE AUDIT COMMITTEE

Composition of the Audit Committee

- The Audit Committee is a sub-committee of the Board. The Audit Committee of the Company was last re-constituted on 29 October 2024. This re-constitution was made as per Bangladesh Bank DFIM Circular No. 01 dated 29 February 2024.
- Present Composition of the Audit Committee is as follows:

Sl. No.	Name	Designation	Status in the Committee
01.	Mr. Abdul-Muyeed Chowdhury	Independent Director	Chairman
02.	Mr. A.K.M. Moinuddin FCA	Director	Member
03.	Mr. Md. Khaled Mamun	Director	Member

All the Committee Members are Non-Executive Directors.

- The Company Secretary Mr. Md. Sarwar Kamal FCS acts as the Secretary of the Audit Committee..

Terms of Reference (TOR) of the Audit Committee

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

Functions and Activities of the Audit Committee:

During the year ended 31 December 2024, the Audit Committee

- met 2 (two) times in the year 2024 on 29.07.2024 & 27.10.2024; Mr. Mohammad Shamsul Islam, Managing Director as invitee as Ex-officio and Mr. Prabir Shel, HIAC were present in all meetings; It is mentionable here that Audit committee review the Audited Financial Statements for the year 2023, 1st & 2nd Quarter Financial Statements for the year 2024 in the same meeting due to some pending issues raised on the CL inspection report by FIID, Bangladesh Bank;
- oversaw the financial reporting process;
- monitored choice of accounting policies and principles;
- monitored Internal Audit and Compliance Process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- oversaw hiring and performance of external auditors;
- held meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- reviewed along with the management, the annual financial statements before submission to the Board for approval;
- reviewed along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- reviewed the adequacy of internal audit function;
- reviewed the Management's Discussion and Analysis before disclosing in the Annual Report;
- reviewed statement of all related party transactions submitted by the management;
- reviewed Management Letters or letter of internal control weakness issued by statutory auditors;
- oversaw the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- considered the quality and fees of the Auditors and recommended to the Board for appointment of M/s. Zoha Zaman Kabir Rashid & Co. (member of msi Global Alliance), Chartered Accountant;
- considered the tenure, quality and fees of the Corporate Governance Auditors and recommended to the Board for appointment of M/s. Jasmin & Associates, Chartered Secretaries;

- reviewed impairment methodologies;
- reviewed the Annual Report, these reviews incorporated the accounting policies and key judgments and estimates underpinning the financial statements as disclosed in Notes to the Financial Statements;
- reviewed issues concerning inspection report of Bangladesh Bank;
- reviewed compliance with existing laws and regulations;
- reviewed its Terms of Reference to satisfy itself that they enable the Committee to fulfill its responsibilities;
- reviewed Credit Risk Management Manual;
- reviewed Anti Money Laundering and Combating the Financing of Terrorism Policy;
- reviewed IT policy;
- monitored prevailing of appropriate administration culture;

Reporting by the Audit Committee:

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

On behalf of the Audit Committee



(Abdul-Muyeed Chowdhury)
Chairman
Audit Committee

Dhaka, Dated: 22 June, 2025

ATTENDANCE IN MEETINGS OF DIRECTORS

BOARD MEETING AND ATTENDANCE OF DIRECTORS

During the year 2024, 07 Meetings of the Board were held. Attendance of the Directors is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2024
			Held	Attended	
Mr. Mahbubur Rahman	Eastland Insurance Co. PLC	Chairman	07	07	
Syed M. Altaf Hussain	Pragati Insurance Ltd.	Vice-Chairman	07	04	Retired on 25.09.2024
Mr. Md. Kazim Uddin	National Life Insurance Co. PLC	Director	07	02	Retired on 25.09.2024
Mr. Akhtar Ahmed	Reliance Insurance Co. Ltd.	Director	07	01	Resigned on 27.03.2024
Mr. Md. Khaled Mamun	Reliance Insurance Co. Ltd.	Director	07	05	Appointed on 27.03.2024
Mr. Muminul Haque Chowdhury	Borak Travels (Pvt.) Ltd.	Director	07	00	Resigned on 27.03.2024
Dr. Khondaker Showkat Hossain	Borak Travels (Pvt.) Ltd.	Director	07	05	Appointed on 27.03.2024
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	07	02	Retired on 18.05.2024
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals PLC	Director	07	07	
Mr. A.K.M. Moinuddin	Bangladesh Lamps PLC	Director	07	07	
Mr. Abdul-Muyeed Chowdhury		Independent Director	07	07	
Mr. Siddiqur Rahman Choudhury		Independent Director	07	02	Retired on 31.05.2024
Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio member)	07	07	

EXECUTIVE COMMITTEE MEETING AND ATTENDANCE OF EC MEMBERS

During the year 2024, 08 Meetings of the EC were held. Attendance of the EC members is stated below:

Name of the Directors	Designation	Status in the Committee	Number of Meetings		Change During 2024
			Held	Attended	
Mr. Md. Kabir Reza, FCMA	Director	Chairman	08	08	
Mr. Mahbubur Rahman	Chairman	Member	08	05	Appointed on 27.04.2024
Syed M. Altaf Hussain	Vice Chairman	Member	08	04	Retired on 25.09.2024
Dr. Khondaker Showkat Hossain	Director	Member	08	02	Appointed on 29.10.2024
Mr. A.K.M. Moinuddin, FCA	Director	Member	08	04	Resigned from committee to Comply FC Act 2023 on 29.10.2024
Mr. Abdul-Muyeed Chowdhury	Independent Director	Member	08	02	Resigned from committee to Comply FC Act 2023 on 30.05.2024
Mr. Siddiqur Rahman Choudhury	Independent Director	Member	08	02	Appointed on 27.03.2024
Mr. Mohammad Shamsul Islam	Managing Director	Ex-Officio	08	08	

AUDIT COMMITTEE MEETING AND ATTENDANCE OF AUDIT COMMITTEE MEMBERS

During the year 2024, 02 Meetings of the Audit Committee were held. Attendance of the Audit Committee members is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2024
			Held	Attended	
Mr. Abdul Mueyed Chowdhury	Independent Director	Chairman	02	02	
Mr. Md. Kabir Reza, FCMA	Director	Member	02	00	Resigned from committee to Comply FC Act 2023 on 27.04.2024
Mr. Akhtar Ahmed	Director	Member	02	00	Resigned on 27.03.2024
Mr. Azmal Hossain	Director	Member	02	00	Retired on 18.05.2024
Mr. Siddiqur Rahman Choudhury	Independent Director	Member	02	00	Retired on 31.05.2024
Dr. Khondaker Showkat Hossain	Director	Member	02	02	Appointed on 30.05.2024 and Resigned from committee to Comply FC Act 2023 on 29.10.2024
Mr. Md. Khaled Mamun	Director	Member	02	02	Appointed on 30.05.2024
Mr. Md. Kazim Uddin	Director	Member	02	01	Retired on 25.09.2024
Mr. A.K.M. Moinuddin FCA	Director	Member	02	01	Appointed on 31.07.2024
Mr. Mohammad Shamsul Islam	Managing Director	Ex-Officio	02	02	

RISK MANAGEMENT COMMITTEE MEETING AND ATTENDANCE OF RMC MEMBERS

During the year 2024, 02 Meetings of the Risk Management Committee were held. Attendance of the RMC members is stated below:

Name of the Directors	Nominated by	Designation	Number of Meetings		Change During 2024
			Held	Attended	
Mr. Siddiqur Rahman Choudhury	Independent Director	Chairman	02	00	Retired on 31.05.2024
Mr. Mahbubur Rahman	Chairman	Member/ Chairman	02	02	
Syed M. Altaf Hussain	Vice Chairman	Member	02	01	Retired on 25.09.2024
Mr. Md. Kabir Reza, FCMA	Director	Member	02	02	
Mr. Abdul Mueyed Chowdhury	Independent Director	Chairman	02	02	
Mr. Mohammad Shamsul Islam	Managing Director	Ex-Officio	02	02	

REMUNERATION PAID TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

(INCLUDING AIT EXCLUDING VAT) DURING THE YEAR 2024

(Amount in Taka)

Name of the Directors	Nominated by	Designation	Board Meeting	EC Meeting	Audit Committee Meeting	RMC Meeting	Total
Mr. Mahbubur Rahman	Eastland Insurance Company PLC	Chairman	66,000	50,000	-	20,000	136,000
Syed M. Altaf Hussain	Pragati Insurance Ltd.	Vice-Chairman	36,000	36,000	-	10,000	82,000
Mr. Md. Kazim Uddin	National Life Insurance Co. PLC	Director	18,000	-	10,000	-	28,000
Mr. Akhtar Ahmed	Reliance Insurance Co. Ltd.	Director	8,000	-	-	-	8,000
Mr. Md. Khaled Mamun	Reliance Insurance Co. Ltd.	Director	50,000	-	20,000	-	70,000
Dr. Khondaker Showkat Hossain	Borak Travels (Pvt.) Ltd.	Director	50,000	20,000	20,000	-	90,000
Mr. Azmal Hossain	Eastern Insurance Co. Ltd.	Director	16,000	-	-	-	16,000
Mr. Md. Kabir Reza, FCMA	Square Pharmaceuticals PLC.	Director	66,000	76,000	-	20,000	162,000
Mr. A.K.M. Moinuddin, FCA	Bangladesh Lamps PLC.	Director	66,000	36,000	10,000	-	112,000
Mr. Abdul-Muyeed Chowdhury		Independent Director	66,000	16,000	20,000	20,000	122,000
Mr. Siddiqur Rahman Choudhury		Independent Director	16,000	16,000	-	-	32,000
Mr. Mohammad Shamsul Islam		Managing Director (Ex-Officio member)	-	-	-	-	
Total			458,000	250,000	80,000	70,000	858,000

PATTERN OF SHAREHOLDING AS ON 31ST DECEMBER 2024

On the basis of shareholders types:

Group Name	No. of Shareholder (s)	No. of Shares	Percentage
Company	144	12,896,266	11.02%
General Public	7,301	32,383,661	27.67%
Investor Account	73	1,294,200	1.11%
Mutual Fund	1	200,000	0.17%
Unit Fund	1	141,070	0.12%
NRB	24	8,642	0.01%
Sponsor Share	15	70,107,361	59.90%
Total	7,559	117,031,200	100.00%

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

Shareholding Range	No. of Shareholder (s)	No. of Shares	Percentage
1-500	2,931	535,554	0.46%
501-5000	3,293	6,418,816	5.48%
5001-10000	612	4,678,175	4.00%
10001-20000	383	5,761,506	4.92%
20001-30000	125	3,117,260	2.66%
30001-40000	48	1,696,040	1.45%
40001-50000	29	1,341,498	1.15%
50001-100000	54	4,103,384	3.51%
100001-1000000	64	14,402,566	12.31%
1000001-above	20	74,976,401	64.06%
Total	7,559	117,031,200	100.00%

As per Condition No. 1(5) (xxiii) of the Corporate Governance Code of BSEC:

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

Sl. No	Name of Shareholder	Designation	No. of Share(s) held	Percent (%)
1	Eastland Insurance Co. PLC	Director	2,635,624	2.25
2	Pragati Insurance Ltd.	Sponsor	5,324,462	4.55
3	National Life Insurance Co. PLC	Sponsor	5,635,624	4.82
4	Borak Travels (Pvt.) Ltd.	Director	2,341,000	2.00
5	Eastern Insurance Co. Ltd.	Sponsor	4,669,067	3.99
6	Reliance Insurance Ltd.	Director	5,635,624	4.82
7	Bangladesh Lamps PLC	Director	5,635,603	4.82
8	Square Pharmaceuticals PLC	Director	5,525,795	4.72
9	Sadharan Bima Corporation	Sponsor	5,635,604	4.82
10	Jiban Bima Corporation	Sponsor	5,288,910	4.52
11	United Commercial Bank PLC	Sponsor	5,635,624	4.82
12	IFIC Bank PLC	Sponsor	5,288,910	4.52
13	National Bank PLC	Sponsor	5,643,000	4.82
14	Shaw Wallace Bangladesh Ltd.	Sponsor	2,588,910	2.21
15	HRC Bangladesh Ltd	Sponsor	2,623,604	2.24

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

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

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

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

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

Name of the Executive	Designation	No. of Share(s) held	Percent (%)
Mr. Shital Chandra Saha	Sr. Executive Vice President	Nil	Nil
Mr. Mahbubur Rashid Al-Amin	VP & Head of Business	Nil	Nil
Mr. Md. Mezanur Rahman	SAVP & Head of Accounts	Nil	Nil
Mr. Md. Mozaharul Islam	SAVP & Head of Chattogram Branch	Nil	Nil
Mr. Md. Mahbubur Rahman	VP & Head of Gulshan Branch	Nil	Nil

D. Shareholders holding ten percent (10%) or more voting interest in the company (name wise details): Nil

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

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

1. Overview of the Financial Services Industry:

Over the years, the Government of Bangladesh has introduced several reforms aimed at liberalizing the financial services industry, with a particular focus on expanding financial access to the unbanked populations in rural and remote areas. In line with these efforts, the Government, in collaboration with Bangladesh Bank, has facilitated the entry of new entities such as Mobile Financial Service Providers (MFSPs) into the sector. Additionally, the introduction of "Agent Banking" has allowed banks to reach underserved areas, offering deposit-taking and lending services. This initiative has gained significant traction, with an increasing number of banks establishing dedicated Agent Banking wings.

As of 2024, the financial sector consists of 61 banks and 34 Non-Banking Financial Institutions (NBFIs). While some NBFIs have thrived, others are grappling with rising default loans and an inability to meet their obligations to depositors. The issue of defaulted loans remains a critical concern. According to Bangladesh Bank data, the total amount of defaulted loans in NBFIs reached Tk 27,189 crore, or 33.25% of the total loans, which amounted to Tk 75,450 crore as of December 2024.

Given the challenges facing NBFIs and the ongoing evolution of the financial services landscape, it will be important to monitor the impact of these reforms, especially regarding financial stability and accessibility in underserved regions.

2. Accounting policies and estimation for preparation of financial statements:

Financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore did not take into consideration of the effect of inflation. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act 1994, the Financial Institutions Act 1993, the Finance Company Act, 2023, Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other applicable laws & regulations in Bangladesh and practices generally followed by Housing Finance Institutions.

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

3. Changes in accounting policies and estimation:

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

During the year 2024 the company has not adopted any change in accounting policies and estimates.

4. Comparative financial performances with the peer industry Housing Finance Industry

The banking sector is increasingly emerging as a key player in the housing finance landscape. In recent years, there has been a notable transformation in the composition and scale of total housing loan portfolios. This shift is being driven by a range of positive factors that are expected to support sustained growth in the housing finance industry over the long term.

A major contributor to this momentum is the Government's continued emphasis on its "Housing for All" mission. As part of this initiative, Government employees are now eligible for housing loans at a concessional interest rate of 5.00%, supported by a government subsidy of the same amount.

Furthermore, the growing emphasis on affordable housing is anticipated to significantly stimulate the affordable housing finance sector. The convergence of supportive government policy, favorable interest rates, and increasing demand makes the housing finance sector a vital area of focus for financial institutions.

The Non-Bank Financial Institution (NBFI) industry is characterized by intense competition, with 34 institutions currently operating in the sector. While a number of entities—including commercial banks, Bangladesh House Building Finance Corporation (BHBFC), DBH Financing PLC (DBH), National Housing Finance PLC (NHFPLC), IDLC Finance PLC, and several other NBFIs—are active in the housing loan segment, it is noteworthy that National Housing Finance PLC (NHFPLC) has demonstrated particularly strong performance.

NHFPLC has not only shown consistent growth but has also made substantial disbursements in the real estate sector, positioning itself as a leading player among NBFIs engaged in housing finance.

NHFPLC continued keeping pace outperforming the industry in 2024 in terms of growth of different performance and financial position measures. The movement of growth can be seen by comparing financial data of NHFPLC with industry's financial information.

Particulars	NHFPLC	Average of Top Four NBFIs (In terms of Asset Size)
Total Asset (MN Taka)	17,813.55	83,851.52
Total Equity	2,100.82	9,347.38
HML Loan Portfolio (MN Taka)	13,324.18	21,330.11
Growth	-1.77%	6.70%
Deposit	11,881.33	51,176.03
Growth	-21.31%	-2.12%
Operating Income	524.30	3,122.50
Profit/ (Loss) before provisions	291.70	1,635.32
Net Profit	2.93	746.02
Growth	-97.57%	5.38%
NPL Ratio	11.46%	3.77%
Cumulative Written off loan amount (MN Taka)	584.51	824.57
ROA (Annualized)	0.02%	0.79%
ROE (Annualized)	0.14%	5.47%

Source: Financial Statements as on 31 Dec, 2024

The industry is still burdened with an alarming rate of non-performing loans (NPLs) that make funds costlier and operations riskier. NHFPLC has achieved moderate level of NPL. Most significantly, NHFPLC has tightened its belt and taking coordinated steps to gear up recovery efforts to hold NPL volume to a level where requirements for financial provisions against such loans could be saddled up to a bare minimum with lesser impact on profitability.

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

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

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

The financial year 2024 has been challenging one with an operating environment, constrained margins and rate volatility both deposits and loans rate. However, we have managed to end the year with satisfactory results.

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

Comparative analysis of financial performance

In mn Taka

Particulars	2024	2023	2022	2021	2020	2019
A. Interest Income	1,893.56	1,454.17	1,456.29	1,620.02	1,910.03	2,051.84
B. Profit After Tax	2.93	120.63	263.14	261.29	321.39	236.81
C. Total Asset	17,813.55	20,545.83	18,401.74	19,059.22	17,782.57	18,239.70
D. Shareholders' Equity	2,100.82	2,214.91	2,269.83	2,182.23	2,096.49	1,892.13
E. Profit Margin (B/A)	0.15%	8.30%	18.07%	16.13%	16.83%	11.54%
F. Asset Turnover (A/C)	9.87%	7.47%	7.77%	8.79%	10.60%	10.46%
G. Financial Leverage (C/D)	8.89	8.68	8.41	8.61	9.03	10.70
H. Return on Equity (E*F*G)	0.14%	5.38%	11.82%	12.21%	16.12%	12.92%

Highlights of Key Strengths (DuPont Analysis)

Despite facing numerous external challenges, NHFPLC managed well in 2023 in terms of liquidity, solvency and profitability. Our focus has been on improving asset quality, recovering classified loans, enhancing service excellence and rationalizing costs. The underlying reasons behind this year's financial performance has been noted below:

1. Interest Income

2024 saw a 30% increase interest income to BDT 1,893.56 mn, recovering from a stagnant level in 2023. Drop in 2023 was attributed to Transfer to interest suspense account Decrease in loan portfolio (down 0.44%)

2. Profit After Tax (PAT)

PAT fell drastically in 2024 to BDT 2.93 mn, a 97.57% decline from 2023. This marks the lowest profitability in the 6-year period, driven by Rising cost of funds Higher provisions for potential loan losses Reflects increased credit risk and cost inefficiencies.

3. Asset Base

Total assets declined by 13.3% in 2024, indicating shrinking operations or asset disposals. The continuous decline since 2021 suggests reduced lending activities or portfolio adjustments.

4. Equity Position

Shareholders' equity slightly declined in 2024 after a stable rise, possibly due to reduced earnings retention or dividend payouts.

DuPont Analysis: Key Ratios

A. Profit Margin (Net Profit / Interest Income)

Sharp decline to 0.15% in 2024 from 8.30% in 2023. 2020–2022 period showed robust profit margins (over 16%), suggesting better cost control and asset quality. The 2024 crash in margin underscores weak cost absorption and poor profitability.

B. Asset Turnover (Interest Income / Total Assets)

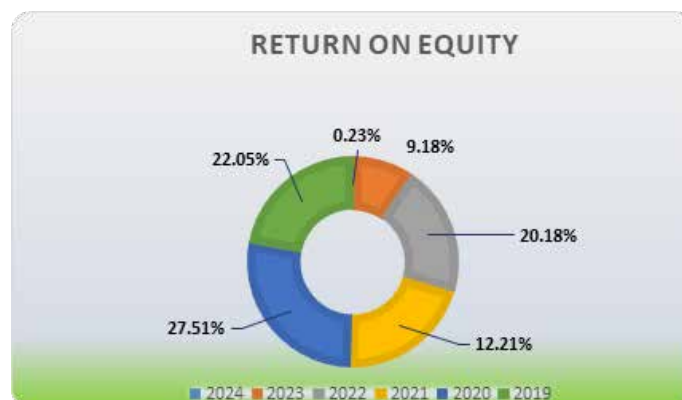
Improved in 2024 to 9.87% due to a smaller asset base and a rebound in interest income. Suggests efficient use of assets to generate income, though profitability remains poor.

C. Financial Leverage (Assets / Equity)

Leverage increased slightly to 8.89x, maintaining historical trends. High leverage amplifies earnings when profitable but increases risk exposure during downturns.

D. Return on Equity (ROE)

ROE dropped sharply to 0.14% in 2024 from 5.38% in 2023 and 11.82% in 2022. ROE deterioration reflects the collapse in both profit margin and earnings quality, despite stable asset turnover and leverage.



Strategic Insights & Recommendations

A. Cost Management Critical:

Despite growth in interest income, profitability is severely eroded by rising cost of funds and provisions. NHFPLC must renegotiate deposit rates and optimize funding sources.

B. Focus on Loan Recovery & Asset Quality:

Increased provisions suggest deteriorating asset quality. Strengthening credit risk assessment and loan recovery mechanisms is essential.

C. Capital Efficiency & Leverage:

Continued high leverage can magnify risk. Reassessing capital structure and ensuring optimal capital adequacy would improve resilience.

D. Sustainable Profit Margins:

Historic profit margins above 10% are achievable if operational costs and loan quality are managed.

Efficiency initiatives should continue.

E. Improved Governance and Compliance:

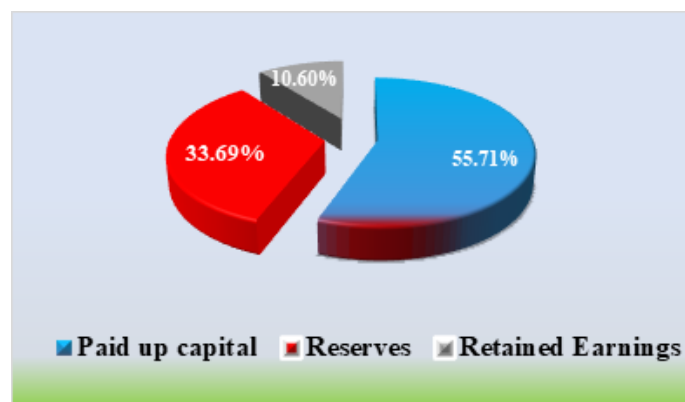
Policy changes (e.g., BB's interest rate liberalization) require agile management response. NHFPLC must enhance compliance and treasury management to navigate macroeconomic shifts.

Capital Adequacy Ratio

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

Shareholders Fund:

Shareholders' Funds-2024



Earnings per share (BDT)



The earnings per share of the company has decreased to Tk. 0.03 in 2024 from Tk. 1.03 in 2023.

Cash Flow Analysis

Particulars	2024	2023	2022	2021	2020
i) Net cash flows from operating activities	(2,536.43)	2,949.76	(2,242.49)	1,077.43	592.01
ii) Net cash used in investing activities	(297.70)	(353.46)	(482.08)	(32.89)	(691.86)
iii) Net cash used in financing activities	254.20	(618.62)	1,088.91	(143.09)	(896.78)
iv) Net increase /(decrease) in cash and cash equivalents (i+ii+iii)	(2,579.93)	1,977.67	(1,635.67)	901.45	(996.63)
v) Cash and cash equivalents at the beginning of the year	4,038.51	2,060.83	3,696.50	2,795.05	3,791.68
vi) Cash and cash equivalents at the end of the year (iv+v)	1,458.57	4,038.51	2,060.83	3,696.50	2,795.05

Cash Flow from Operating Activities

In 2024, net cash flow from operating activities decreased by BDT 2,536.43 million compared to the previous year. This decline was primarily due to the settlement of customer deposits during the year.

Cash Flow from financing activities

During the year, the company secured a bank loan amounting to BDT 371.23 million. Additionally, it paid out cash dividends totaling BDT 117.03 million.

Overall scenario

As a result of these activities, the company's cash and cash equivalents decreased to BDT 1,458.57 million as of 2024, down from BDT 4,038.50 million in 2023.

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

NHFPLC remains committed to delivering sustainable value to its stakeholders by maintaining an appropriate balance between risk and return. The Company has implemented a well-structured and proactive risk management framework to effectively identify, assess, and manage key risks, including credit, market, liquidity, and operational risks.

Comprehensive details of the Company's risk management practices and policies are provided in Note 3.13 of the Financial Statements, on page [insert page number] of this Annual Report.

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

We would like to inform you that NHFPLC plans to continue its operations with a steady and focused outlook. Taking into account the current market conditions, the Company has formulated its Annual Business Plan for the year 2024.

As per the plan, the total disbursement target for the year is projected at BDT 2,743.00 million. NHFPLC remains committed to delivering healthy returns to its shareholders, consistent with its performance in previous years.

7. Capital Adequacy Ratio (CAR)

We are pleased to inform you that the Capital Adequacy Ratio (CAR) of NHFPLC for the year 2024 stands at 17.53%, well above the minimum regulatory requirement of 10% as set by Bangladesh Bank. This reflects an improvement from the previous year's CAR of 16.37%, representing a notable increase of 7.08% in the Company's capital reserves.

This upward trend underscores NHFPLC's strong capital position relative to its risk-weighted assets, reinforcing its financial resilience and its capacity to absorb potential shocks. It also positions the Company well to pursue strategic growth opportunities moving forward.

8. Deposit Mobilization and Portfolio:

NHFPLC's loan portfolio is mainly funded by its deposit base, which was Tk. 11,881.32 million in 2024 and Tk. 15,098.89 million in 2023. Despite the significant change, the company has been able to maintain enough liquidity to meet deposit repayments, both at maturity and in case of early withdrawals. This reflects NHFPLC's strong focus on managing its deposits and liquidity during a challenging economic period.

However, I noticed that the weighted average interest rate on deposits was stated as 10.15% at the beginning of 2024 and 7.77% on December 31, 2023. Could you please clarify this? It seems the rate at the start of 2024 is higher than at the end of 2023, which may indicate a discrepancy or require some explanation.

9. Earnings Per Share (EPS):

Despite the recent economic challenges, NHFPLC has been able to maintain its Earnings Per Share (EPS) at a level of 0.03 in 2024, compared to 1.03 in the previous year. While there has been a decline, the Company's ability to sustain a positive EPS in a distressed economic environment reflects its resilience and the effectiveness of the proactive measures undertaken to mitigate the impact of market downturns.

This performance highlights NHFPLC's commitment to maintaining financial stability and operational efficiency during periods of economic uncertainty.

10. Dividend Payout Ratio:

NHFPLC has consistently upheld its commitment to delivering value to its shareholders through regular dividend payments. In line with this practice, the Company has proposed a 10% cash dividend for the year 2024, which represents 100% of the net profit after tax.

Over the past five years, NHFPLC has maintained a strong dividend payout track record, distributing dividends ranging from 50% to 84% annually, aligned with its earnings performance and Earnings Per Share (EPS). This consistent dividend policy reflects the Company's stable financial position and its focus on enhancing shareholder value.

Conclusion

Our ear-to-the-ground approach has enabled us to continuously innovate and adapt our products in alignment with evolving customer needs. A key strength of NHFPLC lies in our ability to consistently attract and retain the right talent for the right roles, particularly in critical management positions. This is complemented by a well-informed and empowered Board of Directors, which plays a vital role in enabling timely and effective decision-making.

Together, these elements allow us to optimize resource allocation and swiftly respond to changing market dynamics. In light of the current environment and with expectations of gradual recovery from the COVID-19 impact, NHFPLC is targeting cautious yet healthy earnings growth in the coming year. Looking ahead to the medium term, we plan to accelerate our pace by leveraging opportunities presented by the country's expanding economy.

With a strong track record of management excellence, a solid reputation in the market, and strong relationships with developers and stakeholders, we believe the Company is well-positioned to capitalize on future growth opportunities.



(Mohammad Shamsul Islam)
Managing Director & CEO
Dhaka, , Dated 29 June 2025

DIVIDEND DISTRIBUTION POLICY

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

- (1) The company pay off the annual or final dividend to the entitled shareholder, within 30 (thirty) days of approval in the AGM. Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (thirty) days of record date.
- (2) Cash dividend distributed in the following manner and procedures, namely:-
 - (i) The company pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
Provided that the company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
 - (ii) The company, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;
 - (iii) The company, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, issue cash dividend warrant and send it by post to the shareholder;
 - (iv) The company pay off cash dividend to non-resident sponsor, director, shareholder, or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
 - (v) The company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder;
 - (vi) The company maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder;
Provided that the company publish the year-wise summary of its unpaid or unclaimed dividend in the website:
Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the company as maintained for this purpose, within 1 (one) year from the date of approval or record date, as the case may be.
- (3) The company credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);
- (4) The company follow the provisions of শ্রবিস্থান ৪৬ of the ডিপজিটরি (ব্যবহারিক) শ্রবিস্থানমাল্লা, ২০০৩ for issuance of bonus shares:
Provided that the company maintains a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:
 - (i) The company send at least 3 (three) reminders to the entitled shareholder;
 - (ii) The Suspense BO Account held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the company:
Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares credited to the Suspense BO Account.
 - (iii) The company, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange(s);
 - (iv) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares remain suspended till the rightful ownership claim of the shareholder is established.
- (5) The company submit a compliance report to the Commission and the exchange(s) in a specified format, within 7 (seven) working days of completion of dividend distribution:
Provided that the company publish the compliance report in its website.
- (6) The company not forfeits any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Annexure VII

Jasmin & Associates
Chartered Secretaries

Report to the Shareholders of National Housing Finance PLC. on Compliance on the Corporate Governance Code

We have examined the Compliance status to the Corporate Governance Code by National Housing Finance PLC. for the year ended on December 31, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

For: **Jasmin & Associates**
Chartered Secretaries

Place : Dhaka, Bangladesh
Dated : August 26, 2025



J. Akter
Jasmin Akter, FCS
Managing Partner

55/B Noakhali Tower (10th Floor), Suite : 11-F, Purana Paltan, Dhaka-1000, www.jasminandassociates.com
E-mail: jasminandassociates@gmail.com, jasminmizan123@yahoo.com, Phone : 02-9574125, 01712644440, 01711-076815

STATEMENT ON STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

[As per Annexure-C and Condition No. 1(5)(xxvii) of the Corporate Governance Code]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:
(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors: [Number of Board Members to be 5–20]	✓		
1(2)	Independent Directors:			
1(2)(a)	Number of Independent Director [No. of IDs to be at least 2(two) and (1/5) of total number]	✓		
1(2)(b)(i)	ID(s) to hold no share or less than 1% shares	✓		
1(2)(b)(ii)	ID(s) not to be a sponsor or connected with any sponsor or director or shareholder holding 1% or more shares on the basis of family relationship	✓		
1(2)(b)(iii)	ID(s) not to be an executive of the company in immediately preceding two financial years	✓		
1(2)(b)(iv)	ID(s) not to have any pecuniary or otherwise relationship with the company or its subsidiary /associated companies	✓		
1(2)(b)(v)	ID(s) not to be member/ TREC holder/ director/ officer (excepting ID) of any stock exchange	✓		
1(2)(b)(vi)	ID(s) not to be shareholder/ director/ officer of any member or TREC holder of stock exchange or intermediary of capital market	✓		
1(2)(b)(vii)	ID(s) not to be partner/ executive at present or during preceding 3 years of the company's statutory audit firm or firm engaged in internal audit or special audit or professional certifying compliance of the Code	✓		
1(2)(b)(viii)	ID(s) not to be ID in more than five listed companies	✓		
1(2)(b)(ix)	ID(s) not been reported as a defaulter in the latest CIB of Bangladesh Bank	✓		
1(2)(b)(x)	ID(s) not having been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	Appointment(s) of ID(s) made by the Board subject to prior consent of the Commission, after due recommendation of NRC and approved in the AGM	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
1(2)(d)	Post of ID not to remain vacant for more than 90 days		✓	<p>As per BB new circular the position of 1 (one) ID has become vacant on 30.05.2024. The Board in their 256th meeting held on 30 May 2024 appointed Mr. Jalal Ahmed as ID subject to NoC from BB and BSEC. But, BB & BSEC advised to submit NoC from the competent authority as Mr. Ahmed has been appointed as Chairman of the BERC. The BoD, in its 259th Meeting held on 29 October 2024, has appointed Ms. Mahmuda Begum as ID for a term of three (3) years subject to NoC from BB and BSEC and confirmation from the shareholders in the upcoming AGM.</p>
1(2)(e)	Tenure of an ID to be 3 years (may be extended for 1 tenure only and may be reappointed after a gap of 1 tenure after completion of 2 tenures)	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
1(3)	Qualification of Independent Director:			
1(3)(a)	An ID to be a knowledgeable individual with integrity, being able to ensure compliance with financial laws, regulatory requirements and corporate laws and having ability make meaningful contribution to the business	✓		
1(3)(b)(i)	Business Leader (is or was a promoter/director of unlisted co. having minimum paid-up capital of Tk.100.00 million or any listed company or a member of chamber/association)			NA
1(3)(b)(ii)	An ID to be a Corporate Leader (being present or former MD/ CEO/ AMD/ DMD/ COO/ CFO/ CS/ HIAC/ HAHR/ Equivalent of a company listed or having paid-up capital of 100 million)			NA
1(3)(b)(iii)	An ID to be a former official of government or statutory or autonomous or regulatory body in not below 5th Grade having Degree in Economics/ Commerce/ Law: Provided that in case of appointment of existing official clearance from competent authority required	✓		
1(3)(b)(iv)	An ID to be a University Teacher having educational background in Economics/ Commerce/ Business/ Law			NA
1(3)(b)(v)	An ID to be a Professional (Advocate of Bangladesh Supreme Court/ CA/ C&MA/ CFA/ CCA/ CPA/ CMA/ CS or Equivalent)			NA
1(3)(c)	An ID to have at least 10 (ten) years of experiences	✓		
1(3)(d)	Relaxing Qualifications/Experiences subject to prior approval of the Commission in special cases	✓		
1(4)	Duality of Chairperson and MD or CEO:			
1(4)(a)	Positions of Chairperson and MD and/or CEO to be filled by different individuals	✓		
1(4)(b)	MD and/or CEO of a listed company not to hold the same position in another listed company	✓		
1(4)(c)	Chairperson to be elected from among the Non-Executive Directors	✓		
1(4)(d)	Board to clearly define respective roles and responsibilities of Chairperson and MD and/or CEO	✓		
1(4)(e)	In absence of Chairperson in a Board Meeting, to elect an Non-Executive Director as Chairperson for that meeting; and reason of such absence to be duly recorded in the minutes			NA
1(5)	Directors' Report (DR) to Shareholders:			
1(5)(i)	DR to include Statement on Industry Outlook and possible future developments	✓		
1(5)(ii)	DR to include Statement on Segment-wise or Product-wise Performance			NA
1(5)(iii)	DR to include Statement on risks and concerns	✓		
1(5)(iv)	DR to include Statement on COGS, Gross Profit and Net Profit Margins	✓		
1(5)(v)	DR to include Statement on Continuity of Extra-Ordinary Activities and their implications (gain or loss)			NA
1(5)(vi)	DR to include Statement on nature of related party and amount, nature and basis of related party transactions	✓		
1(5)(vii)	DR to include Statement on utilization of proceeds raised through public issues, rights issues and/or any other instruments			NA
1(5)(viii)	DR to include Explanation, if financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc			NA
1(5)(ix)	DR to include Explanation about significant variance between Quarterly and Annual Financial Statements	✓		
1(5)(x)	DR to include Statement on Remuneration to Directors including IDs	✓		
1(5)(xi)	DR to include Disclosure on Preparation of and Fair Presentation in the Financial Statements	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
1(5)(xii)	DR to include Disclosure on Maintaining proper books of account	✓		
1(5)(xiii)	DR to include Disclosure on Consistent Application of appropriate accounting policies, and accounting estimates being reasonable and prudent	✓		
1(5)(xiv)	DR to include Disclosure on Following Applicable IAS/IFRS, and adequate disclosure for any departure there-from, if any	✓		
1(5)(xv)	DR to include Disclosure on Soundness in Design and effective implementation and monitoring of Internal Control System	✓		
1(5)(xvi)	DR to include Disclosure on Protection of Minority Shareholders from abusive actions by, or in the interest of, controlling shareholders, and having effective means of redress	✓		
1(5)(xvii)	DR to include Statement on ability of the Company to continue as a going concern or disclosure of inability to be going concern along with facts and reasons thereof	✓		
1(5)(xviii)	DR to include Statement on significant deviations from last year's operating results highlighting reasons thereof	✓		
1(5)(xix)	DR to include summary of key operating and financial data of last 5 years	✓		
1(5)(xx)	DR to include Statement on reasons for non- declaration of Dividend (cash or stock) for the year			NA
1(5)(xxi)	DR to include Statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	✓		
1(5)(xxii)	DR to include Statement on Number of Board Meetings held and attendance of each director	✓		
1(5)(xxiii)	DR to include Report on Pattern of Shareholding:	✓		
1(5)(xxiii)(a)	DR to include disclosure of aggregate number of shares held by Parent/ Subsidiary/ Associated Com. and other related parties (name-wise details)	✓		
1(5)(xxiii)(b)	DR to include disclosure of aggregate number of shares held by Directors, CEO, CS, CFO, HIAC and their spouses & children (name-wise details)	✓		
1(5)(xxiii)(c)	DR to include disclosure of aggregate number of shares held by Top 5 Salaried Employees other than Directors, CEO, CS, CFO and HIAC	✓		
1(5)(xxiii)(d)	DR to include disclosure of aggregate number of shares held by Shareholders holding 10% or more voting interest (name-wise details)	✓		
1(5)(xxiv)	In case of appointment/ re-appointment of a director, disclosure to be made to the shareholders:			
1(5)(xxiv)(a)	DR to include a brief resume of the director, in case of his/her appointment/ re-appointment	✓		
1(5)(xxiv)(b)	DR to include a disclosure regarding nature of expertise in specific functional areas of the director, in case of his/her appointment/ re-appointment	✓		
1(5)(xxiv)(c)	DR to include a disclosure regarding names of companies in which the director holds directorship and membership of committees of the board, in case of his/her appointment/ re-appointment	✓		
1(5)(xxv)	DR to include Management's Discussion and Analysis (MDA) signed by CEO or MD:			
1(5)(xxv)(a)	DR to include MDA having brief discussion focusing on accounting policies & estimation for preparation of FSs	✓		
1(5)(xxv)(b)	DR to include MDA having brief discussion focusing on changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		
1(5)(xxv)(c)	DR to include MDA having brief discussion focusing on comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current year with immediate preceding five years explaining reasons thereof	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
1(5)(xxv)(d)	DR to include MDA having brief discussion focusing on comparison of financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	DR to include MDA having brief discussion focusing on brief explanation of the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	DR to include MDA having brief discussion focusing on risks and concerns issues related to FSs, explaining such risk and concerns mitigation plan of the company	✓		
1(5)(xxv)(g)	DR to include MDA having brief discussion focusing on future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position	✓		
1(5)(xxvi)	DR to include declaration or certification by the CEO and the CFO to the Board under condition No. 3(3)	✓		
1(5)(xxvii)	DR to include the report as well as certificate regarding compliance of conditions as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
1(5)(xxviii)	DR does not include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		
1(6)	Meetings of the Board of Directors: To conduct Board Meetings, to record minutes and to keep required books and records in line with BSS	✓		
1(7)	Code of Conduct for Chairperson, other Board Members and CEO:			
1(7)(a)	Code of Conduct (COC) for Chairperson, other board members and CEO to be laid down by the Board based on recommendation of NRC	✓		The Board has laid down a code of conduct
1(7)(b)	COC, as recommended by NRC, including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency, to be posted on company's website	✓		The code of conduct as laid down by the Board has been posted on the website
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of the holding company to be made applicable to the composition of the Board of the subsidiary company			NA
2(b)	At least one ID to be common on the boards of both holding and subsidiary companies			NA
2(c)	Minutes of Board Meeting of subsidiary co. to be placed for review at the following Board Meeting of holding co.			NA
2(d)	Minutes of respective Board Meeting of holding co. to state that affairs of subsidiary co. have been reviewed			NA
2(e)	Audit Committee of holding company to review FSs, particularly the investments of subsidiary company			NA
3	MD / CEO, CFO, HIAC and CS			
3(1)	Appointment:			
3(1)(a)	Board to appoint MD/CEO, CS, CFO and HIAC	✓		
3(1)(b)	Positions of MD/CEO, CS, CFO and HIAC to be filled by different individuals	✓		
3(1)(c)	MD or CEO, CS, CFO and HIAC not hold any executive position in any other company at the same time	✓		
3(1)(d)	Board to clearly define respective roles, responsibilities and duties of CFO, HIAC and CS	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
3(1)(e)	MD/CEO, CS, CFO and HIAC not to be removed from their position without approval of the Board as well as immediate dissemination to BSEC and stock exchanges			NA
3(2)	Requirement to attend Board Meetings: MD/CEO, CS, CFO and HIAC to attend the meetings of the Board except such part of a meeting involving consideration of agenda item of their personal matters	✓		
3(3)	Duties of MD/CEO and CFO:			
3(3)(a)(i)	MD/CEO and CFO to certify, to the best of their knowledge and belief, that they have reviewed the FSs which omit no material fact or contain no materially untrue or misleading statement	✓		
3(3)(a)(ii)	MD/CEO and CFO to certify, to the best of their knowledge and belief, that they have reviewed the FSs which together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
3(3)(b)	MD/CEO and CFO to certify that no transaction is fraudulent, illegal or in violation of company's code of conduct for the company's Board or its members	✓		
3(3)(c)	Certification of MD/CEO and CFO to be disclosed in the Annual Report	✓		
4	BOARD'S COMMITTEE For ensuring good governance in the company, at least			
4(i)	Board to have Audit Committee as its sub-committee	✓		
4(ii)	Board to have Nomination and Remuneration Committee (NRC) as its sub-committee			As per Bangladesh Bank DFIM circular letter No. 18 dated: 21.08.2024 Audit Committee act as NRC.
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors:			
5(1)(a)	Company to have Audit Committee as a sub-committee of the Board	✓		
5(1)(b)	Audit Committee to assist the Board in ensuring the financial statements to reflect true and fair view of company's affairs and a good monitoring system	✓		
5(1)(c)	Audit Committee to be responsible to the Board; duties of Audit Committee to be clearly set forth in writing	✓		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	Audit Committee to be composed of at least 3 members	✓		
5(2)(b)	Members of Audit Committee to be non-executive directors excepting Chairperson, to be appointed by the Board, to include at least one ID	✓		
5(2)(c)	All Members of Audit Committee to be "financially literate"; at least one to have accounting or related financial management expertise with at least 10 years of corporate management or professional experiences	✓		
5(2)(d)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately or not later than 60 (sixty) days			NA
5(2)(e)	CS to act as the secretary of Audit Committee	✓		
5(2)(f)	No quorum in Audit Committee meeting to constitute without at least one ID	✓		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	Chairperson of Audit Committee to be an ID, to be selected by the Board	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
5(3)(b)	In the absence of Chairperson of Audit Committee, one member to be elected as Chairperson for that meeting if there is a quorum and the reason of absence of the regular Chairperson to be duly recorded in the minutes			NA
5(3)(c)	Chairperson of Audit Committee, or in absence of Chairperson any member to be selected, to remain present in AGM, and reason for absence of regular Chairperson to be recorded in the minutes of AGM	✓		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	Audit Committee to conduct at least four meetings in a financial year; and to have authority to convene emergency meeting at the request of any member of the Committee		✓	The Audit Committee review the Audited Financial Statements for the year 2023, 1st & 2nd Quarter Financial Statements for the year 2024 in the same meeting due to some pending issues raised on the CL inspection report by FIID, Bangladesh Bank.
5(4)(b)	Quorum of Audit Committee Meeting to be constituted in presence of two members or two thirds of members, whichever is higher, presence of an ID is a must	✓		
5(5)	Role of Audit Committee (AC):			
5(5)(a)	AC to oversee the financial reporting process	✓		
5(5)(b)	AC to monitor choice of accounting policies and principles	✓		
5(5)(c)	AC to monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and to review the Internal Audit and Compliance Report	✓		
5(5)(d)	AC to oversee hiring and performance of external or statutory auditors	✓		
5(5)(e)	AC to hold meeting with the auditors or statutory for review of annual FSs before submission to the Board	✓		
5(5)(f)	AC to review along with the management, annual FSs before submission to the Board	✓		
5(5)(g)	AC to review along with the management, quarterly and half yearly FSs before submission to the Board	✓		
5(5)(h)	AC to review the adequacy of internal audit function	✓		
5(5)(i)	AC to review MDA before disclosing in Annual Report	✓		
5(5)(j)	AC to review statement of all related party transactions	✓		
5(5)(k)	AC to review Management Letters or Letter of Internal Control Weakness issued by statutory auditors	✓		
5(5)(l)	AC to oversee the determination of audit fees and to evaluate the performance of external auditors	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
5(5)(m)	AC to oversee whether the proceeds raised through IPO or RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by BSEC Management to disclose to the AC, on quarterly basis, about uses of the proceeds by major category Company to prepare, on annual basis, a statement of proceeds utilized for the purposes other than those stated in offer document or prospectus for publication in Annual Report along with comments of the AC			NA
5(6)	Reporting of the Audit Committee:			
5(6)(a)	Reporting to the Board of Directors:			
5(6)(a)(i)	Audit Committee to report on its activities to the Board	✓		
5(6)(a)(ii)(a)	Audit Committee to report on conflicts of interests, if any, to the Board immediately			NA
5(6)(a)(ii)(b)	Audit Committee to report on suspected/presumed fraud or irregularity or material defect in internal control process or in FSs, if any, to the Board immediately			NA
5(6)(a)(ii)(c)	Audit Committee to report on suspected infringement of laws, regulatory compliances including securities related laws, rules, regulations, if any, to the Board immediately			NA
5(6)(a)(ii)(d)	Audit Committee to report on any other matter which it deems necessary to disclose to the Board immediately			NA
5(6)(b)	Reporting to the Authorities: Audit Committee to report its findings to BSEC, if it finds that the rectification proposed to the Board has been unreasonably ignored, upon reporting of such matters to the Board for three times or completion six months from the date of first reporting, whichever is earlier			NA
5(7)	Reporting to Shareholders and General Investors: Report on activities of Audit Committee during the year to be signed by its Chairperson of Audit Committee and to be disclosed in the Annual Report	✓		
6	NOMINATION AND REMUNERATION COMMITTEE (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	Company to have NRC as sub-committee of the Board			As stated in condition 4(ii) of the above
6(1)(b)	NRC to assist the Board in formulation of nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives and policy for formal process of considering their remuneration	✓		
6(1)(c)	ToR of NRC to be clearly set forth in writing covering the areas stated at the condition no. 6(5)(b)	✓		
6(2)	Constitution of the NRC:			
6(2)(a)	NRC to comprise at least 3 members including an ID	✓		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		
6(2)(c)	NRC Members to be nominated/appointed by the Board	✓		
6(2)(d)	Board to have authority to remove and appoint any member of NRC	✓		
6(2)(e)	Board to fill vacancy in the NRC within 180 days of occurring any vacancy	✓		
6(2)(f)	Chairperson of NRC to have discretion to appoint or co-opt any external expert and/or member(s) of staff as advisor / non-voting member, if advice or suggestion from such person is felt required or valuable for NRC	✓		
6(2)(g)	The Company Secretary to act as secretary of NRC	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
6(2)(h)	Quorum of NRC meeting not to constitute without an ID	✓		
6(2)(i)	No member of NRC to receive any remuneration, directly or indirectly, for any advisory or consultancy or otherwise, other than Director's Fees or Honorarium	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	Chairperson of NRC to be an ID, selected by the Board	✓		
6(3)(b)	In the absence of Chairperson of NRC, one of the members to be elected as Chairperson for that meeting if there is a quorum and the reason of absence of the regular Chairperson to be duly recorded in the minutes			N/A
6(3)(c)	Chairperson of NRC, or in absence of Chairperson any member to be selected, to remain present in AGM to answer the queries of the shareholders, and reason for such absence to be recorded in the minutes of AGM	✓		
6(4)	Meeting of the NRC			
6(4)(a)	NRC to conduct at least one meeting in a financial year			N/A
6(4)(b)	Chairperson of NRC to have discretion to convene any emergency meeting upon request by any member			N/A
6(4)(c)	Quorum of NRC meeting to be constituted in presence of two members or two thirds of members, whichever is higher, where presence of an ID is a must			N/A
6(4)(d)	Proceedings of each meeting of NRC to be duly recorded in the minutes and such minutes to be confirmed in the next meeting of NRC			N/A
6(5)	Role of the NRC			
6(5)(a)	NRC to be independent and responsible or accountable to the Board and to the shareholders	✓		
6(5)(b)	NRC to oversee, among others, the specified matters and to make report with recommendation to the Board:	✓		
6(5)(b)(i)	NRC to oversee formulating criteria for determining qualifications, positive attributes and independence of a director and to recommend a policy to the Board, relating to remuneration of directors and top level executives	✓		
6(5)(b)(i)(a)	While formulating Nomination & Remuneration Criteria or Policy and making report with recommendation to the Board, NRC to consider the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6(5)(b)(i)(b)	While formulating Nomination & Remuneration Criteria or Policy and making report with recommendation to the Board, NRC to consider the relationship of remuneration to performance to be clear and to meet appropriate performance benchmarks	✓		
6(5)(b)(i)(c)	While formulating Nomination & Remuneration Criteria or Policy and making report with recommendation to the Board, NRC to consider the remuneration to directors and top level executives to involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	✓		
6(5)(b)(ii)	NRC to oversee devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality, and to make report with recommendation to the Board	✓		
6(5)(b)(iii)	NRC to oversee identifying persons who are qualified to become directors and who may be appointed in top level executive positions in accordance with the criteria laid down, and to recommend their appointment and removal to the Board	✓		
6(5)(b)(iv)	NRC to oversee formulating the criteria for evaluation of performance of independent directors and the Board, and to make report with recommendation to the Board	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
6(5)(b)(v)	NRC to oversee identifying the company's needs for employees at different levels and determining their selection, transfer, replacement and promotion criteria, and to make report with recommendation to the Board	✓		
6(5)(b)(vi)	NRC to oversee developing, recommending and reviewing annually the company's human resources and training policies, and to make report with recommendation to the Board	✓		
6(5)(c)	Company to disclose nomination and remuneration policy, evaluation criteria and the activities of NRC during the year at a glance in the annual report	✓		
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	External or Statutory Auditors ["Auditors"] not to be engaged to perform certain services of the company:	✓		
7(1)(i)	Auditors not to be engaged to perform appraisal or valuation services or fairness opinions	✓		
7(1)(ii)	Auditors not to be engaged to perform designing and implementation of Financial Information Systems	✓		
7(1)(iii)	Auditors not to be engaged to perform Book Keeping or other services related to the accounting records or FSs	✓		
7(1)(iv)	Auditors not to be engaged in Broker-Dealer services	✓		
7(1)(v)	Auditors not to be engaged in Actuarial services	✓		
7(1)(vi)	Auditors not to be engaged to perform Internal Audit services or special audit services	✓		
7(1)(vii)	Auditors not to be engaged to perform any service that the Audit Committee determines	✓		
7(1)(viii)	Auditors not to be engaged to perform Audit or Certification Services on Compliance of Corporate Governance as required under condition no. 9(1)	✓		
7(1)(ix)	Auditors not to be engaged to perform any other service that creates conflict of interest	✓		
7(2)	No partner or employee of the external audit firms or his/her family members to possess any share during the tenure of assignment	✓		
7(3)	Representative of external or statutory auditors to remain present in the Shareholders' Meetings (AGM or EGM) to answer the queries of the shareholders	✓		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company to have an official website linked with the website of the stock exchange	✓		
8(2)	The company to keep the website functional from the date of listing	✓		
8(3)	The company to make available detailed disclosures on the website as required under the listing regulations	✓		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	Company to obtain a certificate from Practicing CA, CMA or CS regarding Compliance of Conditions of the Code and to disclose such certificate in Annual Report	✓		
9(2)	The professional providing certificate on compliance of the Code to be appointed by the shareholders in AGM	✓		
9(3)	Directors to state in DR, in accordance with Annexure-C of the Code, whether all conditions of the Code have been complied with or not	✓		

REPORT ON CORPORATE GOVERNANCE

The term Corporate Governance refers to the processes of making decisions and implementing them in accordance with the rules and laws by which businesses are regulated, controlled and operated by the Board and the Management of a corporate entity in order to ensure proper protection of the interests of its valued shareholders and other stakeholders. The philosophy of corporate governance establishes mechanisms for achieving transparency, accountability and integrity between the Board, Senior Management and Shareholders aiming to meet the obligations to and protecting the interests of all stakeholders.

To ensure effective corporate governance the Board of NHFPLC puts together company's strategic policies and objectives of the company with the frame work of corporate governance clearly defining the responsibilities of the Board and the Management and also of the employees of the Company and maintaining full compliance with applicable laws, rules and regulations.

Bangladesh Securities and Exchange Commission has issued Corporate Governance Code and thereby imposed various conditions which are mandatory to comply with by all the issuers of securities listed with the stock exchanges of Bangladesh. NHFPLC ensures compliance with all applicable conditions of the said Code.

The Status of Corporate Governance prevailing in NHFPLC is summarized in this report.

BOARD OF DIRECTORS, CHAIRMAN AND MANAGING DIRECTOR

Composition of NHFPLC's Board of Directors

In the year 2024, the Board of NHFPLC comprises 5 (five) Nominee Directors and 1 (one) Independent Director (all being Non-Executive Directors) while the Managing Director in an Ex-officio Member of the Board. As per Bangladesh Bank new circular the position of 1 (one) Independent Director has become vacant on 30 May 2024. The Board in their 256th meeting held on 30 May 2024 appointed Mr. Jalal Ahmed as Independent Director of the company subject to No Objection Certificate (NOC) from both Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC). Later on, Bangladesh Bank & BSEC advised to submit NoC from the competent authority of the Government of Bangladesh, at the meantime Mr. Jalal Ahmed has been appointed as Chairman of the Bangladesh Energy Regulatory Commission (BERC). Consequently, the Board of Directors, in its 259th Meeting held on 29 October 2024, has decided to appoint Ms. Mahmuda Begum as Independent Director for a term of three (3) years subject to NoC from Bangladesh Bank and BSEC and confirmation from the shareholders in the upcoming AGM. After receiving NoCs from both the authorities (i.e. Bangladesh Bank & BSEC) Ms. Mahmuda Begum joined in the company as Independent Director on 20 February 2025.

Accordingly, to comply the Finance Company Act 2023 the tenure of directorship of Mr. Mahbubur Rahman, Director & Chairman and Mr. Md. Kabir Reza FCMA, Director & Chairman-Executive Committee of the Company have been completed on 02 June 2025. In this regards the BoD of NHFPLC has been elected Dr. Khondaker Showkat Hossain as Chairman till New Chairman has been elected. Therefore, 'Eastland Insurance Company PLC' letter dated 24.06.2025 has nominated Mr. Muhammad A. (Rume) Ali as a Director representing Eastland Insurance Company PLC instead of Mr. Mahbubur Rahman and 'Square Pharmaceuticals PLC' letter dated 25 June 2025 has nominated Mr. Md. Mohsin Hassan as a Director representing Square Pharmaceuticals PLC instead of Mr. Kabir Reza FCMA in the Board of National Housing Finance PLC which are waiting for Bangladesh Bank approval.

The Directors hold regular meetings for smooth functioning of the Company. The Board has laid down a Code of Conduct for all Directors.

Present Board of Directors

[as on 1st July 2025]

Name & Description of Director	Position in NHFPLC
Dr. Khondaker Showkat Hossain [Representing Borak Travels (Pvt.) Limited]	Chairman
Mr. Abdul-Muyeed Chowdhury	Independent Director & Chairman Audit Committee
Mr. Mohammad Khaled Mamun FCII (UK) [Representing Reliance Insurance Ltd.]	Director
Mr. A.K.M. Moinuddin, FCA [Representing Bangladesh Lamps PLC]	Director
Ms. Mahmuda Begum	Independent Director
Mr. Mohammad Shamsul Islam	Managing Director & Ex-officio Member

Disclosure regarding Knowledge and Independence of Non-Executive Directors

All the Directors including Chairman excluding Managing Director are Non-Executive Directors who are independent for the day-to-day functions and activities of the Company. Directors possess thorough knowledge, and a good number of Directors have expertise, in Corporate Laws, Business and Finance & Accounting.

Meetings of Directors

Directors have meets in frequently in Board Meetings and Committee Meetings. As per provisions of laws, there must be at least 4 (four) Meetings of the Board in a year. In 2024 the Directors had 7 Board Meetings, 8 Executive Meetings and 2 Audit Committee Meetings.

NHFPLC's Policy on Appointment of Directors

NHFPLC's Policy in relation to appointment of new Director(s) consists the following:

- Regularly reviewing the size and composition of the Board and the level of expertise, skills, experience and perspectives that are required to perform its activities;
- Appointment of a new Director according to the required competencies;
- Appointment by the shareholders in the Annual General Meeting (AGM).
- Filling up Vacancies (if any) and terms, by the Board in accordance with the provisions of the Finance Company Act 2023, the Companies Act, 1994, DFIM Circular No. 01 & 02 dated 29.02.2024 & 13.03.2024 respectively and the Articles of Association of the Company;
- Appointment of Managing Director by the Board subject to approval of Bangladesh Bank.

The Chairman and the Managing Director to be separate individuals

The Chairman of the Board and the Managing Director of the Company are separate individuals, and their roles are clearly defined. The Chairman leads the Directors while the Managing Director is the Chief Executive Officer (CEO) of the Company under superintendence of the Board.

Role and Responsibilities of the Chairman is defined by the Board

The roles and responsibilities of the Chairman are clearly defined by the Board. The Chairman is taking care of the Board of Directors, leads the Directors and presides over all the meetings of the Board and of the Members. The Chairman serves as the primary link between the Board and the Management working with Managing Director and Company Secretary. It is the Chairman's responsibility to ensure that the Board works effectively and discharges its responsibilities.

Compliance with Laws and Code of Conduct

The Board complies with all laws, rules and regulations applicable for the Company and with the Code of Conduct for the Board Members. The Board is immediately informed of any new rules, regulations and/ or changes in existing ones. Both new and existing Directors are provided with the Code of Conduct for the Board Members. The Board is also always kept updated on any development and changes in the business environment, risk and industry outlook to assist them to carry out their duties as Directors.

Appraisal of Performance of the Board and of the Directors

Appraisal of Performance of the Board and of the Directors is one of the important regular activities of the Board. Evaluation of the Board's Performance and Performance of its Directors is conducted by the Board at least once a year.

Annual Evaluation of the Managing Director by the Board

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

Remuneration of Directors, Chairman, Managing Director and Senior Executives

The Directors are paid only honorarium for attending Board or Committee Meetings. A Director receives an honorarium of Tk. 10,000 for attending each of the Meeting and during 2024, the expenditures incurred related to remuneration of Directors, Managing Director and Senior Executives are shown in the notes to the Financial Statements.

SETTING OF VISION, MISSION, STRATEGY ETC.

Vision and Mission are approved by Directors

The Board of Directors has approved the vision and the mission statements of the Company and strictly maintains and ensures that within the organization there is strong belief about and every individual complies with them. The Vision and Mission Statements are posted on the website of the Company and usually disclosed in the annual report.

Business Objectives and Areas of Business Focus

The Board sets business objectives. Areas of Concentration or areas of business focus are set according to the objectives and the market condition. The latest or existing business objectives and areas of business focus is posted on the website of the Company and usually disclosed in the annual report.

Strategies to achieve the Business Objectives

A Strategic Plan is set up by the Board at the beginning of the year aligned with the business objectives and strategies for the year. The Board gives direction to the Management of the NHFPLC on how it is to be managed for the upcoming year. Strategies set to achieve the business objectives are posted on the website of the Company and usually disclosed in the Annual Report.

BOARD COMMITTEES

As per the Corporate Governance Code of BSEC, every listed company shall have an Audit Committee and a Nomination & Remuneration Committee (NRC) as sub-committees of the Board. However, as per Bangladesh Bank previous circular letter ref. no. 7 dated 25 September 2007 NBFIs' are allowed to form only Audit Committee and Executive Committee as a sub-committee of the Board. Now, Bangladesh bank considering the importance of NRC, issued a circular on 21 May 2024 through which they advised the Audit Committee of the Board to discharge the responsibilities of NRC as their additional responsibility.

Meanwhile, Bangladesh bank in its circular no. 01 dated 29 February 2024 also advised the Finance Company to form a Risk Management Committee (RMC) as a sub-committee of the Board and the duties of the RMC shall be clearly set forth in writing. Accordingly, the Board of NHFPLC has constituted an Audit Committee, an Executive Committee and a Risk Management Committee. However, Audit Committee also perform the responsibility of Nomination & Remuneration Committee.

AUDIT COMMITTEE

Composition of the Audit Committee

As per the Corporate Governance Code of BSEC and in accordance with the Bangladesh Bank Guidelines, the current Audit Committee of NHFPLC consists of 3 members including 1 independent director.

Audit Committee Chairman is an Independent Non-Executive Director

As per the Corporate Governance Code of BSEC, the Chairman of the Audit Committee shall be an Independent Director. Accordingly, the Board of NHFPLC selects an independent non-executive director as the Chairman of the Audit Committee. The present Chairman of the Audit Committee is Mr. Abdul-Muyeed Chowdhury who is an experienced individual and qualified to be the Chairman of the Audit Committee. Mr. Abdul-Muyeed Chowdhury joined the erstwhile Civil Service of Pakistan (CSP) in 1967 and worked for almost 33 years in administrative, management, policy level posts in different tiers of the government as a career civil servant. His last position was the Secretary of Internal Resources Division (IRD) of the Ministry of Finance and the Ex-officio Chairman of National Board of Revenue (NRB). He was an Advisor to the Non-party Caretaker Government of Bangladesh. Mr. Chowdhury holds Bachelor of Arts Degree in History and Masters of Arts Degree (1st Class) from the University of Dhaka. He also attended and obtained Certificate of Participation in an acceptable program of special study in Political Science, Public Administration in the University of Tennessee, Knoxville.

Internal Audit Activity Investigation

The Audit Committee follows the guideline of Bangladesh Bank vide DFIM circular no. 01 dated 29 February 2024 alongwith its terms of reference (ToR) so that it could function effectively and smoothly. These ToR defines the roles and responsibilities of the Audit Committee. The committee is also empowered to investigate/question employees and retain external counsel if required.

All Members of the Audit Committee are suitably qualified

All Members of the Audit Committee are qualified and have years of experience in banking and financial sector reforms. They are also very competent and come from a variety of educational backgrounds, which brings diversity in the Committee. One Member of the Audit Committee is a Fellow Chartered Accountant; hence he brings a high level of expertise in the areas of Finance and Accounting to the Committee.

Access of Head of Internal Audit's in the Audit Committee

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

Ensuring Efficiency of Internal Audit System

The Committee performs an annual assessment of the efficiency of the Company's Internal Audit Functions and certifies whether the Internal Audit System of the Company has sufficient resources to accomplish its duties.

Ensuring Effective Coordination of External Audit Function

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

The Audit Committee analyses the audited financial statements with management and the external auditors to ensure that the Company's Financial Statements are objectively presented in compliance with the relevant International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in all substantial aspects. As per the Finance Company Act 2023 a Tri-partite meeting has been held between Audit Committee, Bangladesh Bank Inspection Team and the External Auditor before finalization of the Financial Statements.

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

Ensuring Independence of External Audit Function

The external auditors must be independent and comply with the statutory and regulatory independence requirements for auditors. It is also important that the auditor is technically competent and exercise a high level of objectivity and professional integrity. The Audit Committee evaluates and ensures whether the auditors have demonstrated independence, objectivity and professional integrity.

External Auditors are not involved in any engagement that directly or indirectly threatens their independence. The Audit Committee must ensure this matter. If any work is being done by the external auditors, the Audit Committee must approve before the work commences. In short, the Audit Committee is responsible that the independence of the external auditors is not compromised under any circumstance. The Audit Committee reviews and approves any non-audit work assigned to the external auditor and ensures that such work does not compromise the independence of the external auditor.

Reviewing the External Auditors' Findings

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

Recommending for Appointment/Re-appointment of External Auditor

The Audit Committee does an extensive review on the audit work done by the existing external auditors. The Audit Committee evaluates the auditors and ensures that there were no threats to independence or any other issues of conflicts of interest with the auditors. The Audit Committee scrutinizes the applications or expressions of interest to be appointed or reappointed as the external auditors and recommends for appointment/reappointment. In this process, Bangladesh Bank DFIM circular No. 04, dated 30 April 2015 is strictly followed without any deviation.

Reviewing of Annual and Interim Financial Reports

As per the Corporate Governance Code of BSEC, the Audit Committee assesses along with management, the interim and annual financial statements before recommending to the Board for approval. The Audit Committee always ensures that the financial statements reflect a true and fair view of the company.

Reporting of the Audit Committee

The Audit Committee reports on its activities to the Board. As per the Corporate Governance Code of BSEC, the Audit Committee is responsible to report immediately to the Board on conflicts of interests, or on suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or on suspected infringement of laws or regulatory compliance including securities related laws, rules and regulations or on any other matter which the Audit Committee deems necessary to the Board immediately. A report on activities carried out by the Audit Committee, including any report made to the Board is disclosed in the Annual Report.

NOMINATION & REMUNERATION COMMITTEE

As per Bangladesh Bank (Primary Regulator) DFIM circular letter No. 18 dated: 21.08.2024 Audit Committee act as NRC of NBFIs. In this regards Audit Committee of NHFPLC perform the duties and responsibilities of Nomination & Remuneration Committee as their additional duty.

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

- The Audit Committee as NRC is independent and responsible or accountable to the Board and to the shareholders.

- formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.
- formulating the criteria for evaluation of performance of independent directors and the Board
- identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- developing, recommending and reviewing annually the company's human resources and training policies
- The Audit committee as NRC shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.
- Meetings regarding overseeing the remuneration related policy by the Committee are held on need basis at a regular interval throughout the year. So, if any remuneration related issue needs committee's attention, it is placed as agenda for necessary review. However, if required, the meeting is held on need basis to review and discuss any remuneration related issue exclusively.

EXECUTIVE COMMITTEE

The Executive Committee (EC) of NHFPLC consist of 4 (four) Members all are the Non-executive Nominee Directors upto 31.12.2024 after that EC consist of 2 (two) members as Mr. Md. Kabir Reza, FCMA, chairman of the EC and Mr. Mahbubur Rahman, member of the EC were retired from the Board as per Finance Company Act, 2023.

The EC is authorized to review and approve the proposals of loans and advances within prescribed limits set by the Board. The EC reviews all other proposals relating to loans and advances above the limits, as well as other matters for Board's approval. For discharging the duties and responsibilities, 08 (eight) Meetings of the EC of NHFPLC were held during 2024.

As per Bangladesh Bank Guideline, the Chairman of the Executive Committee was a Director who is not involved in the day to day operations of the Company. The then Chairman of the EC was Mr. Md. Kabir Reza, FCMA who is the group Executive Director of Square Pharmaceuticals PLC. and long experienced professional in the corporate group and qualified to be the Chairman of the Executive Committee.

The Board reviews the performance of Executive Committee on yearly basis.

RISK MANAGEMENT COMMITTEE

NHFPLC has a well-structured and proactive risk management framework. For the purpose of management of risks, NHFPLC usually considers guidelines for managing core risks of financial instructions issued by Bangladesh Bank, vide FID Circular No. 10 dated 18 September 2005 for management of risks and DFIM Circular No. 03 dated 24 January 2016. Considering the importance Bangladesh Bank vide DFIM circular no. 01 dated 29 February 2024 advised the Finance Company to form a Risk Management Committee (RMC) as a sub-committee of the Board of Directors.

Therefore, the Risk Management Committee (RMC) of NHFPLC consist of 3 (three) Members 2 (two) of them are the Non-executive Nominee Directors and 1 (one) independent Director.

The RMC follows the guideline of Bangladesh Bank vide DFIM circular no. 01 dated 29 February 2024 alongwith its terms of reference (ToR) so that it could function effectively and smoothly. These ToR defines the roles and responsibilities of the RMC. The committee is also empowered to investigate/question employees and retain external counsel if required. A statement on risk management frame work is given separately in the Annual Report.

As per Bangladesh Bank Guideline, the Chairman of the RMC is a Director who is not involved in the day to day operations of the Company. The then Chairman of the RMC was Mr. Mahbubur Rahman who is a legendary business leader of the country. He is the President, International Chamber of Commerce (ICC) – Bangladesh, The world business organization having its HQs in Paris. He is the Chairman & CEO of ETBL Holdings Limited. He is the Founder Chairman of Eastland Insurance Co. PLC, International Publications Limited, and Bangladesh International Arbitration Centre (BIAC). He was qualified to be the Chairman of the Risk Management Committee.

Risk assessment and control strategies

The Committee determine the risks of the various operations of the company and formulate appropriate strategies for its control and ensure its implementation also monitor the risk management policies and procedures of the company and make revisions if necessary. The Committee review the existing risk management system to ensure effective control system and provide direction to the management authority to take necessary measures.

Formulation of organizational structure

It is the responsibility of the risk management committee to ensure appropriate organizational structure for risk management of the company. Monitor compliance with the policies and guidelines for other risks including credit risk, internal control and compliance risk, money laundering risk and information and communication technology risk, and provide necessary instructions to the management authority where necessary.

Review and Approve Risk Management Policy

The risk management policy and guidelines of the company shall be reviewed by the Committee at least 1 (one) time per year; Recommend amendments as necessary and present to the Board of Directors for final approval. Moreover, at least 1 (one) time per year will review other limits including the loan approval limit and take corrective measures if necessary.

Data Storage and Reporting Procedures

The risk management committee examine and approve the information storage and reporting procedures developed by the management of the company. The committee will ensure that the said procedure is being followed properly or not. The Committee shall record the minutes of its meetings including proposals, recommendations and summaries in a prescribed manner and inform the Board of Directors.

Risk Management Framework

NHFPLC has a well-structured and proactive risk management framework. For the purpose of management of risks, NHFPLC considers guidelines for managing core risks of financial institutions issued by Bangladesh Bank, vide FID Circular No. 10 dated 18 September 2005 for management of risks and DFIM Circular No. 03 dated 24th January 2016. A statement on risk management framework is given separately in the Annual Report.

Monitoring the implementation of the overall risk management policy

The risk management committee will oversee the proper implementation of the overall risk management policy of the company. The committee will oversee whether necessary steps have been taken to deal with credit risk, market risk, operational risk and other risks.

INTERNAL CONTROL SYSTEM

There exists an effective internal control system in the Company. The Board has been active in establishing appropriate systems of internal control, has zero tolerance to any type of fraud and promotes a sound and strong internal control system. A statement on internal control system is given separately in the Annual Report.

ETHICS AND COMPLIANCE

Ethics and Values

NHFPLC has an 'Employee Code of Ethics' – a framework of ethical behavior for all the employees of the organization.

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

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

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

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

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

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

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

Dissemination of the statement of ethics and business practices

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

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

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

- Setting down standards of expected behaviour through the formulation and communication of a Code of Conduct.
- Installing a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis.
- Positioning Company policies and procedures on ethical foundations to ensure that ethical considerations are integrated in the day-to-day decision-making, activities and processes.
- Establishing a clearly-defined organizational structure that assigns responsibility and authority for the conduct of organizational functions while at the same time ensuring accountability for individual actions.
- Establishing a variety of monitoring mechanisms including the creation and empowerment of an operationally independent internal audit team with reporting responsibilities to the audit committee.
- Ensuring instant action with zero tolerance for identified instances of unethical and/or non-compliant behaviour.

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

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

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

HUMAN RESOURCE MANAGEMENT

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

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

COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS

Communication with Shareholders and other Stakeholders

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

Communication through Quarterly and Annual Reports

The Company reports to its shareholders four times a year through 3 (three) Quarterly Reports and a detailed Annual Report.

Communication through AGM

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

Communication through Website

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

The Company's operational outcomes and official news releases are displayed on the Company's website and on the websites of the Dhaka and Chittagong Stock Exchanges.

Communication through Newspapers

The Company also publishes all price sensitive information and news in national daily newspapers and sometimes through online news portal also.

Shareholder's Participation in the AGM

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

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

Well-Defined Shareholders' Rights

For managing successful and productive relationships with shareholders, it is imperative to reinforce the importance of maintaining trust, transparency and accountability. The Board ensures, through the Investors Relations, that shareholders of the Company are treated justly, fairly and honorably and their rights are protected in all respects. The Company Secretary works as a bridge over the management, shareholders and the Board of Directors of the Company, delivering assured services to valued shareholders while confirming as per applicable laws and Articles of the Association of the Company the well-defined rights of shareholders. Shareholders are informed on all material developments/matters in a routine manner on all major issues and changes in business, catering to the continuous requirement of disclosures so that shareholders can make informed decisions.

Shareholders' Complaint Management Process

NHFPLC is a firm believer in treating all shareholders fairly. We have committed to serving the right procedure in order to handle the shareholders' complaints within the time period in order to settle the complaints on a priority basis. A Complaint Management Policy is in place to facilitate effective stakeholder involvement as well as maintain stakeholder rights and responsibility. Our commitment is to facilitating easy access to shareholder information, ensuring that shareholders' inquiries and complaints are handled in an efficient and timely manner and facilitating access to material information.

Ways to Raise Any Complaints

Where a complaint or inquiry is sent, the Secretariat/Share department (contact point for investor relations) upon receipt uses its best endeavors, liaising with the Registrars to ensure that the complaint or inquiry is properly attended to within the time frame. Contact point for investor relations are given below:

Mr. Md. Sarwar Kamal FCS

Company Secretary

e-mail: cs@nationalhousingbd.com

Mr. Mohammad Mazharul Islam ACS

Deputy Company Secretary and in-charge Share Department

e-mail: mazharul@nationalhousingbd.com

ENVIRONMENTAL AND SOCIAL OBLIGATIONS

Social and environmental responsibilities

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

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

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

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

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

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

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

Statement of Managing Director and CFO regarding Financial Statements

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

Dividend Distribution Policy

A separate policy as the Dividend Distribution Policy of the Company has been formulated and is disclosed in the Annual Report.

Annual General Meeting (AGM)

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

Details of the last AGM are as follows:

Particulars	Date, Day & Time	Venue
25 th AGM	September 25, 2024; Wednesday; 12.00 PM	Digital Platform

The matters considered by the shareholders in the 25th AGM are as follows:

Ordinary Business:

- Adaptation of the Audited Financial Statements of the Company for the year ended December 31, 2023;
- Declaration of Cash Dividend @ 10%;
- Retire of Mr. Syed Altaf Hussain (representing Pragati Insurance Limited), Mr. Md. Kazim Uddin (representing National Life Insurance Co. Ltd.)
- Appointment of M/s. Zoha Zaman Kabir Rashid & Co. (Member of msi Global Alliance), Chartered Accountants as External Auditor of the Company;
- Appointment of M/s. Jasmin & Associates, Chartered Secretaries, as Corporate Governance Auditor of the Company;

General Shareholders' Information for 26th AGM:

- Date: September 21, 2025; Time : 12.00 PM
- Mode/Venue: Virtual Meeting through online Digital Platform
- Virtual AGM Link: <https://agmbd.live/nationalhousing2025>
- Financial Reporting Calendar : From January 01, 2024 to December 31, 2024
- Record Date (in lieu of Book Closure): July 30, 2025

INTERNAL AUDIT & INTERNAL CONTROL SYSTEM

Introduction

The Directors of NHFPLC are committed to strengthening and improving the internal control system aiming to ensure transparency and efficiency, complying with laws and regulations, controlling risks, ensuring the reliability reports and promoting timely and appropriate disclosure. The Board relies on the Audit Committee in this regard while the Audit Committee regularly reviews the internal control system through internal audit. Internal Audit reviews operations, examines the business processes and evaluates the adequacy and efficiency of financial and operating controls and highlights significant risks, if any.

Key Features of the Internal Control System of NHFPLC

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

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

Control Environment

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

- Active participation by those charged with governance as evidenced through regular meetings of its Board and Audit Committee.
- The communication and fostering of an environment that consistently requires integrity and ethical behaviour as evidenced by regular communication and confirmation of its Code of Conduct and zero tolerance for illegal or unethical behavior.
- A formal well-defined organizational structure, setting out key areas of authority and responsibility and appropriate reporting lines that is relevant to the nature and size of the Company's business.
- Human Resource Policies that demonstrate the Company's commitment towards recruiting employees who meet established standards of competence and ethical behaviour.

Risk Assessment

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

Control Activities

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

Information and Communication

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

Monitoring

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

Directors' Responsibility to establish Appropriate System of Internal Control

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

The system of internal control is reviewed, evaluated and updated on an ongoing basis to ensure the establishment of appropriate system of internal control. The Internal Control and Compliance Department of the Company performs periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Ensuring Efficiency of Internal Audit System

The Audit Committee monitors Internal Audit and Compliance Process to ensure that it is adequately resourced. The Audit Committee gives approval of the Internal Audit and Compliance Plan and reviews the Internal Audit and Compliance Report.

In almost every Audit Committee Meeting the issue of adequacy of the system of internal controls is taken into consideration. The Committee has reviews the corrective measures taken by management relating to fraud-forgery and deficiencies in internal control. The Audit Committee is responsible to the Board to ensure that the system of internal controls is adequate to protect against any type of fraud.

The Audit Committee places all the compliance report before the Board on a timely basis and performs all oversight functions in relation to Internal Control System of the Company. In this way, the Directors review the adequacy of the system of internal controls.

Role of Head of Internal Audit

In NHFPLC the duties and responsibilities of Head of Internal Audit are vested upon Head of Internal Audit and Compliance (HIAC) who has access to the Audit Committee to report to and take directives from the Committee and raise his concerns whenever is required.

Conclusion

The Process of Internal Audit and Compliance in NHFPLC is adequately resourced. The Audit Committee gives approval of the Internal Audit and Compliance Plan and reviews the Internal Audit and Compliance Report. The Head of Internal Audit and Compliance (HIAC) is responsible for the functions Internal Audit under monitoring and supervision of the Audit Committee. The HIAC has access to the Audit Committee to report to, take directives from and communicate his concerns to the Committee. The Audit Committee performs all oversight functions in relation to the system of internal control and places its reports before the Board. The Directors finally review the adequacy of Internal Control System of the Company.

RISK MANAGEMENT FRAME WORK

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

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

A well-structured and proactive risk management system is in place within the Company to address various risks like:

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

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

Strategic Risk

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

Compliance Risk

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

Reputational Risk

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

Environmental and Social Risk

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

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

Strategies adopted to manage and mitigate risks

A sub-committee named Risk Management committee (RMC) of NHFPLC's Board of Directors acknowledges its overall responsibility for maintaining the adequacy and efficiency of the system of internal controls. The Risk Management Committee is of the view that the internal control framework is designed to manage the Company's risks within an acceptable risk profile, rather than completely eliminate the risk of failure to achieve the policies, goals and objectives of the Company. The RMC therefore believes that it can provide only reasonable, rather than absolute, assurance regarding effectiveness against material misstatements of management and financial information or against financial losses and fraud. The RMC report to the Board of NHFPLC if there are any discrepancies.

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

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

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

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

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

STATEMENT ON GOING CONCERN

The Board of Directors of NHFPLC has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as going concern. This assessment involves making appropriate inquiries including review of budget and future outcome of inherent uncertainties in existence. The Directors are convinced from related indications which give reasonable assurance as to Company's continuance as a going concern for the foreseeable future.

NHFPLC maintained stable position during the year 2024. Cash Flow Analysis represents its strengths about its ability to repay its obligations, ability to adapt in changing circumstances and generate sufficient cash and cash equivalents which will lead the organization to a sustainable future growth. NHFPLC has been paying consistent dividend to its shareholders over years, which reflects company's long financial strength as well as commitment to its shareholders.

NHFPLC has established an excellent friendly working environment and healthy corporate environment with practices of honest and fair treatment to all employees. The compensation packages and employee benefits like provident fund, gratuity fund, home and personal loan at a reduced rate, health insurance, incentive bonus and transport facility to eligible employees etc., frequent revision of pay scales are competitive in the industry and instrumental for employee satisfaction.

On 30 June 2024, Credit Rating Information and Services Ltd. (CRISL) assigned 'AA(-)' Rating in the Long Term, 'ST-2' Rating in the Short Term and "Stable" Outlook to the Company based on Financial Statements upto 31st December 2023. In Long Term Rating Scales and Definitions Banks/FIs rated as 'AA(-)' indicates 'High Safety for Timely Repayment' while in Short Term Rating Scales and Definitions ST-2 indicates 'High Certainty of Timely Repayments of Financial Commitments'.

Since the company has adequate resources to meet the present requirements of its existing business and to continue in operation for foreseeable future, the Directors are in the opinion to continue to adopt going concern basis in accounting and in preparing the financial statements. The financial statements have been prepared on going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

STATEMENT ON INTERESTS OF DIRECTORS IN OTHER ENTITIES

Name & Description of Director	Position in NHFPLC	Description of Interest(s)	
		Name of the entity	Position
Dr. Khondaker Showkat Hossain [Representing Borak Travels (Pvt.) Limited]	Chairman	Borak Travels (Pvt.) Limited	Chief Consultant
Mr. A.K.M. Moinuddin, FCA [Representing Bangladesh Lamps PLC]	Director	Bangladesh Lamps PLC	Consultant
Mr. Md. Khaled Mamun [Representing Reliance Insurance Limited]	Director	Reliance Insurance Limited	Chief Executive Officer
Mr. Abdul-Muyeed Chowdhury	Independent Director	Tiger Tours Ltd.	MD & CEO
		Grameenphone PLC	Independent Director
		ACI Formulations PLC	Independent Director
		Desh Garments Ltd.	Independent
		Summit Alliance Port Ltd.	Nominated Director
		ACI PLC	Nominated Director
		PEB Steel Alliance Ltd	Independent
		MJL Bangladesh PLC	Nominated Director
		Omera Fuels Ltd.	Nominated Director
		Omera Petroleum Ltd.	Nominated Director
		Omera Cylinders Ltd.	Nominated Director
		BRAC University	Founding Member, Trustee Board
		GSS Bangladesh	Chairman
		BIRDEM Hospital	Chairman, Management Board
Ms. Mahmuda Begum	Independent Director	N/A	N/A

UNCLAIMED DIVIDEND SUMMARY

As per sec 9 (1) of Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 we transferred the following unclaimed dividend to CMSF:

Unclaimed Dividend transfer to CMSF			
Cash Dividend			
Sl. No.	Year	Total BO/Folio ID	Total Amount (BDT)
01.	2008	349	846,897.39
02.	2009	325	865,685.00
03.	2010	286	437,520.00
04.	2013	2440	2,694,578.00
05.	2014	588	1,005,643.25
06.	2015	187	1,086,468.55
07.	2016	129	1,088,061.70
08.	2017	95	1,026,980.85
09.	2018	414	740,919.78
10.	2019	490	751,000.00
Stock Dividend & Right Shares			
Sl. No.	Year	Total BO/Folio ID	Total No. of Shares
01.	2010-2012	158	140,359
02.	2018	159	50,388

We preserve the following unclaimed dividend at our Share Department which will be transfer to CMSF as per sec 9 (1) of Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 in future after completion of stipulated time:

Unclaimed Dividend in Hand			
Cash Dividend			
Sl. No.	Year	Total BO/Folio ID	Total Amount (BDT)
01.	2020	436	1,585,557.29
02.	2021	423	2,479,125.35
03.	2022	432	1,452,981.26
04.	2023	578	2,308,845.06

VALUE ADDED STATEMENT

For the year ended December 31, 2024

Value added is the wealth NHFPLC creates by providing services like lease financing, SME financing, housing loans (including home, commercial, and project mortgages), and corporate finance.

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

Figures in BDT

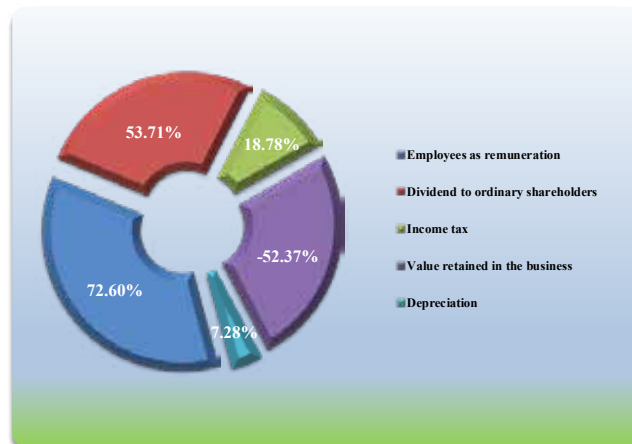
Particulars	31-Dec-24		31-Dec-23	
	Amount	%	Amount	%
Value added				
Operating revenue	2,016,951,623		1,531,467,001	
Cost of borrowing	(1,504,232,892)		(1,056,986,612)	
	512,718,732		474,480,389	
Other income	11,578,667		10,080,435	
	524,297,399		484,560,824	
Operating expenses excluding staff cost and depreciation	(58,568,547)		(58,318,811)	
Provision for loan, advances & investments	(247,841,127)		(119,224,907)	
Total value added by the company	217,887,725	100.00%	307,017,106	100.00%
Distribution of value addition				
Employees as remuneration	158,175,642	72.60%	155,435,959	50.63%
Dividend to ordinary shareholders	117,031,200	53.71%	117,031,200	38.12%
Income tax	40,921,510	18.78%	14,790,613	4.82%
	316,128,352	145.09%	287,257,772	93.56%
Retained for expansion and future growth				
Value retained in the business	(114,098,530)	-52.37%	3,602,377	1.17%
Depreciation	15,857,902	7.28%	16,156,957	5.26%
Amount distributed	217,887,725	100%	307,017,106	100%

Number of employees at the end of the year 187 201

Value created per employee (BDT) 1,165,175 1,527,448

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

Value created per share (BDT) 1.86 2.62



ECONOMIC VALUE ADDED (EVA) STATEMENT

For the year ended December 31, 2024

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

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

EVA has been calculated by the following formula:

$EVA = \text{Net Operating Profit after Tax} - (\text{Capital employed} * \text{Cost of equity})$

NOPAT

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

Figures in BDT

Particulars	31-Dec-24	31-Dec-23
	Amount	Amount
Net operating profit	291,695,308	254,649,097
Provision for taxes	(40,921,510)	(14,790,613)
Net operating profit after tax (NOPAT)	250,773,798	239,858,484

Charges for capital

Capital employed	2,621,778,836	2,639,363,639
Cost of equity (%)	14.35%	12.35%
Capital charge	376,225,263	325,961,409
Economic value added	(125,451,465)	(86,102,925)
Number of shares	117,031,200	117,031,200
Economic Value Added Per Share	(1.07)	(0.74)

Cost of equity

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

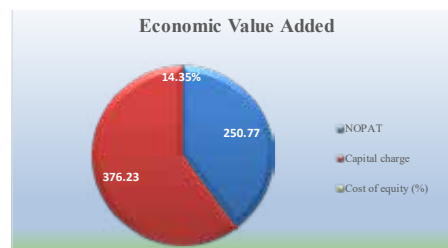
Interest rate on 5 (five) years Government Treasury Bond on December 31	12.35%	10.35%
Standard Risk Premium	2.00%	2.00%
Cost of equity	14.35%	12.35%

Capital employed as on December 31

Shareholder's equity	2,100,815,344	2,214,913,874
Accumulated provision for doubtful accounts and future losses	519,610,573	408,217,880
Total capital employed	2,620,425,917	2,623,131,754
Average capital employed	2,621,778,836	2,639,363,639

Figures in BDT mln

Particulars	2024	2023
	Amount	Amount
NOPAT	250.77	239.86
Capital charge	376.23	325.96
Cost of equity (%)	14.35%	12.35%
Economic value added	-125.45	-86.10



MARKET VALUE ADDED (MVA) STATEMENT

For the year ended December 31, 2024

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

Higher MVA is better for the company. A high MVA indicates that company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value contributed to the company by the capital market. The following statement shows how MVA has been arrived at for the year ended December 31, 2024 and 2023.

Figures in BDT		
Particulars	2024	2023
	Amount	Amount
Market value of shares outstanding	3,159,842,400	4,891,904,160
Book value of share outstanding	1,170,312,000	1,170,312,000
Market value added till Balance Sheet Date	1,989,530,400	3,721,592,160

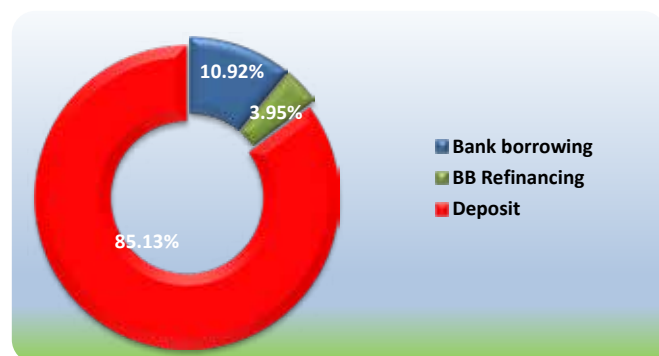
MANAGING COST OF FUNDS (COF)

For the year ended December 31, 2024

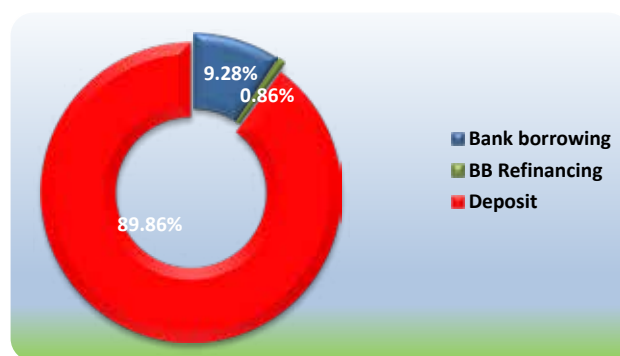
"Despite acknowledging the inherent limitations associated with our current status, particularly the inability to offer clients savings and other deposit accounts..."

Figures in BDT

Particulars	December 31, 2024	%	December 31, 2023	%
Bank borrowing	1,524,202,323	10.92%	1,559,679,299	9.28%
BB Refinancing	550,593,245	3.95%	143,888,758	0.86%
Deposit	11,881,326,622	85.13%	15,098,893,011	89.86%
	13,956,122,190		16,802,461,068	



December 31, 2024

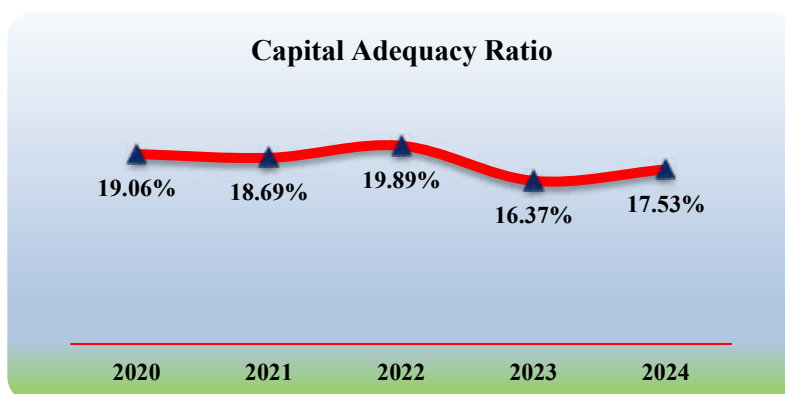


December 31, 2023

Capital Adequacy Ratio

As per Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, Financial Institutions (FIs) are required to maintain a minimum capital adequacy ratio of 10%. At the end of 2024, capital adequacy ratio stood at 17.95%.

Amount BDT in Million	
Tier-1 (Core Capital)	2,100.82
Paid-up Capital	1,170.31
Statutory Reserve	707.78
Share premium account	-
General Reserve	-
Retained Earnings	222.72
Tier-2 (Supplementary Capital)	144.58
General Provision	144.58
Total Eligible Capital	2,245.39
Total risk weighted assets	12,808.02
Capital Adequacy Ratio	17.53%



TREASURY AT NATIONAL HOUSING FINANCE

Assuring Liquidity, Ensuring Profitability

Overview

The Treasury Division has firmly established itself as a key profit-generating unit through diversified investments in the money market, thereby making a significant contribution to the organization's overall revenue. Beyond its core responsibility of day-to-day fund management, the Treasury plays a pivotal role in a broad range of strategic and operational activities.

The division is also instrumental in developing and maintaining strong relationships with various financial intermediaries, enhancing the organization's access to markets and financial instruments. Its responsibilities span across the efficient management and oversight of the following key areas:

1) Funding and Capital Management :

- Business growth monitoring and Capital Planning
- Building strong Asset Liability Management (ALM) through conducting a participative ALCO meeting on a monthly basis and highlight the major changes in liquidity and interest rate risk.
- Liquidity profile, Interest rate and gap analysis

2) Funding and Liquidity Management

Effective liquidity management ensures we can meet customer loan demands, deposit withdrawals, and other financial commitments smoothly — both during normal times and in periods of stress. To strengthen this, we have reviewed our liquidity risk management practices using structural liquidity analysis, which helps us assess risks over different time frames.

This analysis matches expected cash outflows (maturing liabilities) with expected cash inflows (maturing assets) across various time periods to identify any funding gaps. We regularly monitor our liquidity position, maintain adequate liquidity levels, and draw on a diverse range of funding sources, including a stable deposit base. Beyond daily fund management, NHFPLC regularly reviews its liquidity status to ensure compliance with the prudential limits set by Bangladesh Bank and our Board.

3) Ensures Profitability after Effective Liquidity Management

Our main priority is to manage liquidity effectively and efficiently. Once liquidity is secured, NHFPLC's Treasury actively looks for the best opportunities to invest idle funds to maximize returns. In 2024, the Treasury achieved notable profits by participating in auctions and trading Bangladesh Government Treasury Bonds (BGTB).

4) Cost of Funds (CoF) Management

In 2024, market interest rates increased due to the removal of the (9%-6% and SMART) rate cap. At the same time, rising inflation further pushed interest rates upward. Additionally, reports of financial scams in several banks and NBFIs affected the overall image of the NBF sector, limiting money market transactions mainly to interbank dealings.

"Despite these challenges, National Housing Finance PLC (NHFPLC) maintained smooth money market operations through prudent fund management. The company successfully raised a significant amount of core deposits at competitive interest rates. By utilizing a mix of funding sources—such as the money market, core deposits, term loans, zero-coupon bonds, and Bangladesh Bank refinance schemes—NHFPLC kept its cost of funds in a favorable position throughout 2024.

5) Asset Liability Management (ALM) at NHFPLC

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

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

6) Base Rate System

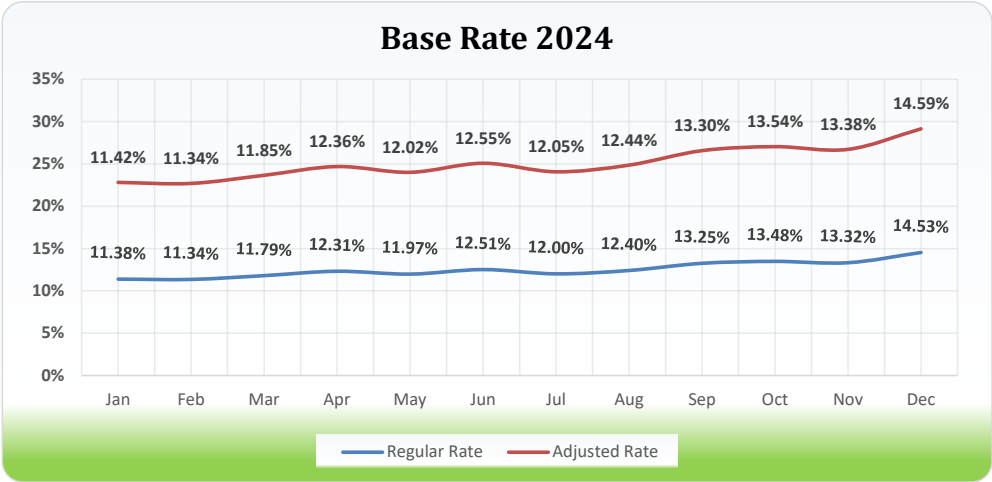
“To promote transparency in product pricing and foster healthy competition within the economy, Bangladesh Bank has strengthened its policy framework through the introduction of the Base Rate System. This system encompasses all components of lending rates that are common across all categories of borrowers. In alignment with this initiative, Bangladesh Bank consolidates and publishes a monthly weighted average Cost of Fund Index (CoFI) on its official website, based on data submitted by financial institutions. The CoFI serves as a benchmark reference rate for pricing variable interest rate loan products.

Under this framework, the actual lending rates charged to borrowers comprise the Base Rate, along with borrower-specific charges, which may include product-specific operating costs, risk premiums, and tenor premiums. In accordance with the “Guidelines on the Base Rate System for Non-Bank Financial Institutions” (DFIM Circular No.-6, dated August 20, 2013), National Housing Finance PLC (NHFPLC) reviews its Base Rate on a monthly basis, with approval from the Asset Liability Management Committee (ALCO), and presents it to the Board of Directors on a quarterly basis.

To ensure transparency in the pricing of floating rate lending products, the monthly Base Rates of NHFPLC are published on our website. Please find below the monthly Base Rates for the year 2024:

[Insert Table of Monthly Base Rates for 2024]”

Base Rate Analysis for the year 2024



Our Treasury vision:

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

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

HORIZONTAL ANALYSIS OF BALANCE SHEET

	2024	2023	2022	2021	2020
Property and Assets					
Cash:					
In hand (including foreign currencies)	-24.77%	-27.37%	-33.68%	-15.55%	100.00%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	5.59%	-0.10%	14.00%	13.16%	100.00%
	5.58%	-0.11%	13.99%	13.15%	100.00%
Balance with banks and other financial institutions:					
In Bangladesh	-51.60%	47.65%	-52.11%	33.61%	100.00%
Outside Bangladesh	-	-	-	-	-
	-51.60%	47.65%	-52.11%	33.61%	100.00%
Money at call and on short notice	-	0.00%	-	-	-
Investments:					
Government	-	-	-	-	-
Others	318.49%	314.38%	42.10%	16.61%	100.00%
	118.88%	81.44%	37.07%	-23.45%	100.00%
Loans and advances:					
Loans, cash credits, overdrafts etc.	2.08%	5.14%	5.61%	2.28%	100.00%
Bills purchased and discounted	-	-	-	-	-
	2.08%	5.14%	5.61%	2.28%	100.00%
Fixed assets including premises, furniture and fixtures	-14.91%	-10.73%	-6.74%	-2.54%	100.00%
Other assets	77.06%	84.28%	127.03%	103.14%	100.00%
Non-banking assets					
Total Assets	0.17%	15.54%	3.48%	7.18%	100.00%
Liabilities and capital					
Liabilities:					
Borrowing from other banks, financial institutions and agents	144.17%	100.48%	152.63%	3.82%	100.00%
Deposits and other accounts:					
Current accounts and other accounts etc.	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-56.00%	574.00%	-80.00%	0.00%	100.00%
Fixed deposits	-10.31%	-9.79%	-4.85%	7.06%	100.00%
Bearer certificate of deposits	-	-	-	-	-
Other deposits	-78.64%	-76.62%	-75.28%	-66.81%	100.00%
	-12.06%	11.75%	-7.69%	6.74%	100.00%
Other liabilities	32.53%	15.32%	14.16%	18.74%	100.00%
Total Liabilities	0.17%	16.86%	2.84%	7.59%	100.00%
Capital/Shareholders' equity:					
Paid up capital	0.00%	0.00%	0.00%	0.00%	100.00%
Statutory reserve	22.42%	22.31%	18.14%	9.04%	100.00%
Retained earnings	-36.00%	-3.04%	19.67%	9.62%	100.00%
Total Shareholders' equity	0.21%	5.65%	8.27%	4.09%	100.00%
Total liabilities and Shareholders' equity	0.17%	15.54%	3.48%	7.18%	100.00%

HORIZONTAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2024	2023	2022	2021	2020
Interest Income	-0.9%	-23.9%	-23.8%	-15.2%	100%
Interest paid on deposits, borrowings etc.	12.0%	-21.3%	-31.7%	-27.7%	100%
Net interest income	-31.3%	-29.9%	-5.0%	14.4%	100%
Investment Income	-24.0%	-52.4%	-59.0%	-60.6%	100%
Commission, exchange and brokerage	0.0%	-50.0%	-75.0%	-100.0%	100%
Other operating income	4.7%	-8.8%	41.5%	40.7%	100%
	-22.1%	-49.6%	-52.6%	-54.1%	100%
Total operating income	-29.1%	-34.5%	-16.1%	-1.7%	100%
Salaries and allowances	26.1%	23.9%	14.9%	6.5%	100%
Rent, taxes, insurance, electricity etc.	77.0%	57.4%	34.6%	17.8%	100%
Legal expenses	-100.0%	-100.0%	-100.0%	-90.4%	100%
Postage, stamps, telecommunication etc.	-19.0%	9.2%	-1.5%	4.4%	100%
Stationery, printing, advertisement etc.	-43.9%	-44.4%	-42.7%	-51.5%	100%
Managing Director's salary and fees	-9.9%	-7.2%	-4.7%	-15.4%	100%
Directors' fees and expenses	25.3%	66.7%	90.6%	79.2%	100%
Auditors' fees	20.0%	20.0%	20.0%	10.0%	100%
Charges on loan losses	0.0%	0.0%	0.0%	0.0%	0.0%
Depreciation and repairs to assets	-18.3%	-16.7%	-7.1%	3.0%	100%
Other expenses	61.7%	68.0%	41.9%	28.2%	100%
Total operating expenses	16.8%	15.5%	8.1%	1.1%	100%
Profit/ (Loss) before provisions	-46.0%	-52.9%	-25.1%	-2.7%	100%
Provisions for					
Loans, advances and leases	214.7%	61.2%	-142.6%	27.4%	100%
Diminution in value of investments	-192.1%	-77.8%	-167.1%	-92.9%	100%
Others	-50.0%	2.9%	-15.1%	-75.7%	100%
Total provisions	333.3%	108.4%	-105.6%	57.3%	100%
Total profit/(loss) before taxation	-90.9%	-72.0%	-15.5%	-9.8%	100%
Provisions for taxation					
Current	-80.7%	-71.8%	-12.0%	17.1%	100%
Deffered	299.1%	-1279.8%	90.5%	-558.8%	100%
	-74.7%	-90.9%	-10.4%	8.0%	100%
Net Profit/(loss) after taxation	-99.1%	-62.5%	-18.1%	-18.7%	100%
Earnings per share	-99.1%	-62.5%	-18.1%	-18.7%	100%

VERTICAL ANALYSIS OF BALANCE SHEET

	2024	2023	2022	2021	2020
Property and Assets					
Cash:					
In hand (including foreign currencies)	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1.10%	0.90%	1.15%	1.10%	1.04%
	1.10%	0.90%	1.15%	1.10%	1.04%
Balance with banks and other financial institutions:					
In Bangladesh	7.09%	18.76%	6.79%	18.30%	14.68%
Outside Bangladesh	-	-	-	-	-
	7.09%	18.76%	6.79%	18.30%	14.68%
Money at call and on short notice Investments:			3.26%		
Government	6.68%	4.38%	4.89%	2.39%	3.72%
Others	3.02%	2.60%	0.99%	0.79%	0.72%
	9.71%	6.98%	5.88%	3.17%	4.44%
Loans and advances:					
Loans, cash credits, overdrafts etc.	78.10%	69.74%	78.22%	73.14%	76.64%
Bills purchased and discounted	-	-	-	-	-
	78.10%	69.74%	78.22%	73.14%	76.64%
Fixed assets including premises, furniture and fixtures	1.53%	1.39%	1.62%	1.63%	1.80%
Other assets	2.48%	2.24%	3.08%	2.66%	1.40%
Non-banking assets					
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities and capital Liabilities:					
Borrowing from other banks, financial institutions and agents	11.65%	8.29%	11.67%	4.63%	4.78%
Deposits and other accounts:					
Current accounts and other accounts etc.					
Bills payable					
Savings bank deposits	1.24%	16.40%	0.54%	2.62%	2.81%
Fixed deposits	65.45%	57.07%	67.22%	73.02%	73.10%
Bearer certificate of deposits	-	-	-	-	-
Other deposits	0.01%	0.01%	0.02%	0.02%	0.06%
	66.70%	73.49%	67.78%	75.66%	75.98%
Other liabilities	9.86%	7.44%	8.22%	8.26%	7.45%
Total Liabilities	88.21%	89.22%	87.67%	88.55%	88.21%
Capital/Shareholders' equity:					
Paid up capital	6.57%	5.70%	6.36%	6.14%	6.58%
Statutory reserve	3.97%	3.44%	3.71%	3.31%	3.25%
Retained earnings	1.25%	1.64%	2.26%	2.00%	1.96%
Total Shareholders' equity	11.79%	10.78%	12.33%	11.45%	11.79%
Total liabilities and Shareholders' equity	100.00%	100.00%	100.00%	100.00%	100.00%

VERTICAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2024	2023	2022	2021	2020
Interest Income	93.35%	94.33%	94.66%	95.32%	91.68%
Interest paid on deposits, borrowings etc.	74.15%	68.57%	59.67%	57.19%	64.49%
Net interest income	19.19%	25.77%	34.99%	38.13%	27.19%
Investment Income	6.08%	5.01%	4.32%	3.76%	7.79%
Commission, exchange and brokerage	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating income	0.57%	0.65%	1.02%	0.92%	0.53%
	6.65%	5.67%	5.34%	4.68%	8.32%
Total operating income	25.85%	31.43%	40.33%	42.81%	35.51%
Salaries and allowances	7.80%	10.08%	9.37%	7.87%	6.02%
Rent, taxes, insurance, electricity etc.	0.97%	1.13%	0.97%	0.77%	0.53%
Legal expenses	0.00%	0.00%	0.00%	0.01%	0.13%
Postage, stamps, telecommunication etc.	0.10%	0.18%	0.17%	0.16%	0.12%
Stationery, printing, advertisement etc.	0.50%	0.65%	0.67%	0.51%	0.86%
Managing Director's salary and fees	0.32%	0.43%	0.45%	0.36%	0.35%
Directors' fees and expenses	0.05%	0.09%	0.10%	0.09%	0.04%
Auditors' fees	0.02%	0.02%	0.02%	0.02%	0.01%
Charges on loan losses	-	-	-	-	-
Depreciation and repairs to assets	0.78%	1.05%	1.17%	1.18%	0.93%
Other expenses	0.93%	1.27%	1.08%	0.88%	0.56%
Total operating expenses	11.47%	14.91%	14.00%	11.85%	9.56%
Profit/ (Loss) before provisions	14.38%	16.52%	26.33%	30.96%	25.95%
Provisions for					
Loans, advances and leases	10.82%	7.29%	-1.93%	5.22%	3.35%
Diminution in value of investments	1.11%	-0.35%	1.06%	-0.10%	-1.17%
Others	0.29%	0.80%	0.66%	0.17%	0.57%
Total provisions	12.22%	7.73%	-0.21%	5.29%	2.75%
Total profit/(loss) before taxation	2.16%	8.78%	26.54%	25.67%	23.20%
Provisions for taxation					
Current	-1.51%	-2.92%	-9.12%	-10.98%	-7.65%
Deffered	-0.50%	1.96%	-0.32%	0.69%	-0.12%
	-2.02%	-0.96%	-9.44%	-10.29%	-7.77%
Net Profit/(loss) after taxation	0.14%	7.83%	17.10%	15.37%	15.43%

DISCLOSURES UNDER PILLAR-III MARKET DISCIPLINE

A) Scope of Application

Qualitative Disclosures:

- a) These guidelines apply to National Housing Finance PLC.
- b) NHFPLC has no subsidiary companies.
- c) Not Applicable

Quantitative Disclosures:

Not Applicable

B) Capital Structure:

Qualitative Disclosures:

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

Tier 2 Capital includes:

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

Conditions for maintaining regulatory capital:

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

Quantitative Disclosures:

2. The amount of Tier 1 capital, with separate disclosure of:

Particulars	Amount in Crore Taka
Paid-up Capital	117.03
Non-repayable share premium account	-
Statutory reserve	70.78
General reserve & other reserve	-
Retained earning	22.27
Dividend equalization account	-

3. The total amount of Tier 2 capital Taka 14.46 crore
4. Other deductions from capital -
5. Total Eligible Capital Taka 224.54 crore

C) Capital Adequacy

Qualitative Disclosures:

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

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

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

Strategy to achieve the required Capital Adequacy:

Operational level:

Immediate measures:

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

	Quantitative Disclosures:	Amount in crore Taka
a)	Capital requirement for Credit Risk	1,156.61
b)	Capital requirement for Market Risk	42.98
c)	Capital requirement for Operational Risk	81.21
d)	Total and Tier 1 Capital ratio:	
	CAR on Total capital basis (%)	17.53%
	CAR on Tier 1 capital basis (%)	16.40%

D) Credit Risk

Qualitative Disclosures

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

Definitions of past due and impaired (for accounting purposes)

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

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

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

Discussion on FI's credit risk management policy:

Implementation of various strategies to minimize risk:

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

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

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

Approved Credit Policy by the Board of Directors

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

Separate Credit Administration Department

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

Special Assets Management and Collection Team

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

Independent Internal Control and Compliances Department (ICC)

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

Credit Evaluation

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

Credit Approval Process

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

Early Warning System

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

Methods used to measure Credit Risk

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

Quantitative Disclosures

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

Particulars	Amount in crore Taka
Housing Loan	1,332.42
Loan against fixed deposit	2.92
Staff Loan	3.53
SME Loan	43.93
Lease/Term Loan	8.41
Others	-
Total	1,391.21

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

Area	Amount in crore Taka
Dhaka	1,054.87
Chattogram	115.78
Rajshahi	149.38
Rangpur	71.18
Total	1,391.21

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

Sector	Amount in crore Taka
Real Estate and Housing	1,332.42
RMG	0.57
Paper, Printing and Packaging	0.05
Iron, Steel and Engineering	0.04
Pharmaceuticals and Chemicals	0.06
Textile & Industry	1.27
Food and Allied Products	1.60
Transport & Communication	0.11
Electronics and Electrical Products	0.74
Ship Manufacturing Industry	2.49
Agriculture & Chemicals	15.93
Plastic Industry	0.54
Others	35.39
Total	1,391.21

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

Particulars	Amount in crore Taka
Repayable on demand	27.88
Not more than 3 months	3.39
Over 3 months but not more than 1 year	13.05
Over 1 year but not more than 5 years	299.93
Over 5 years	1,046.96
Total	1,391.21

(f) By major industry or counter party type:

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

Particulars	Amount in crore Taka
Loan up to 5 years	344.25
Loan over 5 years	1,046.96
Total	1,391.21

(ii) Specific and general provision

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

Particulars	Amount in crore Taka
Provision on classified loans and advances	32.77
Provision on unclassified loans and advances	12.62
Total	45.39

(iii) Charges for specific allowances and charge-offs during the year.

During the year the specific and general provisions were made on the amount of classified and unclassified loans and advances of NHFPLC.

Particulars	Amount in crore Taka
Provision on classified loans and advances	26.86
Provision on unclassified loans and advances	(4.92)
Total	21.94

(g) Gross Non Performing Assets (NPA) (Amount in crore) Taka 159.43 crore
Non-Performing Assets (NPAs) to outstanding Loans and Advances 11.46%

Movement of Non-Performing Assets (NPAs)

Particulars	Amount in crore Taka
Opening Balance	128.43
Additions	64.46
Reductions	(33.46)
Closing Balance	159.43

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

Particulars	Amount in crore Taka
Opening Balance	19.10
Provisions made during the period	4.98
Write-off	11.01
Written-back of excess provisions	(2.32)
Closing Balance	32.77

E) Equities: Banking book positions

Qualitative Disclosures

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

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

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

Quantitative Disclosures

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

Particulars	Amount in crore Taka
Quoted shares (Market price)	18.89
Quoted shares (Cost Price)	24.11
Unquoted shares	2.50

Break up of Total Investment

Particulars	Amount in crore Taka
Government securities	119.03
Non marketable securities	-
Preference share	0.26
Investment in share (lock-in)	-
Marketable Securities	26.61
Commercial paper	-

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

Particulars	Amount in crore Taka
Cumulative realized gain/(loss)	(0.05)

(d)

Particulars	Amount in crore Taka
Total unrealized gains(Losses)	(5.37)
Total latent revaluation gains (Losses)	-
Any amounts of the above included in Tier 2 Capital	-

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

Specific Risk- Market value of investment in equities is BDT 18.89 crore. Capital Requirement is 10% of the said value which stand to BDT 1.89 crore..

General Risk- Market value of investment in equities is BDT 18.89 crore. Capital Requirement is 10% of the said value which stand to BDT 1.89 crore.

F) Interest rate in the banking book

Qualitative Disclosures

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

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

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

Quantitative Disclosure

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

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

Particulars	Maturity wise distribution of Assets-liabilities				
	1 to 30/31 day (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 month to 1 year
A. Total Rate Sensitive Liabilities (A)	79.07	84.83	89.06	125.32	266.33
B. Total Rate Sensitive Assets (B)	39.93	85.95	90.41	123.78	288.57
C. Mismatch	-39.14	1.11	1.35	-1.54	22.25
D. Cumulative Mismatch	-39.14	-38.02	-36.67	-38.21	-15.97
E. Mismatch (%)	-49.50%	1.31%	1.52%	-1.23%	8.35%

Interest rate risk

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio (BDT in Crore)	0.00	0.00	0.00
Net Interest Income (BDT in Crore)	-0.32	-0.64	-0.96
Revised Regulatory Capital (BDT in Crore)	224.22	223.90	223.58
Risk Weighted Assets (BDT in Crore)	1280.80	1280.80	1280.80
Revised CAR (%)	17.51%	17.48%	17.46%

(G) Market risk

Qualitative Disclosures

Views of BOD on trading/investment activities

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

Methods used to measure Market risk

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

Market Risk Management System

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

Interest Risk Management

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

Market analysis

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

GAP analysis

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

Continuous Monitoring

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

Equity Risk Management

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

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

Quantitative Disclosures

The capital requirements for Market Risk:

Interest rate risk	Amount in crore Taka
Interest rate risk	-
Equity position risk	4.30
Foreign Exchange Position and Commodity risk (If any)	-

(H) Operational Risk:

Qualitative disclosure:

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

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

Performance gap of executives and staffs

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

Potential external events

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

Policies and procedures for mitigating operational risk:

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

Approach for calculating capital charge for operational risk:

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

Quantitative Disclosures:

(b) Capital requirement for operational risk:

Particulars	Amount in crore Taka
Capital requirement for operational risk:	8.12

ISLAMIC BANKING OPERATION OF NATIONAL HOUSING FINANCE PLC

All praises are due to Almighty Allah, the Most Beneficent, the Most Merciful.

Islamic Banking has been experiencing significant growth globally, including in Bangladesh. Currently, only a limited number of banks and non-bank financial institutions remain outside the scope of Islamic banking. Unlike conventional banking, Islamic banking operates strictly in compliance with Shari'ah principles, focusing on real transactions rather than interest-based activities. In this system, depositors receive a share of profit earned from halal (Permissible) and interest-free income. Depositors are recognized as Sahib-Al-Mal (Owners of capital), while the financial institution acts as Mudarib (Entrepreneur). Both parties share the profit according to a pre-agreed ratio. At **National Housing Finance PLC**, the minimum profit-sharing ratio is set at 65:35 (Depositors: Company) in favor of depositors.

National Housing Finance PLC obtained approval from Bangladesh Bank on March 24, 2024 to operate Shariah-based Islamic Banking and officially commenced operations on April 8, 2024. The first investment under this wing was disbursed in September 2024. Following the inauguration, the July revolution created an unfavorable market environment, which slowed down expected business momentum/growth. However, by the end of the year market conditions improved enabling more stable operations.

To ensure effective operations, a team of qualified and experienced Islamic bankers has been appointed at the Head Office. Islamic banking services of National Housing Finance PLC are now available through all branches and sales centers. The Wing has already generated encouraging responses from Shari'ah-sensitive clients across both the investment and deposit portfolios.

As of December 31, 2024, the Islamic Banking wing of National Housing Finance PLC recorded the following position:

Particulars	Amount (BDT in million)
Deposits	124.89
Investments	49.75
Overdue	Nil
Classified	Nil

The liability and asset products offered under the Islamic wing are as follows:

Liability Products	Asset Products
Mudaraba Term Deposit	HPSM House/Apartment Purchase
Mudaraba Senior Citizen Term Deposit	HPSM House Building project
Mudaraba Monthly / Quarterly / Half-Yearly Deposit	HPSM House Renovation project
Mudaraba Probable Double Deposit	HPSM Commercial Space/Chamber Purchase project
Mudaraba Housing Savings Scheme	HPSM Car/Machinery Investment project
Mudaraba Mohila Savings Scheme	
Mudaraba Pension Deposit Scheme	
Mudaraba Hajj Savings Scheme	
Mudaraba Probable Millionaire Scheme	
Mudaraba Probable Kotipoti Scheme	

Shari'ah Supervisory Committee

National Housing Finance PLC has formed a Shari'ah Supervisory Committee comprising highly experienced and nationally recognized professionals, including eminent bankers, legal experts, and Shari'ah scholars. The Committee oversees the Islamic banking operations to ensure full compliance with Shari'ah principles. Its responsibilities include providing guidance on business activities, conducting regular Shari'ah audits, and reviewing the financial statements of the Islamic wing to certify their Shari'ah compliance.

Serial	Name	Position
1.	Janab Fariduddin Ahmed	Chairman
2.	Janab Mufti Shahed Rahmani	Member Secretary
3.	Janab Shah Muhammad Wali Ullah	Member
4.	Janab Barrister Md. Mahfuzur Rahman	Member
5.	Janab Mohammad Shamsul Islam	Ex-Officio

The Islamic Banking business of National Housing Finance PLC is expanding steadily, with growing interest from clients in Shari'ah-compliant, interest-free banking. The Company has set its long-term vision to gradually transition into a fully Shari'ah-based institution. In line with this objective, manpower development and training programs are being implemented to strengthen capacity in Islamic banking. Management is optimistic about achieving sustainable growth and a promising future for this wing.

DECLARATION BY MD & CFO REGARDING FINANCIAL STATEMENT

(as per Annexure-A & condition No. 1(5)(xxvi))

Declaration by MD and CFO

Date: 29.06.2025

The Board of Directors

National Housing Finance PLC
Concord Baksh Tower (7th Floor), Plot: 11-A,
Road: 48, Block: CWN(A), Gulshan-2, Dhaka-1212,

Subject: Declaration on Financial Statements for the year ended on 31st December 2024

Dear Sirs,

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

- (1) The Financial Statements of National Housing Finance PLC for the year ended on 31st December, 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: ____

(i) We have reviewed the financial statements for the year ended on 31st December, 2024 and that to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Mohammad Shamsul Islam)
Managing Director
Date: 29.06.2025



(Sayed Ahmed FCMA)
Chief Financial Officer
Date: 29.06.2025

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

NATIONAL HOUSING FINANCE PLC.

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

This certificate remains current until 31st December, 2025.

CM-2025/186

Ref. No:

April 6, 2025

Date of issue :




Secretary General



AUDITOR'S REPORT



**Independent Auditor's Report
To the Shareholders of
National Housing Finance PLC
Report on the Audit of Financial Statements**

Opinion

We have audited the financial statements of National Housing Finance PLC which comprise the statement of financial position as at 31 December 2024 and the statement of profit and loss and other comprehensive income, the statement of changes in Shareholders' equity and the statement of cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of financial position of National Housing Finance PLC as at 31 December 2024 and of its financial performance for the year then ended in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRSs) and comply with the Finance Company Act, 2023, the Rules and Regulations issued by Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements of our report, including in relation to these matters.



Description of key matters	Our response to key audit matters
Measurement of provision for loans, advances, and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous, databases, assumptions, and estimates.</p> <p>At year end 2024 the reported total gross loans and advanced amounting to BDT 13,912,106,800 (2023: amounting to BDT 1,432,881,2414) and provision for loans and advances maintained was BDT 126,279,498. (2023: amounting to BDT 175,540,086).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the Credit appraisal, loan disbursement procedures, monitoring and provisioning process. • Identification of loss events, including early warning and default warning indicators. • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following.</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. • Assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank.
See note no 8 & 14.02 to the financial statements	
Legal and regulatory matters	
<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 proceeding such matters are subject to many uncertainties and the outcome may be difficult to predict.</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 contingencies process.</p>



Description of key matters	Our response to key audit matters
<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and others contingent liabilities.</p> <p>Overall, the legal provisions represent the company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.</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 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 also assessed the company's provisions and contingent liabilities disclosure.</p>
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment; the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, 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 and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Other Matter

The financial statements of the company for the year ended 31 December 2023 were audited by Mahfel Huq & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 31 July 2024.

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

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

- 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 there as on ableness 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company as far as it appeared from our examination of those books;
- c) The consolidated balance sheet, consolidated profit and loss account, consolidated cash flow statement, consolidated statement of changes in shareholders' equity and together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- d) The expenditures incurred were for the purpose of the Company's business for the year;
- e) The financial statement of the Company has been drawn up in conformity with the Finance Company Act, 2023 except the liquidity statement and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- f) Adequate 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;
- g) The financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) The records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- i) Statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- j) 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;
- k) 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;
- l) 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;
- m) We have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1380 person hours for the audit of the books and accounts of the Company;
- n) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning, and calculation of interest suspense;
- o) the Company has complied with Finance Company Act, 2023 in preparing these financial statements; and
- p) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka
Dated: June 29, 2025

Harun-Ur-Rashid FCA
Managing Partner, Enrolment No:312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC No.: 2506300312AS726726



AUDITED FINANCIAL STATEMENTS

NATIONAL HOUSING FINANCE PLC.
Statement of Financial Position
As at December 31, 2024

Particulars	Note	Amount in Taka	
		2024	2023
Property and Assets			
Cash:	4.00		
In hand (including foreign currencies)		35,951	34,709
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		195,359,894	184,825,728
		195,395,845	184,860,437
Balance with banks and other financial institutions:	5.00		
In Bangladesh		1,263,175,899	3,853,644,896
Outside Bangladesh		-	-
		1,263,175,899	3,853,644,896
Money at call and on short notice	6.00	-	-
Investments:	7.00		
Government		1,190,313,152	899,845,052
Others		538,644,847	533,356,558
		1,728,957,998	1,433,201,610
Loans and advances:	8.00		
Loans, cash credits, overdrafts etc.		13,912,106,800	14,328,812,414
Bills purchased and discounted		-	-
		13,912,106,800	14,328,812,414
Fixed assets including premises, furniture and fixtures	9.00	272,012,625	285,371,376
Other assets	10.00	441,900,185	459,936,545
Non-banking assets	11.00	-	-
Total Assets		17,813,549,353	20,545,827,278
Liabilities and capital			
Liabilities:			
Borrowing from other banks, financial institutions and agents	12.00	2,074,795,568	1,703,568,057
Deposits and other accounts:	13.00		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		220,000,000	3,370,000,000
Fixed deposits		11,658,859,184	11,726,192,883
Bearer certificate of deposits		-	-
Other deposits		2,467,438	2,700,128
		11,881,326,622	15,098,893,011
Other liabilities	14.00	1,756,611,818	1,528,452,336
Total Liabilities		15,712,734,008	18,330,913,404
Capital/Shareholders' equity:			
Paid up capital	15.02	1,170,312,000	1,170,312,000
Statutory reserve	16.00	707,778,407	707,191,873
Retained earnings	17.00	222,724,937	337,410,001
Other reserves		-	-
		2,100,815,344	2,214,913,874
Total Shareholders' equity		2,100,815,344	2,214,913,874
Total liabilities and Shareholders' equity		17,813,549,353	20,545,827,278

Particulars	Note	Amount in Taka	
		2024	2023
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	583,449,383	398,935,011
Undrawn formal standby facilities, credit lines and other commitments		-	-
		583,449,383	398,935,011
Total Off-Balance Sheet Items including contingent liabilities		583,449,383	398,935,011
Net Asset Value (NAV) per share	42.00	17.95	18.93

Annexed notes form an integral part of these financial statements

Mohammad Shamsul Islam
Managing Director

Mahmuda Begum
Independent Director

A.K.M. Moinuddin, FCA
Director

Dr. Khondaker Showkat Hossain
Chairman

Signed as per our report on same date

Harun-Ur-Rashid FCA
Managing Partner, Enrolment No.312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
“DVC No.: 2506300312AS726726”


Place: Dhaka
Dated: 29 June 2025

NATIONAL HOUSING FINANCE PLC.
Statement of Profit or Loss and other Comprehensive Income
For the year ended December 31, 2024


Particulars	Note	Amount in Taka	
		2024	2023
Interest Income	19.00	1,893,562,084	1,454,168,287
Interest paid on deposits, borrowings etc.	20.00	1,504,232,892	1,056,986,612
Net interest income		389,329,192	397,181,676
Investment Income	21.00	123,387,539	77,297,714
Commission, exchange and brokerage	22.00	2,000	1,000.00
Other operating income	23.00	11,578,667	10,080,435
		134,968,206	87,379,149
Total operating income		524,297,399	484,560,824
Salaries and allowances	24.02	158,175,642	155,435,959
Rent, taxes, insurance, electricity etc.	24.03	19,668,604	17,485,300
Legal expenses	24.04	-	-
Postage, stamps, telecommunication etc.	25.00	2,100,784	2,833,308
Stationery, printing, advertisement etc.	26.00	10,062,418	9,980,236
Managing Director's salary and fees	27.00	6,486,807	6,680,000
Directors' fees and expenses	24.01	1,058,200	1,408,000
Auditors' fees	28.00	345,000	345,000
Charges on loan losses		-	-
Depreciation and repairs to assets	29.00	15,857,902	16,156,957
Other expenses	30.00	18,846,734	19,586,967
Total operating expenses		232,602,091	229,911,727
Profit/ (Loss) before provisions		291,695,308	254,649,097
Provisions for			
Loans, advances and leases	31.00	219,390,615	112,376,858
Diminution in value of investments	31.01	22,489,712	(5,414,505)
Others	31.02	5,960,800	12,262,554
Total provisions		247,841,127	119,224,907
Total profit/(loss) before taxation		43,854,181	135,424,190
Provisions for taxation			
Current	14.08	(30,697,133)	(45,018,175)
Deffered	10.03	(10,224,378)	30,227,562
		(40,921,510)	(14,790,613)
Net Profit/(loss) after taxation		2,932,670	120,633,577
Appropriations:			
Statutory reserve	16.00	586,534	24,126,715
General reserve		-	-
Dividend etc.		-	-
		586,534	24,126,715
Retained surplus		2,346,136	96,506,862
Earnings per share	32.00	0.03	1.03

Annexed notes form an integral part of these financial statements


Mohammad Shamsul Islam
Managing Director


Mahmuda Begum
Independent Director


A.K.M. Moinuddin, FCA
Director


Dr. Khondaker Showkat Hossain
Chairman

Signed as per our report on same date

Place: Dhaka
Dated: 29 June 2025


Harun-Ur-Rashid FCA
Managing Partner, Enrolment No.312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC No.: 2506300312AS726726

NATIONAL HOUSING FINANCE PLC.

Statement of Changes in Equity

For the year ended December 31, 2024

Figures in Taka


Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation reserve on Govt. Securities	Retained Earnings	Total
Balance as at January 01, 2024	1,170,312,000	707,191,873	-	-	337,410,001	2,214,913,874
Changes in accounting policy	-	-	-	-	-	-
Restated balance	1,170,312,000	707,191,873	-	-	337,410,001	2,214,913,874
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	-	-	-	-	2,932,670	2,932,670
Dividends	-	-	-	-	(117,031,200)	(117,031,200)
Issue of Bonus share	-	-	-	-	-	-
Transfer to statutory reserve	-	586,534	-	-	(586,534)	-
Balance as at December 31, 2024	1,170,312,000	707,778,407	-	-	222,724,937	2,100,815,344

Annexed notes form an integral part of these financial statements


Mohammad Shamsul Islam
 Managing Director


Mahmuda Begum
 Independent Director


A.K.M. Moinuddin, FCA
 Director


Dr. Khondaker Showkat Hossain
 Chairman


Place: Dhaka
 Dated: 29 June 2025

NATIONAL HOUSING FINANCE PLC.
Statement of Cash Flow
For the year ended December 31, 2024

Particulars	Amount in Taka	
	2024	2023
A. Cash flows from operating activities		
Interest receipts in cash	1,873,942,219	1,456,519,260
Interest payments	(1,361,827,773)	(999,121,299)
Dividend receipts	8,360,223	5,921,307
Fees and commissions receipts in cash	2,000	1,000
Recoveries on loans previously written off	(2,013,000)	(933,600)
Cash payments to employees	(128,958,614)	(156,835,042)
Cash payments to suppliers	(12,721,692)	(13,223,995)
Income taxes paid	(98,280,792)	(153,648,070)
Income received from Investments	90,201,320	65,493,994
Receipts from other operating activities	11,087,680	11,098,499
Payments for other operating activities	(35,461,021)	(35,897,330)
Cash generated from operating activities before changes in operating assets and liabilities	344,330,550	179,374,723
Increase/(decrease) in operating assets and liabilities:		
Statutory deposits	-	-
Purchase/sale of trading securities	-	-
Loans, advances and leases to the client	282,688,830	(21,737,418)
Other assets	(24,110,862)	77,683,068
Term deposits	(3,217,333,699)	2,626,857,278
Other deposits	(232,690)	(155,100)
Trading liabilities	-	-
Other liabilities	78,225,021	87,735,872
	(2,880,763,401)	2,770,383,701
Net cash flow from operating activities	(2,536,432,851)	2,949,758,424
B. Cash flows from investing activities		
Proceeds from sale of securities		
Payments for purchase of securities	(5,288,289)	(350,458,549)
Purchase /sale of property, plant & equipment	(290,468,100)	-
Purchase /sale of subsidiary	(1,940,661)	(3,004,749)
Net cash from investing activities	-	-
C. Cash flows from financing activities	(297,697,050)	(353,463,298)
Receipts from issue of loan capital & debt securities		
Payments for redemption of loan capital & debt securities	-	-
Receipt from ordinary shares	-	-
Loan from banks	371,227,511	(443,076,389)
Dividend paid	(117,031,200)	(175,546,800)
Net cash from financing activities	254,196,311	(618,623,189)
D. Net increase/(decrease) in cash	(2,579,933,589)	1,977,671,936
E. Effects of exchange rate changes on cash and cash equivalent	-	-
F. Cash and cash equivalent at beginning of the year	4,038,505,333	2,060,833,397
G. Cash and cash equivalent at end of the year	1,458,571,744	4,038,505,333
Cash and cash equivalent at end of the year		
Cash in hand (including foreign currencies)	35,951	34,709
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	195,359,894	184,825,728
Balance with banks and other financial institutions	1,263,175,899	3,853,644,896
Money at call and on short notice	-	-
	1,458,571,744	4,038,505,333
Net Operating Cash Flow Per Share (NOCFPS) (Note- 42.01)	(21.67)	25.20

Annexed notes form an integral part of these financial statements


Mohammad Shamsul Islam
Managing Director


Mahmuda Begum
Independent Director


A.K.M. Moinuddin, FCA
Director


Dr. Khondaker Showkat Hossai
Chairman

Place: Dhaka
Dated: 29 June 2025


Harun-Ur-Rashid FCA
Managing Partner, Enrolment No.312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC No.: 2506300312AS726726

NATIONAL HOUSING FINANCE PLC.
Liquidity Statement
(Maturity Analysis of Assets & Liabilities)
As at December 31, 2024

Figures in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Asset						
Cash in hand	35,951	-	-	-	-	35,951
Balance with Bangladesh Bank and its agents	195,359,894	-	-	-	-	195,359,894
Balance with other banks and FIs	260,675,899	500,000,000	502,500,000	-	-	1,263,175,899
Investments	538,644,847	242,943,750	35,060,325	912,309,077	-	1,728,957,998
Money at call and on short notice	-	-	-	-	-	-
Loans, advances and leases	278,773,524	33,933,810	130,517,387	2,999,298,689	10,469,583,390	13,912,106,800
Fixed assets including premises, fixtures and fittings	-	-	-	-	272,012,625	272,012,625
Other assets	167,702,772	-	273,575,413	-	622,000	441,900,185
Non-financial institution assets	-	-	-	-	-	-
Total Asset	1,441,192,888	776,877,560	941,653,125	3,911,607,765	10,742,218,015	17,813,549,353
Liabilities						
Borrowing from banks, other financial institutions and agents	1,491,487,122	-	481,280,151	102,028,295	-	2,074,795,568
Deposits and other accounts	250,966,978	-	10,731,410,830	886,170,763	12,778,051	11,881,326,622
Provision & other liabilities	584,985,698	12,578,240	181,501,581	975,712,094	1,834,206	1,756,611,818
Total Liabilities	2,327,439,798	12,578,240	11,394,192,562	1,963,911,151	14,612,257	15,712,734,008
Net Liquidity Gap	(886,246,911)	764,299,320	(10,452,539,437)	1,947,696,614	10,727,605,758	2,100,815,344

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

Annexed notes form an integral part of these financial statements



Mohammad Shamsul Islam
Managing Director



A.K.M. Moinuddin, FCA
Director



Dr. Khondaker Showkat Hossain
Chairman

NATIONAL HOUSING FINANCE PLC.
Notes to the Financial Statements
For the year ended December 31, 2024

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.

As per Gazette notification of Bangladesh Bank DFIM(L)/1053/63/2023-3779, dated Dhaka, 20 Kartik 1430/5th November, 2023 National Housing Finance and Investments Limited has been changed in the name of '**National Housing Finance PLC**'.

1.02 Principal Activities of NHFPLC

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 NHFPLC also involves with other activities such as accepting deposits, SME, lease financing, project financing etc..

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

2.01 Statement of Compliance

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

2.02 Basis of Accounting

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

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the Company has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed along with impact where applicable.

2.03.01 Valuation of Investments in quoted and unquoted shares and securities

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

“Bangladesh Bank: As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively.

Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. In order to comply with the requirement specified in DFIM Circular No. 02 dated January 31, 2012 the company has charged the entire amount of difference in market value and cost price of marketable securities to the profit and loss account. However as per requirements of IFRS 9 investment in shares falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value at the year-end is taken to profit and loss account or comprehensive income respectively.

2.03.02 Provision on loans and advances/investments

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

Bangladesh Bank: As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and DFIM circular No. 03, dated 29 April 2013 and DFIM circular no. 04, dated 26 July 2021 (Master Circular: Loan/ Lease classification and provisioning) and DFIM circular no.10, dated 04 September 2022 (Master circular of Loan/ lease re-scheduling/re-structure) 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 126,279,498 (out of accumulated provision of BDT 453,945,593) under liabilities.

2.03.03 Recognition of interest income in suspense

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

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

2.03.04 Other comprehensive income

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

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

2.03.05 Financial instruments – presentation and disclosure

IFRS 7 “Financial Instruments: Discloser”

IAS 32 “Financial Instruments: Presentation”

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

Treatment adopted as per Bangladesh Bank:

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

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

2.03.06 Write off

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

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

2.04 Date of Authorization

The Board of Directors has Authorized this financial statements for public issue on 29 June, 2025.

2.04.01 Components of the financial statements

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

- a) Balance Sheet as at 31 December 2024.
- b) Profit and Loss Account for the year ended 31 December 2024.
- c) Statement of Cash Flows for the year ended 31 December 2024.
- d) Statement of Changes in Equity for the year ended 31 December 2024.
- e) Liquidity Statement for the year ended 31 December 2024 and
- f) Notes to the Financial Statements for the year ended 31 December 2024.

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 NHFPLC.

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 2024. Accounts of the branch and sales centre are maintained at the corporate office from which these accounts are drawn up.

2.08 Liquidity Analysis

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

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

2.09 Reporting Period

These financial statements have been prepared for the period from January 01, 2024 to December 31, 2024.

2.10 IAS 7: Cash Flow Statement

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

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

2.10.01 Cash and cash equivalent

IAS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

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

2.10.02 Non-banking asset

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

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

2.10.03 Going concern

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

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

2.10.04 Materiality and aggregation

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

2.10.05 Accounting for leases

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

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

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

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

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

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

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

2.11 Implementation of BASEL-II

To comply with international best practices to make the FI's capital more risk sensitive as well as to make the FI industry more shock absorbent and stable, Bangladesh Bank provided regulatory capital framework "Risk Based Capital Adequacy for FI's with effect from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance.

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

2.12 Legal proceedings

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

3.00 Significant accounting policies

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

3.01 Authorized Capital

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

3.02 Paid up Capital

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

3.03 Statutory Reserve

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

3.04 Revenue Recognition

3.04.01 Interest Income Mortgage Loans

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

Lease Finance

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

Term Finance

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

Fixed Deposits

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

3.04.02 Investment Income

Income on investment is recognized on accrual basis.

3.04.03 Fees and Commission Income

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

3.05 Expenditure Recognition

3.05.01 Interest Paid and Other Expenses

Interest paid and other expenses are recognized on accrual basis.

3.05.02 Loan Loss Provision

General provision @ 1.00% & 0.25% on the unclassified loans and also additional @2.00% for unclassified deferred loan as advised by Bangladesh Bank for COVID-19 situation are made as per policy prescribed by the Bangladesh Bank. In addition to Bangladesh Bank's policy for provision against non-performing loans, the Company follows a stringent policy to make provision against its non-performing loans.

3.05.03 Fixed Assets

i) Recognition and measurement

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

ii). Subsequent Cost

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

iii) Depreciation

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

Items	Rates
Building	10.00%
Newly acquired Building	3.00%
Furniture	10.00%
Office Equipment	20.00%
Motor Vehicle	20.00%
Intangible Assets	20.00%
Right-use of Assets : Different rates are charged on assets based on respective agreement tenures	

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

3.06 Employee Benefits

3.06.01 Provident Fund

The Company has introduced a Contributory Provident Fund for its eligible employees with effect from January 2002, obtaining necessary approval from the National Board of Revenue, GoB. Provident Fund is administered by a Board of Trustee of the Company. All confirmed employees are contributing 10.00% of their basic salary as subscription of the fund and the Company also contributed at the same rate to the fund. The contributions are invested in compliance with the PF Trust Deed. Members are eligible to get the both contribution after completion of 5 (five) years continuous service.

3.06.02 Gratuity Fund

The Company has introduced a Funded Gratuity Scheme in the year 2004 obtaining necessary approval from the National Board of Revenue, GoB. The Gratuity Scheme is administered by a Board of Trustees. An employee shall be entitled to Gratuity at 01 (one) month last basic pay for each year of service from 06 months to up to 10 years and 1.5 (one and half) month last basic pay for each year for service above 10 years on cessation of employment with the company, as per the gratuity Fund Rules formulated in this regard. Gratuity is calculated on the basis of last basic salary and is payable at the rate of one month's basic pay for every completed year of service.

3.07 Income Tax

3.07.01 Current Tax :

Provision for current year's taxation has been made as per the provision of Income Tax Act 2023 at the ruling rate prescribed in the Finance Act, 2024 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, 2024. 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 2024 has been stated as post balance sheet events in note 47.00.

3.10 Related party disclosure

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

3.11 Regulatory & Legal Compliances

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

- a) The Financial Institutions Act 1993;
- b) The Finance Company Act 2023
- c) The Companies Act 1994;
- d) Rules and Regulations Issued by Bangladesh Bank;
- e) The Securities and Exchange Rules-1987;
- f) The Securities and Exchange Ordinance-1969;
- g) The Securities and Exchange Commission Act-1993;
- h) The Securities and Exchange Commission(Public Issue) Rules-2006;
- i) The Financial Institutions Regulations, 1994
- j) The Income Tax Ordinance 1984;
- k) The VAT and Suplimentary Duty Act 2012.
- l) The VAT and Suplimentary Duty Rule 2016.
- m) The 1st Schedule (under section 38) of Banking Companies Act 1991 for preparation of Financial Statements.

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

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

Name of the IAS	IAS No	Status of Compliance
Presentation of Financial Statements	IAS-01	Applied
Inventories	IAS-02	Not Applicable
Cash Flow Statements	IAS-07	Applied
Accounting Policies, Changes in Accounting Estimates & Errors	IAS-08	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Segment Reporting	IAS-14	Not Applicable
Property, Plant & Equipment	IAS-16	Applied
Leases	IAS-17	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not Applicable
The Effect of Changes in Foreign Exchange Rates	IAS-21	Not Applicable
Borrowing Costs	IAS-23	Applied
Related Party Disclosure	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Consolidated and Separate Financial Statements	IAS-27	Not Applicable
Investments in Associates and Joint Ventures	IAS-28	Not Applicable
Financial Reporting in Hyperinflationary Economics	IAS-29	Not Applicable
Interest in Joint Venture	IAS-31	Not Applicable
Financial Instrument Presentation	IAS-32	Applied
Earnings Per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable
Name of the IAS	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

NHFPLC 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, NHFPLC also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated 18 September 2005 for management of risks and, more recently, DFIM Circular No. 03 dated 24 January 2016.

Credit Risk

The Credit Risk Management Committee (CRM) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CRM critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at NHFPLC, 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. NHFPLC 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 NHFPLC, to address operational risks. NHFPLC has also established an Operational Risk Management (ORM) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of the ORM department is to exercise constant vigilance against erosion of Shareholders' value by identifying, assessing, measuring and managing operational risk resulting from inadequate or failed internal processes, people and systems or from external events.

Money Laundering and Terrorist Financing Risk

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

- a) Business risk which is the risk that NHFPLC may be used for money laundering or for the financing of terrorism and
- b) Regulatory risk which is the risk that NHFPLC 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, NHFPLC, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

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

Additional risks required to be addressed under regulatory requirements

DDFIM 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.

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

Reputation Risk

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

NHFPLC 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, NHFPLC 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. NHFPLC 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. NHFPLC 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. NHFPLC 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.

NATIONAL HOUSING FINANCE PLC.
Notes to the Financial Statements
For the year ended December 31, 2024

3.14 Islamic Finance Wing

The Board of Directors in its 241st meeting held on October 24, 2022 approved the proposal for opening of Islamic Financing Wing (IFW) and later on management received NOC from Bangladesh Bank on 30.01.2023 regarding opening of Islamic Wing accordingly management were advised to apply for the license of Islamic Wing by complying all related legal issues. Accordingly, The company have complied the issues advised by BB and amended the MOA & AOA with incorporation of 'Operation of Shariah based business' as one of the objectives of the business and the provision of formation of an independent Shariah' Supervisory Committee appointed by the Board of Directors. Accordingly, the Board of Directors vide in its 252nd meeting held on 27.11.2023 formed a Shari'ah Supervisory Committee (SSC). The SSC conducted its 1st meeting on 15.01.2024 and approved the following document/policy documents for onward approval of the Board of Directors.

- i) "Bye Laws" of the Shari'ah Supervisory Committee (SSC) of NHFPLC
- ii) "Deposit Operation Manual" of the Shari'ah Based Business Wing of NHFPLC
- iii) "Investment Operation Manual" of the Shari'ah Based Business wing of NHFPLC
- iv) "Organogram" for conducting Shari'ah Based Business of NHFPLC

It also adopted required policies, processes and Product Programme Guidelines (PPGs). Besides, Islamic Core Business Software (i-CBS) has been developed by NHF IT Department for operating Shari'ah-based businesses.

The company obtained permission from Bangladesh Bank (the country's central bank) to operate the islamic wing vide Bangladesh Bank's letter no. DFIM(L) 1053/63/2024-1057, dated March 24, 2024. The company commenced operation of this wing from April 08, 2024. The Islamic Wing is governed under the rules and regulation of Bangladesh Bank. A glimps of financial performance of Islamic Finance Wing has been presented at Annexure - B.

3.15 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting date that are non adjusting events are disclosed in the notes when material. There is no material adjusting and non-adjusting events after the Balance Sheet date.

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

SL No	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	"Measurement of provision for leases, loans and advances (financial assets measured at amortized cost"	"IFRS 9 "Financial Instruments"	"An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired." "If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)."	"As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006, FID circular No. 03, dated 29 April 2013 and DFIM circular No. 04, dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/ standard loans and Special Mentioned Accounts SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for substandard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue."	"In financial statements, an amount of Taka 49.26 million has been decreased against general provision for loans and advances for the year ended 31.12.2024. Accumulated provisions for leases, loans and advances as at 31.12.2024 stand at Taka 453.94 million."
2	"Valuation of Investments in quoted and unquoted shares."	IFRS 9 "Financial Instruments"	"Investment in shares falls either under at "fair value through profit/ loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income."	"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; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only."	"During this year, total market value of investment in Quoted shares of National Housing Finance PLC is less than its cost price. As on December 31, 2024 there was BDT 50.27 million unrealized loss on investment in quoted shares."

3	"Recognition of interest income for SMA and classified lease, loans and advances."	"IFRS 9 "Financial Instruments"	"Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount."	"As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account."	"National Housing Finance PLC maintained interest suspense accordingly."
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	"Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations."	"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. The templates of financial statements provided detail presentation for statement of cash flows."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank."
5	Measurement of deferred tax asset.	IAS 12 "Income Tax"	"A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized."	"As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances."	"During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for loans and advances."
6	Presentation and disclosure of Financial Statements and Financial Instruments	"IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	"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. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments."	"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. 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 include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank."
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	"The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently."	"As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank."
8	Current/Non-current distinction	IAS 1 "Presentation of Financial Statement"	"As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and noncurrent assets and current and non-current liabilities as separate classification in its statement of financial position."	"As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained."

9	Off-balance sheet items	"IAS 1 "Presentation of Financial Statements"	"There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet."	"As per DFIM Circular No. 11, dated 23 December 2009, offbalance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements."
10	"Impairment of Margin Loan (Loans and receivables"	"IFRS 9 "Financial Instruments"	"Measurement after initial recognition at amortized cost and recording of changes through profit and loss."	"As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan shall be kept at 20% on each quarter for the five quarters starting from December 2016."	"There is no such impact for this."
11	Complete set of financial statements	"IAS 1 "Presentation of Financial Statements"	"As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement"	"As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) cash flow statement, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements."
13	Other comprehensive income	"IAS 1 "Presentation of Financial Statements"	"As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement."	"Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity."	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements."
14	Disclosure of presentation of profit	N/A	"There is no requirement to show appropriation of profit in the face of statement of comprehensive income."	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	"Financial Statements for 2024 and corresponding year 2023 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements."

Notes	Particulars	Amount in Taka	
		2024	2023
4.00	Cash		
	Cash in hand:		
	Local currency	35,951	34,709
	Foreign currencies	-	-
		35,951	34,709
	Balance with Bangladesh Bank and its agent Bank:		
	Local currency	195,359,894	184,825,728
	Foreign currencies	-	-
		195,359,894	184,825,728
		195,395,845	184,860,437

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 and Finance Company Act 2023, 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 & NBFIs 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	184,616,932	171,160,085
Actual reserve held	195,359,894	184,825,728
Surplus/(deficit)	10,742,962	13,665,643

4.01.02 Statutory Liquidity Reserve (SLR)

Required reserve	656,152,963	620,555,205
Actual reserve held (including CRR)	1,580,743,109	709,202,985
Surplus/(deficit)	924,590,147	88,647,780

5.00 Balance with banks and other financial institutions

5.01 In Bangladesh

On current accounts (note: 5.01.01)	6,522,127	16,088,083
On Short Term Deposit (STD) Accounts (note: 5.01.02)	476,653,772	507,556,813
On Fixed Deposit Account (note: 5.01.03)	780,000,000	3,330,000,000
	1,263,175,899	3,853,644,896
Outside Bangladesh	-	-
	1,263,175,899	3,853,644,896

5.01.01 On Current Accounts

	-	-
Agrani Bank PLC	1,453,452	6,102,502
Bank Asia PLC	4,738,297	9,000,943
EXIM Bank PLC	53,229	54,149
National Bank PLC	9,230	10,150
Woori Bank PLC	194,395	77,380
Mercantile Bank PLC	42,016	332,761
United Commercial Bank PLC	31,508	510,198
	6,522,127	16,088,083

Notes	Particulars	Amount in Taka	
		2024	2023
5.01.02	On Short Term Deposit (STD) Accounts		
	Islami Bank Bangladesh PLC	3,322,420	11,340,085
	AB Bank PLC	11,779	263,327
	Commercial Bank of Ceylon PLC	236,373	2,803,974
	Dutch Bangla Bank PLC	13,089,747	2,378,121
	Bank Asia PLC	13,847,252	20,243,502
	Mutual Trust Bank PLC	20,279,362	583,468.18
	Eastern Bank PLC	2,182,295	17,115,674
	Exim Bank PLC	20,183,829	48,664,995
	Jamuna Bank PLC	10,584,712	78,126,292
	Jamuna Bank PLC (Unclaimed Dividend Account)	829	14,486
	National Bank PLC	227,878	5,492,045
	National Credit and Commerce Bank PLC	412,011	236,189
	NRB Bank PLC	5,266,341	7,833,815
	NRBC Bank PLC	90,765	91,915
	One Bank PLC	9,705,860	951,905
	Prime Bank PLC	659,514	2,257,475
	Premier Bank PLC	3,956,395	2,390,636
	Pubali Bank PLC	9,707,337	2,755,654
	Shahjalal Islami Bank PLC	1,636,230	11,518,861
	Social Islami Bank PLC	97,656	120,799
	Standard Bank Limited	80,624,721	816,210
	Standard Chartered Bank Limited	-	27,833
	Sonali Bank PLC	1,936,184	1,450,052
	SBAC Bank Limited	51,642	52,405
	Southeast Bank PLC	2,368,937	1,792,511
	Trust Bank Limited	64,015	56,174
	Dhaka Bank PLC	39,385,017	48,674,044
	Padma Bank Limited	50,763	50,763
	Uttara Bank PLC	1,360,436	1,276,473
	Bank Alfalah Limited	9,055,423	1,055,423
	Al-Arafah Islami Bank PLC	500,804	-
	Midland Bank Limited	6,677	7,507
	Mercantile Bank PLC	3,250,567	14,414,201
	Sub-Total	254,153,772	284,856,813
	Non-Bank Financial Institutions:		
	International Leasing and Financial Services Limited	150,000,000	150,200,000
	Premier leasing & Finance Limited	60,500,000	60,500,000
	Fareast Finance Limited	12,000,000	12,000,000
	Sub-Total	222,500,000	222,700,000
	Total Short Term Deposit (STD) Accounts	476,653,772	507,556,813
5.01.03	On Fixed Deposit Account		
	Dhaka Bank PLC	180,000,000	3,330,000,000
	Standard Bank PLC	100,000,000	-
	One Bank PLC	400,000,000	-
	South East Bank PLC	100,000,000	-
		-	-
		780,000,000	3,330,000,000

Notes	Particulars	Amount in Taka	
		2024	2023
5.02	Maturity Grouping of Balance with other Banks and Financial Institutions		
	On demand	260,675,899	300,944,896
	Up to 3 (three) months	500,000,000	222,700,000
	More than 3 (three) months but not more than 1 (one) year	502,500,000	3,330,000,000
	More than 1 (one) year but not more than 5 (five) years	-	-
	More than 5 (five) years	-	-
		1,263,175,899	3,853,644,896
6.00	Money at call and on short notice		
	Bank		
	National Credit and Commerce Bank Limited	-	-
	Sub-Total	-	-
7.00	Investments		
	Government securities	1,190,313,152	899,845,052
	Other investments (note: 7.01)	538,644,847	533,356,558
		1,728,957,998	1,433,201,610
7.01	Other Investments		
	Preference Shares (Union Capital)	2,559,496	3,059,496
	Investment in IPDC Finance 2nd Subordinated Bond	220,000,000	220,000,000
	Investment in EBL 3rd Subordinated Bond	50,000,000	50,000,000
	Ordinary Shares (note: 7.01.01)	266,085,351	260,297,062
		538,644,847	533,356,558

7.01.01 Investment in ordinary shares

Name of Company	Cost Price	Number of Shares	Cost Value	Market Price	Market Value as on 31.12.2023	Provision for diminution in value of share
Eastland Insurance Company Ltd.	38.45	585,000	22,491,856	19.50	11,407,500	11,084,356
Jamuna Bank PLC	18.38	361,098	6,638,163	19.60	7,077,521	(439,357)
BMSL National Housing Growth Fund	10.00	2,500,000	25,000,000	10.38	25,950,000	(950,000)
Square Pharmaceuticals PLC	214.57	489,268	104,981,677	217.70	106,513,644	(1,531,967)
Confidence Cement PLC	92.74	66,025	6,123,176	56.70	3,743,618	2,379,558
IDLC Finance PLC	55.26	845,000	46,692,007	32.70	27,631,500	19,060,507
LankaBangla Finance PLC	32.79	700,000	22,951,521	18.60	13,020,000	9,931,521
Asian Tiger Sandhani Life Growth Fund	10.23	3,050,000	31,206,950	6.40	19,520,000	11,686,950
Preference shares (Unquoted)	-	-	-	-	-	2,559,496
Total			266,085,351		214,863,782	53,781,065

Provision for diminution in value of share

Opening Balance	31,291,353	36,705,858
Charge /(recovery) during the year	22,489,712	(5,414,505)
Balance as on December 31	53,781,065	31,291,353

Notes	Particulars	Amount in Taka	
		2024	2023
7.01.02 Maturity-wise Grouping			
	On demand	538,644,847	533,356,558
	Up to 3 (three) months	242,943,750	-
	More than 3 (three) months but not more than 1 (one) year	35,060,325	-
	More than 1 (one) year but not more than 5 (five) years	912,309,077	899,845,052
		1,728,957,998	1,433,201,610
8.00 Loans and advances			
	Mortgage loans	13,324,179,595	13,564,440,256
	Lease finance	6,081,309	43,835,611
	Term loans	78,106,510	104,596,824
	Small & Medium Enterprises Loan	439,294,103	479,833,429
	Loan Against Fixed Deposits	29,162,370	97,232,135
	Staff loan (note: 8.05)	35,282,912	38,874,159
		13,912,106,800	14,328,812,414
8.01 Maturity-wise Grouping of loans and advances			
	Up to 1 (one) months	278,773,524	376,224,314
	Up to 3 (three) months	33,933,810	9,799,090
	More than 3 (three) months but not more than 1 (one) year	130,517,387	115,090,113
	More than 1 (one) year but not more than 5 (five) years	2,999,298,689	1,481,722,682
	More than 5 (five) years	10,469,583,390	12,345,976,216
		13,912,106,800	14,328,812,414
8.02 Loans, Advances and Leases			
	In Bangladesh		
	Loans	13,906,025,491	14,284,976,803
	Leases	6,081,309	43,835,611
	Overdraft	-	-
	Cash Credit	-	-
		13,912,106,800	14,328,812,414
	Outside Bangladesh	-	-
		13,912,106,800	14,328,812,414
8.03 Geographical Location-wise Grouping			
	In Bangladesh		
	Dhaka division	10,548,686,555	10,996,818,739
	Chattogram division	1,157,775,284	1,217,292,605
	Khulna division	13,895,371	9,130,295
	Sylhet division	-	-
	Barisal division	-	-
	Rangpur division	697,873,395	670,062,404
	Rajshahi division	1,493,876,194	1,435,508,371
		13,912,106,800	14,328,812,414
	Outside Bangladesh	-	-
		13,912,106,800	14,328,812,414

Notes	Particulars	Amount in Taka	
		2024	2023
8.04	Significant Concentration-wise Grouping		
	Directors & their related parties (Note: 53.00)	-	-
	Staff:		
	Managing Director	-	-
	Senior Executives	35,282,912	38,874,159
	Others	29,162,370	97,232,135
		64,445,282	136,106,294
	Industries:		
	Agricultural loan	26,524,144	120,669,369
	Large and medium enterprises	461,319,182	479,833,429
	Small and cottage	35,638,596	27,763,066
		523,481,922	628,265,864
	Mortgage Loan		
	Home mortgage loan	11,751,266,072	11,795,784,928
	Commercial mortgage loan	1,373,514,560	1,501,465,165
	Project mortgage loan	199,398,963	267,190,163
		13,324,179,595	13,564,440,256
	Trade & commercial	-	-
		13,912,106,800	14,328,812,414
8.05	Staff Loan		
	Personal loan	25,809,962	26,962,933
	Car loan	9,472,950	11,911,226
		35,282,912	38,874,159
8.06	Details of Large Loan		
	As at 31 December 2024 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 2,289.27 million and Taka 2,378.63 million respectively as at 2024 & 2023 respectively (note: 15.05).		
8.07	Grouping as per Classification Rules		
	Unclassified:		
	Standard	12,066,697,597	12,747,754,424
	Special Mention Account	251,012,226	296,719,252
		12,317,709,823	13,044,473,676
	Classified:		
	Sub-standard	53,480,838	408,256,999
	Doubtful	541,182,182	116,463,956
	Bad/loss	999,733,957	759,617,783
		1,594,396,977	1,284,338,738
		13,912,106,800	14,328,812,414
8.08	Loan Type-wise Classified Loan		
	Mortgage loans	1,294,610,315	947,406,337
	Lease finance	121,541	34,734,213
	Term Finance	13,921,453	51,568,171
	Small & Medium Enterprises	285,743,668	250,630,017
		1,594,396,977	1,284,338,738

Notes	Particulars	Amount in Taka	
		2024	2023
8.09	Sector-wise Allocation of Loans, Advances and Leases		
	Government		
	Private:		
	Mortgage loan	11,950,665,035	12,056,681,290
	Industry	6,081,309	43,835,611
	Term Finance	78,106,510	104,596,824
	Commercial loan	1,373,514,560	1,507,758,966
	SME Loan	439,294,103	479,833,429
	Miscellaneous	64,445,282	136,106,294
		13,912,106,800	14,328,812,414
8.10	Securities Against Loans, Advances and Leases		
	Collateral of moveable/immoveable assets	13,847,661,518	14,192,706,120
	Fixed Deposit Receipts (FDR)	29,162,370	97,232,135
	Fixed Deposit of other banks	-	-
	Personal guarantee	35,282,912	38,874,159
	Others	-	-
		13,912,106,800	14,328,812,414

8.11 Particulars of Required Provision for Loans, Advances and Leases

Status	Outstanding Loans, Advances and Leases as at 31.12.2024	Base for Provision	Rate of Required Provision	Required Provision	Required Provision
For Loans, Advances and Leases:					
Unclassified-General Provision:					
All unclassified Loans	11,894,436,557	11,894,436,557	1.00%	120,061,360	142,234,038
Additional provision on unclassified loan as per Bangladesh Bank Guideline			2.00%	12,633,449	18,836,653
Unclassified SME loan	172,261,040	172,261,040	0.25%	325,732	365,356
Special Mention Account (SMA)	251,012,226	221,985,996	5.00%	11,099,302	13,275,203
Sub-total:	12,317,709,823	12,288,683,593		144,119,843	174,711,250
Classified-Specific Provision:					
Sub-standard	53,480,838	9,297,259	20.00%	1,859,453	16,903,414
Doubtful	541,182,182	116,315,617	50.00%	58,157,813	13,826,118
Bad/Loss	999,733,957	249,808,484	100.00%	249,808,484	161,117,981
Sub-total:	1,594,396,977	375,421,360		309,825,750	191,847,513
Grand-total:	13,912,106,800	12,664,104,952		453,945,593	366,558,763

8.12 Particulars of Loans, Advances and Leases

Loans considered good in respect of which the Company is fully secured	13,876,823,888	14,289,938,255
Loans considered good against which the Company holds no security other than debtors' personal guarantee	25,809,962	26,962,933
Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	9,472,950	11,911,226
Loans adversely classified-no provision not maintained there against	-	-
	13,912,106,800	14,328,812,414

Notes	Particulars	Amount in Taka	
		2024	2023
	Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	35,282,912	38,874,159
	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)	999,733,957	759,617,783
	b) Loans written off	-	-
	c) Realized from previous written off	-	-
	d) Provision on bad loans, advances and leases	309,825,750	191,847,513
	e) Interest credited to the interest suspense account (Note-14.05)	450,768,998	404,699,177
	f) Cumulative amount of the written off loans/Leases:		
	Opening balance	413,535,684	303,396,802
	Amount written off during the year	172,982,633	111,072,482
	Cumulative to date	586,518,317	414,469,284
	Recovery from write-off	(2,013,000)	(933,600)
	Written off loans for which law suit filed	584,505,317	413,535,684
8.13	The directors of the Company have not taken any loan from National Housing during the year or there is no outstanding loan balances with any directors of the company.		
9.00	Fixed assets including premises, furniture and fixtures for 2024		
	Cost		
	Opening balance	435,237,828	432,233,079
	Add: Addition during the year (Annexure - A)	1,940,661	3,004,749
		437,178,489	435,237,828
	Less: Disposed during the year (Annexure-A)	-	-
	Balance as on 31.12.2024	437,178,489	435,237,828
	Less: Accumulated depreciation (9.02)	(165,165,864)	(149,866,452)
	Written down value as on 31.12.2024	272,012,625	285,371,376
9.02	Accumulated depreciation		
	Opening balance	149,866,452	134,119,946
	Add: Depreciation charged during the year	15,299,412	15,746,506
		165,165,864	149,866,452
	Less: Adjustment during the year	-	-
	Balance as on 31.12.2023	165,165,864	149,866,452

For details please refer to Annexure - A

Notes	Particulars	Amount in Taka	
		2024	2023
10.00	Other assets		
	Income Generating Other Assets:	-	-
	Non-income Generating Other Assets:		
	Advance against fixed assets (note: 10.03)	-	-
	Security deposits	622,000	572,000
	Advance income tax (note: 10.01)	262,579,301	303,708,308
	Advance against branch office	-	165,000
	Advance against office rent	190,001	-
	Deferred tax assets (note: 10.03)	10,806,111	21,030,488
	Stamp & Security Paper	237,024	264,494
	Other receivables (note: 10.02)	167,465,748	134,196,254
		441,900,185	459,936,545
10.01	Advance Income Tax		
	Balance as at 1st January	303,708,308	336,197,583
	Add: Advance tax for the year:		
	Tax paid during the year	47,292,558	130,634,875
	Tax deducted at source	50,988,234	23,013,195
	Less: Adjusted against tax provision for the year 2018 & 2021	(139,409,799)	(186,137,344)
		(41,129,007)	(32,489,274)
	Balance as at 31 December	262,579,301	303,708,308
10.02	Other Receivables		
	Cheque dishonored charges	81,743	111,270
	Accounts receivable	116,286,762	93,213,430
	Advance against Profit First Term Deposit	3,794,000	-
	Advance against Zero Coupon Bond	23,523,865	3,904,000
	Interest on bank deposits	-	16,245,392
	Receivable from Multi Securities	3,970	4,420
	Receivable from ETBL Securities	330	99,666
	Receivable from UFT Co. Ltd	349,735	45,671
	Legal charges receivable	23,238,391	20,171,829
	Others	186,954	400,577
		167,465,748	134,196,254
10.03	Deferred tax assets		
	Balance as at 1st January	21,030,488	(9,197,074)
	Add: Addition during the year (note: 10.03(a))	(10,224,378)	30,227,562
		10,806,111	21,030,488
10.03(a)	Calculation of deferred tax		
	Carrying amount of Fixed Assets (excluding land)	206,792,632	220,151,383
	Tax base value of Fixed Assets	235,608,928	276,232,686
	Deductible temporary difference	28,816,295	56,081,303
	Applicable tax rate	37.50%	37.50%
	Deferred tax assets on fixed assets	10,806,111	21,030,488
	Deferred tax assets/(liability) at the beginning of year	21,030,488	(9,197,074)
	Deferred tax income/(Expenses)	(10,224,378)	30,227,562
11.00	Non-banking assets	-	-

Notes	Particulars	Amount in Taka	
		2024	2023
12.00	Borrowing from banks, other financial institutions and agents Secured In Bangladesh:		
	Secured Overdraft		
	Banking companies:		
	Eastern Bank PLC	249,293,064	223,803,580
	Mercantile Bank PLC	98,689,155	1,245,711
	SBAC Bank PLC	-	-
	Exim Bank PLC	-	-
	Uttara Bank PLC	-	-
	Pubali Bank PLC	246,255,170	110,471,870
	Mutual Trust Bank PLC	185,991,132	1,421,741
		780,228,520	336,942,901
	Non-banking financial institution	-	-
		780,228,520	336,942,901
	Outside Bangladesh	-	-
	Sub-total:	780,228,520	336,942,901
	Term Loan :		
	Banking companies:		
	Agrani Bank PLC	113,727,152	148,408,939
	Woori Bank Limited	162,000,000	162,000,000
	Pubali Bank PLC	186,780,423	237,056,269
	NCC Bank PLC	-	-
	Eastern Bank PLC	281,466,228	344,327,636
		743,973,802	891,792,844
	Non-banking financial institution	-	-
		743,973,802	891,792,844
	Outside Bangladesh	-	-
	Sub-total:	743,973,802	891,792,844
	Bangladesh Bank Loan:		
	SME loan	22,559,286	41,459,286
	HML Refinance Scheme	79,469,009	102,429,472
	Secured loan from others	448,564,950	330,943,554
	Sub-total:	550,593,245	474,832,312
	Un-secured		
	Money at call and on short notice: (note-12.02)		
	Banking companies:	-	-
		-	-
	Non-banking financial institution	-	-
		-	-
	Un-secured		
	Short term borrowing		
	Banking companies:	-	-
		-	-
	Total:	2,074,795,568	1,703,568,057
12.01	Remaining Maturity Grouping of Borrowing		
	Payable on demand	780,228,520	-
	Up to 1 (one) month	711,258,602	667,886,455
	Over 1 (one) month to 3 (three) months	-	-
	Over 3 (three) months to 1 (one) year	481,280,151	891,792,844
	Over 1 (one) year to 5 (five) years	102,028,295	143,888,758
	More than 5 (five) years	-	-
		2,074,795,568	1,703,568,057
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 March 2024, all Money at call and on short notice had been paid for, resulting in zero balance.		

Notes	Particulars	Amount in Taka	
		2024	2023
13.00	Deposits and other accounts		
	Bank Term deposits	220,000,000	3,370,000,000
	Customer deposits	11,658,859,184	11,726,192,883
	Other deposits (note: 13.02)	2,467,438	2,700,128
		11,881,326,622	15,098,893,011
13.01	Remaining Maturity Grouping of Deposits and Other Accounts		
	Payable on demand	-	7,145,526
	Within 1 (one) month	250,966,978	1,058,098,366
	Over 1 (one) month to 6 (six) months	7,146,945,637	2,892,735,560
	Over 6 (six) months to 1 (one) year	3,584,465,193	7,285,732,043
	Over 1 (one) year to 5 (five) years	886,170,763	3,736,939,996
	Over 5 (five) years to 10 (ten) years	12,778,051	113,863,689
	More than 10 (ten) years	-	4,377,831
		11,881,326,622	15,098,893,011
13.02	Other Deposits		
	Home mortgage loan deposit	490,354	490,354
	Margin deposit	401,550	634,240
	Refundable share money deposit	-	-
	Lease deposit	1,575,534	1,575,534
		2,467,438	2,700,128
14.00	Other liabilities		
	Provision for loans, advances ,investments and others (note: 14.01 to 14.04)	519,610,573	408,217,880
	Interest suspense (note: 14.05)		
	Provision for gratuity (note: 14.06)	450,768,998	404,699,177
	Withholding tax payable	-	-
	VAT & Excise duty payable	2,849,760	1,223,153
	Provision for current tax (note: 14.07)	1,233,767	733,497
	Provision for deferred tax (note: 14.09)	181,501,581	290,214,247
	Interest payable (note: 14.11)	525,156,109	382,920,637
	Accrued expenses (note: 14.10)	345,000	345,000
	Unclaimed dividend (note: 14.12)	4,989,489	3,980,959
	Lease liabilities (note: 14.13)	1,834,206	3,243,797
	Accounts Payable	50,411,573	14,707,738
	Sundry deposit	12,578,240	18,166,251
	Sundry liabilities	5,332,523	-
		1,756,611,818	1,528,452,336
14.01	Specific Provision on Loans, Advances		
	Balance as at 1st January	191,018,677	212,149,285
	<i>Less:</i> Fully provided debt written off	(134,016,785)	(86,343,555)
	Provision after written off	57,001,892	125,805,730
	<i>Add:</i> Provision made during the year	284,626,976	89,639,118
	<i>Less:</i> Provision recovered	(15,975,773)	(25,359,771)
	Net charge in the profit & loss account	268,651,203	64,279,347
	<i>Add:</i> Recovery of amount previously written off	2,013,000	933,600
	<i>Less:</i> Written off of provision no longer required	-	-
	Provisions held at 31 December	327,666,095	191,018,677

Notes	Particulars	Amount in Taka	
		2024	2023
14.02	General Provision on Loans, Advances and Leases		
	Balance as at 1st January	175,540,086	127,442,575
	Add: Provision made during the year	497,542	48,097,511
	Less: Provision recovered	(49,758,130)	-
	Net charge in the profit & loss account	(49,260,588)	48,097,511
	Balance as at 31 December	126,279,498	175,540,086
14.03	Provision on investments in share		
	Balance as at 1st January	31,291,354	36,705,859
	Add: Provision made during the year	22,989,712	-
	Less: Provision recovered	(500,000)	(5,414,505)
	Net charge in the profit & loss account	22,489,712	(5,414,505)
	Balance as at 31 December	53,781,066	31,291,354
14.04	Provision on others		
	Balance as at 1st January	10,367,763	9,470,708
	Add: Provision made during the year	5,973,720	3,183,845
	Less: Provision recovered	(12,920)	(40,029)
	Net charge in the profit & loss account	5,960,800	3,143,816
		16,328,563	12,614,524
	Less: Fully provided debt written off	(4,444,649)	(2,246,761)
	Provisions held at 31 December	11,883,914	10,367,763
14.05	Interest Suspense Account		
	Balance as at 1st January	404,699,177	323,122,361
	Add: Interest suspense charged during the year	186,256,704	1,265,626,403
	Less: Interest suspense realized during the year	(105,665,684)	(1,161,567,421)
	Net charge in the profit & loss account	80,591,020	104,058,982
		485,290,198	427,181,343
	Less: Interest reversed due to written off loans	(34,521,200)	(22,482,166)
	Balance as at 31 December	450,768,998	404,699,177

Interest suspense amount includes reserve amount of Tk. 120,834,190.07 of International Leasing and Financial Services PLC 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 PLC has written-off its loans/leases as under:

(Figures in Taka)

Balance at 1st January	413,535,684	303,396,802
Net loans/leases written-off during the year	172,982,633	111,072,482
No. of agreements written-off	42	23
No. of clients written-off	37	18
Interest suspense against written-off loans/leases	(34,521,200)	(22,482,166)
Provision adjusted against written-off loans/leases	(138,461,434)	(88,590,316)
Recovery of loans/leases write-off loans/leases	2,013,000	933,600
Balance of loans/leases written-off at 31 December 2024	584,505,317	413,535,684

Notes	Particulars	Amount in Taka	
		2024	2023
14.06	Provision for Gratuity		
	Balance as at 1st January	-	8,123,227
	Add: Provision made during the year	14,220,498	13,116,303
	Less: Payment made during the year	(14,220,498)	(21,239,530)
	Less: Provision written back during the year	-	-
	Balance as at 31 December	-	-
14.07	Provision for Current Tax		
	Balance as at 1st January	290,214,247	431,333,416
	Add: Provision made during the year	40,926,797	45,018,175
	Less: Payment made during the year	(10,229,664)	-
	Less: Provision written back during the year	(139,409,799)	(186,137,344)
	Balance as at 31 December	181,501,581	290,214,247
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)	30,697,133	45,018,175
		30,697,133	45,018,175
	In determining the chargeable current tax for the current year, excess current tax provision made earlier year has been adjusted.		
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)	40,921,510	14,790,613
	Accounting profit before tax (B)	43,854,181	135,424,190
	Average effective tax rate (A÷B)	93.31%	10.92%
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	0.00%	0.00%
	Adjustment/provision released during the year	69.79%	2.26%
	Recovery from business write-off	1.72%	0.26%
	Capital gain from sale of Govt. Securities	-0.75%	0.00%
	Other components of tax as per ITO 1984	-1.61%	-28.38%
	Difference between accounting and tax depreciation.	-13.33%	-0.71%
	Effective tax rate	93.31%	10.92%
14.09	Deferred tax liability		
	Balance as at 1st January	-	-
	Deferred tax income/(Expenses)	-	-
		-	-

Notes	Particulars	Amount in Taka	
		2024	2023
14.10	Accrued Expenses		
	Promotion and publicity	-	-
	Audit fees	345,000	345,000
	Sundry creditors	-	-
		345,000	345,000
14.11	Interest payable		
	Opening balance	386,115,715	325,345,399
	<i>Add:</i> Interest charge during the year	200,760,014	60,770,317
	<i>Less:</i> Interest paid during the year	(61,719,620)	-
		525,156,109	386,115,715
14.12	Unclaim dividend		
	Opening balance	3,980,959	3,795,287
	<i>Add:</i> Dividend declared	117,031,200	175,546,800
	<i>Less:</i> Adjustment for the year	(116,022,669)	(175,361,128)
		4,989,489	3,980,959
14.13	Lease Liability		
	Opening balance	3,243,797	3,405,088
	<i>Add:</i> Lease liability during the year	-	-
	<i>Less:</i> Lease liability adjustment during the year	(1,409,591)	(161,291)
		1,834,206	3,243,797
	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	2000,000,000
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%	59.90%
	General public	40.10%	40.10%
		100.00%	100.00%
	Number of holding:		
	Sponsors	70,107,361	70,107,361
	General public	46,923,839	46,923,839
		117,031,200	117,031,200

Notes	Particulars	Amount in Taka	
		2024	2023

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

Number of shares	No of shareholders	No of shares	% of holding
Less than 500	2931	535,554	0.46%
501 to 5,000	3293	6,418,816	5.48%
5,001 to 10,000	612	4,678,175	4.00%
10,001 to 20,000	383	5,761,506	4.92%
20,001 to 30,000	125	3,117,260	2.66%
30,001 to 40,000	48	1,696,040	1.45%
40,001 to 50,000	29	1,341,498	1.15%
50,001 to 100,000	54	4,103,384	3.51%
100,001 to 1,000,000	64	14,402,566	12.31%
Above 1,000,000	20	74,976,401	64.07%
Total:	7559	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.)	2,100,815,344	2,214,913,874
Less: Required minimum capital	(1,000,000,000)	(1,000,000,000)
Surplus over minimum required capital	1,100,815,344	1,214,913,874
Core capital (paid-up capital, retained earnings & statutory reserve etc.)	2,100,815,344	2,214,913,874
Add: Provision on good loan/leases	126,279,498	175,540,086
Total capital	2,227,094,842	2,390,453,960
Less: Required minimum capital	(1,000,000,000)	(1,000,000,000)
	1,227,094,842	1,390,453,960

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	707,778,407	707,191,873
1.3 Non-repayable share premium account	-	-
1.4 General Reserve	-	-
1.5 Retained Earnings	222,724,937	337,410,001
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)	2,100,815,344	2,214,913,874

Notes	Particulars	Amount in Taka	
		2024	2023
	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)	2,100,815,344	2,214,913,874
	2 Tier-2 (Supplementary Capital)		
	2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	144,576,440	163,712,248
	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)	144,576,440	163,712,248
	2.8 Applicable Deductions if any	-	-
	2.9 Total Eligible Tire-2 Capital (2.7-2.8)	144,576,440	163,712,248
	Total Capital	2,245,391,784	2,378,626,122
	Total risk weighted assets	12,808,015,182	14,533,779,837
	Required minimum capital 10% of RWA or Tk. 100.00 crore, which is higher.	1,280,801,518	1,453,377,984
	Surplus	964,590,266	925,248,138
	Capital Adequacy Ratio	17.53%	16.37%
16.00	Statutory reserve		
	Balance as at 1st January	707,191,873	683,065,157
	Reserve made during the year (note-16.01)	586,534	24,126,715
	Balance as at 31 December	707,778,407	707,191,873
16.01	Reserve made during the year *		
	Net Profit/(loss) after taxation	2,932,670	120,633,577
	Applicable Rate	20%	20%
		586,534	24,126,715

*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.

Notes	Particulars	Amount in Taka	
		2024	2023
17.00	Retained earnings		
	Balance as at 1st January	337,410,001	416,449,939
	Add: Net profit after tax for the year	2,932,670	120,633,577
		340,342,671	537,083,517
	Less: Allocations:		
	Transferred to statutory reserve	(586,534)	(24,126,715)
	Issue of Bonus Share	-	-
	Dividend	(117,031,200)	(175,546,800)
		(117,617,734)	(199,673,515)
	Balance as at 31 December	222,724,937	337,410,001
18.00	Income statement		
	Income:		
	Interest, discount and other similar income (note: 19.00)	1,893,562,084	1,454,168,287
	Dividend income (note: 21.00)	8,360,223	5,921,307
	Fees, commission & brokerage (note: 22.00)	2,000	1,000
	Gains less losses arising from investment in securities(note: 21.03)	(490,988)	1,018,065
	Other operating income (note: 23.00)	11,578,667	10,080,435
		1,913,011,987	1,471,189,094
	Expenses:		
	Interest on borrowing, fees and commission (note: 20.00)	1,504,063,245	1,056,696,538
	Losses on loan, advances and leases (note: 31.00)	219,390,615	112,376,858
	Administrative expenses	197,897,455	194,167,803
	Other operating expenses (note: 30.00)	18,846,734	19,586,967
	Depreciation on banking assets (note: 29.00)	15,857,902	16,156,957
		1,956,055,951	1,398,985,123
		(43,043,964)	72,203,971
19.00	Interest income		
	Interest on mortgage loan:		
	Home mortgage loan	1,415,331,446	1,146,751,621
	Commercial mortgage loan	177,971,630	148,706,755
	Project mortgage loan	23,619,888	30,892,872
		1,616,922,964	1,326,351,248
	Interest on lease finance:		
	Industrial equipment	760,296	713,131
	Vehicles	185,234	271,691
	Delinquent interest	-	-
	Interest on term finance	39,893,790	39,271,612
		40,839,320	40,256,434
	Interest on fixed deposits	194,181,389	75,083,738
	Interest on short term deposit	35,306,470	1,899,928
	Interest on loan against FDR	2,743,711	3,841,834
	Interest on staff loan	3,568,230	6,735,106
		1,893,562,084	1,454,168,287
20.00	Interest paid on deposits, borrowings etc.		
	Interest paid on deposits, borrowings (Note-20.01)	1,504,063,245	1,056,696,538
	Interest Expenses-Lease Liability (Note-20.02)	169,647	290,074
		1,504,232,892	1,056,986,612

Notes	Particulars	Amount in Taka	
		2024	2023
20.01	Interest paid on deposits, borrowings		
	Call money interest	-	330,556
	Secured overdraft interest	15,900,090	12,358,250
	Term deposit interest	173,636,761	52,432,725
	Term loan interest	88,227,636	84,864,838
	Customer Deposit Int. - Kotipoti Scheme	1,099,199	1,145,631
	Customer Deposit Int. - Education Pension Scheme	74,494	58,189
	Customer Deposit Int. - Housing Deposit Scheme	353,219	282,591
	Customer Deposit Int. - Mohila Savings Scheme	50,347	144,323
	Customer Deposit Int. - Money Multiplier Scheme	18,681,775	15,298,028
	Customer deposit interest - Term Deposit	1,088,619,847	718,369,868
	Customer deposit interest - Income Account	16,785,091	20,455,498
	Customer deposit interest - Double Money Account	7,048,176	4,848,308
	Customer deposit interest - Triple Money Account	9,363,969	7,260,418
	Customer deposit interest-MSS	1,267,946	1,744,344
	Customer deposit interest-MLNR	8,561,556	9,996,750
	Interest Expense on Term Deposit Profit First	40,806,275	101,152,838
	Interest expenses on treasury bond	2,617,956	-
	Interest expenses on Repo	24,771,757	21,230,566
	HML refinance interest	4,573,230	4,137,374
	SME loan interest	1,623,920	585,443
		1,504,063,245	1,056,696,538
20.02	Interest Expenses-Lease Liability	169,647	290,074
21.00	Investment Income		
	Dividend Income (note- 21.01)	8,360,223	5,921,307
	Interest income from treasury bond (note-21.02)	114,643,804	70,358,342
	Capital gain on sale of Govt. Treasury Bond	874,500	-
	Gains /losses from sale of shares (note-21.03)	(490,988)	1,018,065
		123,387,539	77,297,714
21.01	Dividend Income *		
	Dividend on ordinary shares	8,360,223	5,921,307
	Dividend on preference shares	-	-
		8,360,223	5,921,307
21.02	Interest income from treasury bond		
	Interest income from treasury bond	89,326,820	65,493,994
	Income from investment in bonds	25,316,984	4,864,348
		114,643,804	70,358,342
21.03	Gains /losses from sale of shares*		
	Gain on sale of shares	1,778,952	1,178,703
	Loss on sale of shares	(2,269,939)	(160,639)
		(490,988)	1,018,065

*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

Notes	Particulars	Amount in Taka	
		2024	2023
22.00	Commission, exchange and brokerage		
	Fees	2,000	1,000
		2,000	1,000
23.00	Other operating income		
	Application, processing and documentation fees	10,987,530	9,859,295
	Delinquent charge-MSS,MLNR etc.	1,892	7,682
	Interest on call Money lending	90,833	-
	Other income	498,412	213,458
		11,578,667	10,080,435
24.00	Administrative expenses		
24.01	Directors' fees and expenses		
	This represents fees paid for attending board meetings and other committee meetings @ Tk. 10,000/- per attendance per person.	1,058,200	1,408,000
		1,058,200	1,408,000
24.02	Salaries and allowances		
	Salary & allowances (note: 24.02.01)	125,899,697	123,279,871
	Provident fund contribution	6,354,317	6,350,403
	Gratuity	14,220,498	13,116,303
	Bonus	11,701,130	12,689,382
		158,175,642	155,435,959
24.02.01	Salary & allowances		
	This includes managerial remuneration of Taka 150.86 million and balance amount Taka 7.32 million is on account of staff salary, bonus and other allowances. The number of employees including contract based employees were 187 and 201 for the year 2024 & 2023 respectively.		
24.03	Rent, taxes, insurance, electricity etc.		
	Office maintenance	3,049,092	2,487,318
	Office rent	6,235,292	6,222,309
	Security Guard	1,176,155	1,151,113
	City corporation Taxes	159,940	133,808
	Electricity	3,510,059	3,281,026
	Utilities	303,552	309,944
	Membership fees	1,612,124	1,916,124
	Subscription & Donation	1,864,632	181,688
	CSR activities	601,650	75,000
	Legal and professional	379,111	755,125
	Insurance (note: 24.03.01)	776,997	971,845
		19,668,604	17,485,300
24.03.01	Insurance		
	Taka 776,997 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	77,777	102,275
	Postage	76,778	45,916
	Stamps & security paper	4,000	-
	Telephone, fax & e-mail	1,942,229	2,685,117
		2,100,784	2,833,308

Notes	Particulars	Amount in Taka	
		2024	2023
26.00	Stationary, printing, advertisement etc.		
	Printing	1,479,745	1,343,601
	Stationery	718,704	1,016,502
	Business Commission	5,409,031	2,076,523
	Promotion & publicity	2,454,938	5,543,610
		10,062,418	9,980,236
27.00	Managing Director's salary and fees		
	Salary & allowances	5,886,807	6,080,000
	Bonus	600,000	600,000
		6,486,807	6,680,000
28.00	Auditors' fees	345,000	345,000
29.00	Depreciation on and repairs to assets		
	Depreciation:		
	Building	625,870	695,412
	Newly acquired Building	5,127,807	5,286,399
	Furniture	2,067,903	2,265,711
	Office equipment	3,087,840	3,470,930
	Intangible Assets	2,100,000	2,100,000
	Right-of-Use Asset for Lease Rent	1,883,025	1,419,346
	Motor vehicle	406,967	508,708
		15,299,412	15,746,506
	Repair and maintenance	558,490	410,451
		15,857,902	16,156,957
	Movement of depreciation and repair of assets (Right use of lease assets) have been included due to implementation of IFRS-16 Leases (office rent).		
30.00	Other expenses		
	Traveling expenses	612,362	81,831
	Conveyance bill	3,875,242	4,104,601
	Training	168,856	117,222
	Bank charges and excise duty	2,185,960	2,575,869
	Books, periodicals and others	-	-
	Office refreshments	2,100,774	2,208,625
	Motor car	7,827,840	7,528,482
	Office general expenses	1,633,627	1,333,682
	AGM Expenses	210,193	207,815
	Software Maintenance Charge	-	1,000,000
	Trade License Fees	190,934	225,715
	Computer Software Expenses	-	157,500
	Investment expenses share	40,946	45,626
		18,846,734	19,586,967
31.00	Provisions for loan and advances		
	For classified loans, advances and leases	268,651,203	64,279,347
	For unclassified loans, advances and leases	(49,260,588)	48,097,511
		219,390,615	112,376,858
31.01	Provision for investments		
	Made during the year	22,989,712	-
	Recovery during the year	(500,000)	(5,414,505)
		22,489,712	(5,414,505)

Notes	Particulars	Amount in Taka	
		2024	2023
31.02	Others		
	Provisions for legal charges	5,955,273	3,144,109
	Provisions for other (salary) charges	-	9,118,738
	Provisions for cheque dishonored & clearing charges	5,528	(292)
		5,960,800	12,262,554
32.00	Earnings per share		
	a) Earnings attributable to the ordinary shareholders(Taka)	2,932,670	120,633,577
	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)	0.03	1.03
<p>Prior year Basic Earning Per Share calculation has been revised due to calculation of weighted average number of ordinary shares. Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding as on 31 December 2024 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.</p>			
33.00	Interest receipts in cash		
	Interest income from loans, advances & leases	1,893,562,084	1,454,168,287
	(Increase)/decrease in interest receivable on loans, advances and leases	-	-
	(Increase)/decrease in other receivable	(19,619,865)	2,350,972
		1,873,942,219	1,456,519,260
34.00	Interest payments		
	Total interest expenses (note: 20.00)	1,504,063,245	1,056,696,538
	Add: Opening balance of interest payable	382,920,637	325,345,399
	Less: Closing balance of interest payable	(525,156,109)	(382,920,637)
		1,361,827,773	999,121,299
35.00	Fees and commissions receipts in cash		
	Fees, commission and brokerage (note: 22.00)	2,000	1,000
	Add: Opening balance of fees, commission and brokerage	-	-
	Less: Closing balance of fees, commission and brokerage	-	-
		2,000	1,000
36.00	Cash payments to employees		
	Staff salaries and allowances (note: 24.02)	158,175,642	155,435,959
	Managing Director's salaries and allowances (note: 27.00)	6,486,807	6,680,000
	Add: Opening balance of staff dues	14,707,738	9,426,821
	Less: Closing balance of staff dues	(50,411,573)	(14,707,738)
		128,958,614	156,835,042
37.00	Cash payments to suppliers		
	Printing, stationary and advertisement etc. (note: 26.00)	10,062,418	9,980,236
	Postage, stamps, telecommunication etc. (note: 25.00)	2,100,784	2,833,308
	Repair & maintenance (note: 29.00)	558,490	410,451
	Add: Opening balance of suppliers dues	-	-
	Less: Closing balance of suppliers dues	-	-
		12,721,692	13,223,995
38.00	Receipts from other operating activities		
	Other operating income (note: 23.00)	11,578,667	10,080,435
	Profit on sale of share (note: 21.01)	1,778,952	1,178,703
	Loss on sale of share (note: 21.01)	(2,269,939)	(160,639)
		11,087,680	11,098,499

Notes	Particulars	Amount in Taka	
		2024	2023
39.00	Payments for other operating activities		
	Directors' fees	1,058,200	1,408,000
	Legal expenses	-	-
	Auditor's fees	345,000	345,000
	Office occupancy cost	10,460,539	9,860,740
	City Corporation Taxes	159,940	133,808
	Electricity	3,510,059	3,281,026
	Utilities	303,552	309,944
	Insurance	776,997	971,845
	Other expenses (note: 30.00)	18,846,734	19,586,967
	Add: Opening balance of outstanding payable	345,000	345,000
	Less: Closing balance of outstanding payable	(345,000)	(345,000)
		35,461,021	35,897,330
40.00	Increase/(Decrease) of other deposits		
	Closing balance:		
	Term deposits	11,878,859,184	15,096,192,883
	Other deposits	2,467,438	2,700,128
		11,881,326,622	15,098,893,011
	Opening balance:		
	Term deposits	15,096,192,883	12,469,335,605
	Other deposits	2,700,128	2,855,228
		15,098,893,011	12,472,190,833
		(3,217,566,389)	2,626,702,178
41.00	Sanction and disbursement		
	Sanction	2,264,249,450	2,471,558,000
	Disbursement	1,680,800,067	2,072,622,989
	Undisbursed	583,449,383	398,935,011
41.01	Contingent liabilities (Other Commitments)		
	Government	-	-
	Directors	-	-
	Bank and other Financial Institution	-	-
	Other	583,449,383	398,935,011
<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 2024 the company disclosed undisbursed sanctioned loan amount Tk. 583,449,383/- 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)	2,100,815,344	2,214,913,874
	Total number of ordinary shares outstanding (B)	117,031,200	117,031,200
	Net Asset Value (NAV) per share (A ÷ B)	17.95	18.93
42.01	Net Operating Cash Flow Per Share (NOCFPS)		
	Net cash flow from operating activities (A)	(2,536,432,851)	2,949,758,424
	Total number of ordinary shares outstanding (B)	117,031,200	117,031,200
	Net operating cash flow from operating activities per share (A ÷ B)	(21.67)	25.20

*Decreased of cash inflow from operating activities for the period ended 2024 was due to settlement of customer deposits. As a result, net operating cash flow per share (NOCFPS) at the period ended of 31 December, 2024 decreased compare to the period ended 2023.

43.00 Audit committee of the board

The audit committee was formed by the Board of Directors of National Housing Finance PLC. 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)
03	Mr. Md. Khaled Mamun FCII (UK)	Director	Member	B.S.C (Hons), M.S.C (Math), Masters of Demography, FCII (UK).
02	Dr. Khondaker Showkat Hossain	Director	Member	B.A, M.A, M Phill & Ph.d in Bangla
04	Mr. A.K.M. Moinuddin FCA	Director	Member	B.Com (Hons), M.Com (Accounting), FCA

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

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

Meetings held by the committee during the year by date:	Meeting no	Held on
	61 st	29-Jul-24
	62 nd	27-Oct-24

2 (two) meetings of the audit committee were held during the year 2024 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, 2024 are furnished below:

SL	Details	2024	2023
01	Paid-up Capital	1,170,312,000	1,170,312,000
02	Total Capital	2,100,815,344	2,214,913,874
03	Capital surplus/(deficit)	1,100,815,344	1,214,913,874
04	Total assets	17,813,549,353	20,545,827,278
05	Total deposits	11,881,326,622	15,098,893,011
06	Total loans, advances, leases & Others	13,912,106,800	14,328,812,414
07	Total contingent liabilities and commitments	583,449,383	398,935,011
08	Credit deposit ratio	117.09%	94.90%
09	Loan to Fund ratio	86.64%	75.35%
10	% of Classified loans against total loans and advances	11.46%	8.96%
11	Profit after tax and provisions	2,932,670	120,633,577
12	Amount of classified loans during the year	1,594,396,977	1,284,338,738
13	Provisions kept against classified loans	309,825,750	191,847,513
14	Provisions surplus/(deficit)	-	-
15	Cost of fund	11.39%	9.00%
16	Interest earnings assets	17,099,636,542	19,800,519,357
17	Non-interest earnings assets	713,912,810	745,307,921
18	Return on investments (ROI)	5.87%	4.11%
19	Return on assets (ROA)	0.02%	0.36%
20	Income from investments	123,387,539	77,297,714
21	Weighted average earnings per share (restated)	0.03	1.03
22	Price earning ratio	1,077.46	40.51
23	Return on equity (ROE)	0.14%	5.38%
24	Net asset value per share (NAV)	17.95	18.93

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 2024.

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 263rd Meeting held on 29 June, 2025 has recommended to the shareholders a cash dividend @10.00% i.e Taka 1.00 for every ordinary share (amounting to BDT 117,031,200) based on financial position of the company subject to approval from Bangladesh Bank. This will be considered for approval by the shareholders at the 26th Annual General Meeting (AGM) to be held on 21 September, 2025.

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.26.60 and Tk.27.40 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, NHFPLC 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.

Related party disclosure :

Name of Director	Position in NHF	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee etc.	Position
Dr. Khondaker Showkat Hossain Representing Borak Travels (Pvt.) Limited	Director	Borak Travels (Pvt.) Limited	Chief Consultant
Mr. Md. Khaled Mamun, FCII (UK) Representing Reliance Insurance Limited	Director	Reliance Insurance Limited	Chief Executive Officer
Mr. A.K.M. Moinuddin FCA Representing Bangladesh Lamps PLC	Director	Bangladesh Lamps PLC	Consultant
Mr. Abdul-Muyeed Chowdhury	Independent Director	Tiger Tours Ltd.	MD & CEO
		Biman Bangladesh Airlines Limited	Chairman
		Grameenphone PLC	Independent Director
		ACI Formulations PLC	Independent Director
		Desh Garments Ltd.	Independent Director
		Summit Alliance Port Ltd.	Nominated Director
		ACI PLC	Nominated Director
		PEB Steel Alliance Ltd	Independent Director
		MJL Bangladesh PLC	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

- 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 PLC (Sponsor)	STD/CD account	(237,108)
National Life Insurance PLC (Sponsor)	Term deposit	50,000,000
Pragati Insurance Limited (Sponsor)	Term deposit	20,000,000
Eastland Insurance PLC (Sponsor Director)	Term deposit	10,000,000
Square Pharmaceuticals PLC (Sponsor Director)	Term deposit	2,000,000,000
Reliance Insurance Co. Limited (Sponsor Director)	Term deposit	52,500,000



Mohammad Shamsul Islam
Managing Director



Mahmuda Begum
Director



A.K.M. Moinuddin, FCA
Director



Dr. Khondaker Showkat Hossain
Chairman

Fixed assets including premises, furniture and fixtures for 2024

Annexure-A

Figures in Taka

Particulars	C o s t				Rate	D e p r e c i a t i o n				Written down value as on 31.12.24	Written down value as on 31.12.23
	Balance as on 01.01.24	Disposed during the year	Addition during the year	Balance as on 31.12.24		Balance as on 01.01.24	Adjustments for disposal	Charged during the year	Balance as on 31.12.24		
Land	65,219,993	-	-	65,219,993	-	-	-	-	-	65,219,993	65,219,993
Existing Building	39,289,100			39,289,100	10.00%	32,609,762		625,870	33,235,632	6,053,468	6,679,338
Newly acquired Building	211,494,142	-	-	211,494,142	3.00%	40,987,867	-	5,127,807	46,115,674	165,378,468	170,506,275
Furniture	43,754,309	-	287,612	44,041,921	10.00%	23,362,904	-	2,067,903	25,430,807	18,611,114	20,391,405
Office equipment	47,371,709	-	1,555,483	48,927,192	20.00%	33,487,988	-	3,087,840	36,575,828	12,351,364	13,883,721
Intangible Assets	10,500,000	-	-	10,500,000	20.00%	7,770,000	-	2,100,000	9,870,000	630,000	2,730,000
Right-use of lease Assets	8,183,410	-	97,566	8,280,976		4,257,597	-	1,883,025	6,140,622	2,140,354	3,925,813
Motor vehicle	9,425,165	-	-	9,425,165	20.00%	7,390,334	-	406,967	7,797,301	1,627,864	2,034,831
Total:	435,237,828	-	1,940,661	437,178,489		149,866,452	-	15,299,412	165,165,864	272,012,625	285,371,376

Operating Segment Report

Annexure-B

Revenue & profit	Year ended 31 December 2024		
	(Amount in Taka)		
	Core Financing Business	Islamic Financing Business	Total
External Revenue			
Net interest income / Profit on investment	391,639,150	(2,309,958)	389,329,192
Investment income	123,387,539	-	123,387,539
Commission & brokerage	2,000	-	2,000
Other operating income	9,999,293	1,579,375	11,578,667
Inter-segment revenue/interest expenses	-	-	-
Total segment revenue (A)	525,027,982	(730,583)	524,297,399
Other operating expenses	215,684,351	1,079,665	216,764,016
Major non-cash expenses		-	-
Depreciation	15,838,075	19,827	15,857,902
Provision for future lossess	247,316,548	504,752	247,821,300
Inter-segment expenses		-	-
Total segment expenses (B)	478,838,974	1,604,244	480,443,218
Reportable segment profit before tax (A-B)	46,189,008	(2,334,827)	43,854,181

Segment assets & liabilities	As at 31 December 2024		
	(Amount in Taka)		
	Core Financing Business	Islamic Financing Business	Total
External Asset			
Total asset	17,688,117,955	125,431,398	17,813,549,353
Inter-segment asset	-	-	-
Total segment asset	17,688,117,955	125,431,398	17,813,549,353
External liabilities			
Total liabilities	15,589,559,316	123,174,692	15,712,734,008
Inter-segment liabilities	-	-	-
Total segment liabilities	15,589,559,316	123,174,692	15,712,734,008

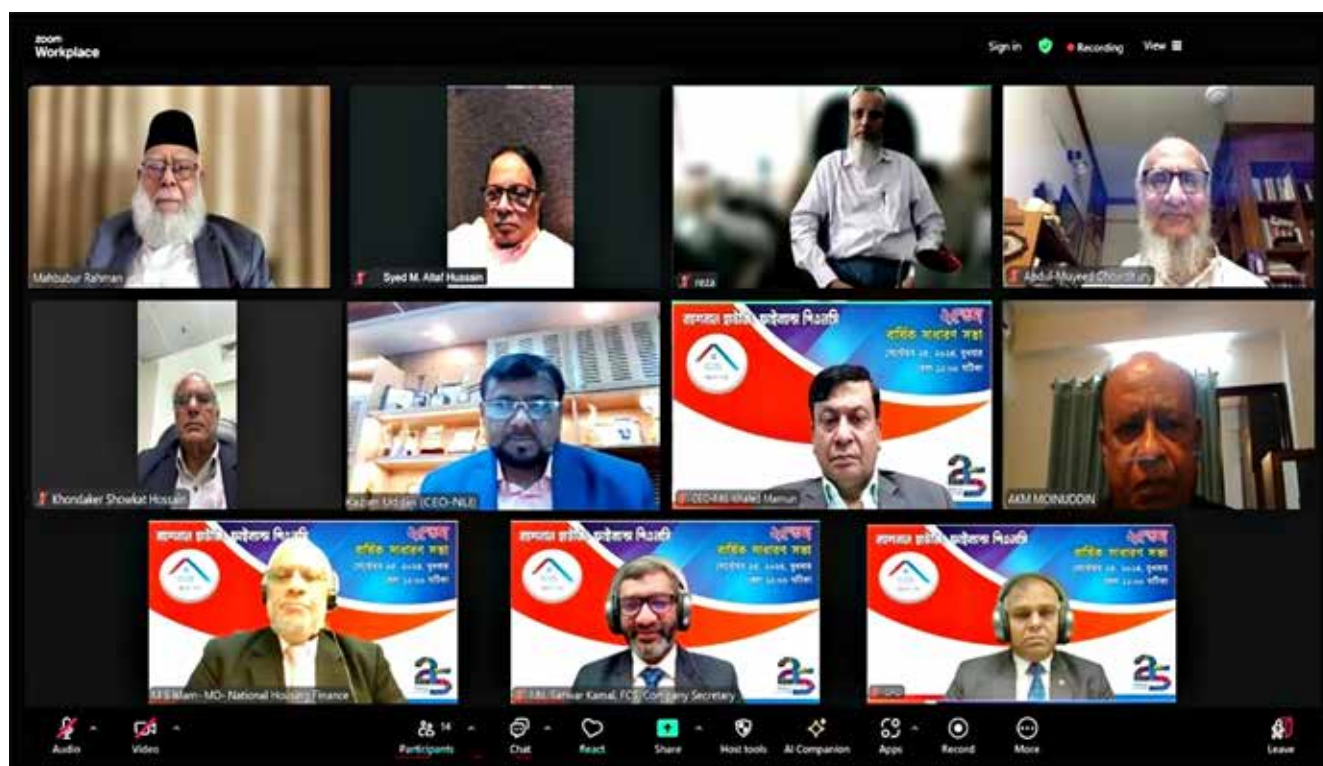
OUR BRANCH NETWORK

Principal Branch National Plaza (8 th Floor), 109, Bir Uttam C. R. Datta Road (Ex-Sonargaon Road), Dhaka-1205. ☎ : +88 02 9632587-88, +88 02 9632590-93, +88 09609200555 (Ext. 231) 📠 : +88 02 223361016 ✉ : principal@nationalhousingbd.com	Motijheel Branch Fazlur Rahman Center (2 nd Floor), 72, Dilkusha C/A, Dhaka-1000. ☎ : +88 02 9567103, +88 02 9550071, +88 09609200555 (Ext. 300) 📠 : +88 02 9565493 ✉ : motijheel@nationalhousingbd.com
Gulshan Branch Bashati Avenue (4 th Floor), Plot: 10, Road: 53, Gulshan-2, Dhaka-1212. ☎ : +88 09609200556 +88 09609200555 (Ext. 201) ✉ : gulshan@nationalhousingbd.com	Chattogram Branch Aziz Court (11 th Floor), 88-90, Agrabad C/A, Chattogram. ☎ : +88 031 713803 +88 09609200555 (Ext. 500) 📠 : +88 031 713804 ✉ : chittagong@nationalhousingbd.com
Bogura Branch Jamil Shopping Center (3 rd Floor), Borogola, Bogura-5800. ☎ : +88 02589905440, 02589903009 +88 09609200555 (Ext. 600) 📠 : +88 02589905440 ✉ : bogra@nationalhousingbd.com	Rangpur Branch Nirala Complex (3 rd Floor), House: 18, Pairst Chatter, Rangpur Sadar, Rangpur. ☎ : +88 0521 56381-2, +88 09609200555 (Ext. 701) 📠 : +88 0521 56382 ✉ : rangpur@nationalhousingbd.com
Gazipur Branch M.A.S. Square (6 th Floor), Chandona Chowrasta, Gazipur. ☎ : +88 02 49263465-67 ✉ : +88 09609200555 (Ext. 400) : gazipur@nationalhousingbd.com	Feni Branch Kazi Plaza (3 rd Floor), 107, S.S.K. Road, Feni Sadar, Feni. ☎ : +88 0331 74503-4 ✉ : +88 09609200555 (Ext. 800) : feni@nationalhousingbd.com
Rajshahi Branch House: 37 (2 nd Floor), Ghoramara, Boaliapara, Rani Bazar, Boalia, Rajshahi. ☎ : +88 0721 771172-73 +88 09609200555 (Ext. 901) : rajshahi@nationalhousingbd.com	Khulna Branch City Trade Center (5 th Floor), Plot No.-75, DA Avenue, Shibbari Moar, Khulna. ☎ : +88 09609200555 (Ext. 930) : Khulna@nationalhousingbd.com

Sales Center

Aftabnagar Sales Center Nur Tower, Ftat: 9/B (8 th Floor), House: 29/31, Road: 1, Block: D Sector: 1, Aftabnagar, Badda, Dhaka-1219 ☎ : +88 01912 125371	Mirpur Sales Center Kamal Tower (1 st Floor), 24/1, Pallabi, Mirpur-11 ^{1/2} Dhaka-1216. ☎ : +88 01678130955	Uttara Sales Center City Axis Jahanara, Suit-5B (5 th floor), Plot- 68, Road-3, Sector-14, Gausul Azam Avenue, Uttara, Dhaka. ☎ : +88 01921778711
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OCCASIONS AND EVENTS



25th Annual General Meeting



Family Day 2025



Relief distribution to flood effected people in Feni

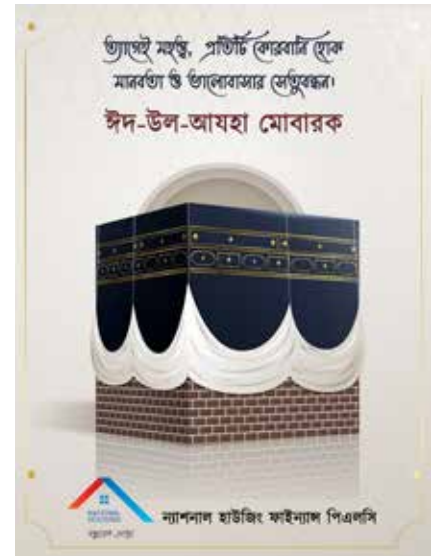
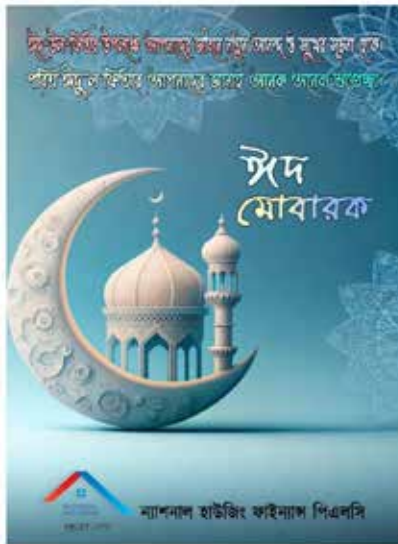


Food distribution to the students who participated in the voluntary traffic control program



Participation in Youth Festival 2025

GREETINGS





National Housing Finance PLC

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

26th Annual General Meeting PROXY FORM

I/We of
..... being a member of
National Housing Finance PLC and a holder of Shares hereby appointed Mr./Ms.
..... of
..... as my/our proxy to attend and vote for
me/us and on my/our behalf at the 26th Annual General Meeting of the company to be held on
Sunday, September 21, 2025 at 12.00 noon (Dhaka time) and at any adjournment thereof.

Signed this day of September, 2025

(Signature of Proxy)
Name:

Revenue
Stamp

(Signature of Member)
Name:

Folio/BO ID No.

Note:

- a) This form of proxy, duly completed, must be deposited through email at share@nationalhousingbd.com at least 72 hours before the meeting. Proxy is invalid if not signed and stamped as above.
- b) Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.



National Housing Finance PLC

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

26th Annual General Meeting Attendance Slip

I hereby record my attendance at the **26th Annual General Meeting** of National Housing Finance PLC as a holder of shares of the Company.

Name of Member/Proxy :

Folio/ BO ID No. :

(Signature of Member/proxy)

Note:

- a) Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.



Corporate Head Office:

Concord Baksh Tower (7th floor), Plot: 11-A
Road No. - 48, Block- CWN (A), Gulshan-2, Dhaka- 1212

Tel : +88 09609 200555

E-mail : info@nationalhousingbd.com

Web : www.nationalhousingbd.com