ANNUAL INTEGRATED REPORT 2025

DBH

30 YEARS OF EXCELLENCE

RESILIENT TODAY
READY FOR **TOMORROW**



DBH

ডিবিএইচ হোম লোন

অ্যাপার্টমেন্ট লোন | গ্রুপ কনস্ট্রাকশন লোন | বাড়ি নির্মাণ লোন



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Annual Integrated Report 2025



DBH Finance PLC.

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LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Bank
Registrar of Joint Stock Companies & Firms
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.
M/s. Hoda Vasi Chowdhury, Chartered Accountants
Chairman, Audit Committee

Dear Sir/Madam,

Re: Annual Report for the year ended December 31, 2025.

We are pleased to enclose a copy of the Annual Report together with the audited financial statements including balance sheet as at December 31, 2025, profit and loss account, cash flow statement and statement of changes in equity for the year ended on that date along with notes thereon for your kind information and record.

Thank you.

Yours sincerely,

Jashim Uddin, FCS
Company Secretary

1 ABOUT DBH

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RESILIENT TODAY, READY FOR TOMORROW

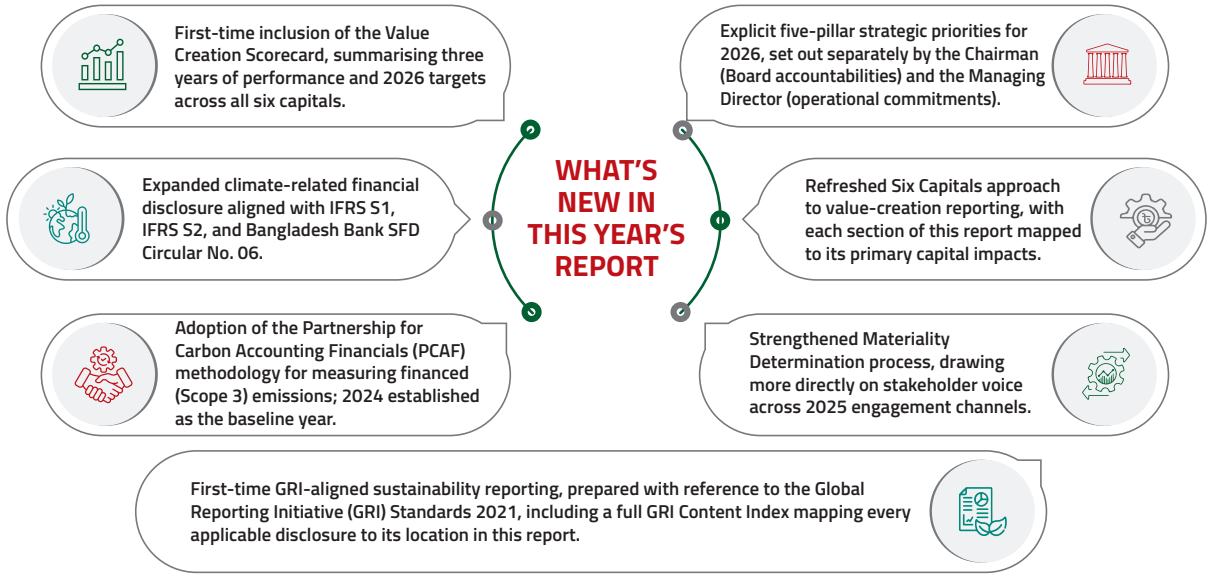
ABOUT OUR INTEGRATED REPORT

Annual Integrated Report 2025 | Our 30th Report

Transparency and accountability are not catchphrases in the world of modern business; they are foundational disciplines that underpin meaningful impact and long-term value creation. As we navigate a financial landscape shaped by macro-economic stress, climate-related risk, regulatory evolution, and rising stakeholder expectations, robust and integrated corporate reporting has become more essential than ever.

Against this backdrop, our Annual Integrated Report serves as a single, structured account of how DBH Finance PLC creates value over the short, medium, and long term. It goes beyond financial measurement to address the strategic, operational, governance, social, and environmental dimensions of our business — the full picture of how the institution performed in 2025 and where the Board intends to take it next.

On the pages that follow, you are invited to walk with us through a year of measured progress, candid acknowledgement of pressure points, and renewed strategic commitments. This report has been prepared with care to be informative, comparable, and forward-looking — worthy of the trust our shareholders, depositors, customers, regulators, and broader stakeholders place in DBH.



Scope and Boundary of the Report

This Annual Integrated Report covers the financial year from 1 January 2025 to 31 December 2025. Other material events, data, and information up to 10 May 2026 — the date on which these financial statements were approved by the Board of Directors — have also been incorporated where they affect the comparability or completeness of the disclosures.

The reporting boundary comprises DBH Finance PLC as a single legal entity, including its Head Office in Gulshan, Dhaka and sixteen branches across the country — seventeen offices in total — together with the Islamic Financing Wing (IFW), which has been operating since May 2023 under a separate operational and governance framework but is consolidated for financial and disclosure purposes. There were no material changes to the reporting boundary during the year.

Financial information has been extracted from the Audited Financial Statements for the year ended 31 December 2025, with comparative information for the year ended 31 December 2024 (re-stated where necessary to ensure like-for-like comparability). Non-financial information has been compiled from internal records and management information systems, unless otherwise specified.

Reporting Framework

- International <IR> Framework (IFRS Foundation)
- Companies Act 1994
- SAFA Integrated Reporting Checklist
- Finance Company Act 2023
- Global Reporting Initiative (GRI) Standards 2021
- Bangladesh Securities and Exchange Rules 2020
- United Nations Sustainable Development Goals (SDGs)
- Listing Regulations 2015 of DSE and CSE
- International Financial Reporting Standards (IFRS / IAS)
- Corporate Governance Code 2018 (BSEC)
- IFRS S1 and S2 — Sustainability and Climate Disclosure
- DFIM Circulars of Bangladesh Bank, including No. 11/2009
- GHG Protocol and PCAF Methodology
- Other applicable rules and regulations

Where Bangladesh Bank's regulatory guidance differs from the underlying IFRS treatment, DBH has complied with Bangladesh Bank requirements and disclosed the nature and financial effect of the departure in Note 2.49 of the financial statements.

In respect of the Global Reporting Initiative (GRI) Standards 2021, this report has been prepared with reference to the GRI Standards, covering GRI 2 (General Disclosures), GRI 3 (Material Topics), and a range of topic-specific standards across environmental, social, and economic dimensions. A full GRI Content Index — mapping each applicable GRI disclosure to its location within this report — is provided in the ESG Reporting section.

Our Integrated Reporting Process

The seven stages below represent the logical flow through which information presented in this report is generated. Each stage feeds into the next, and the cycle as a whole produces the integrated picture of value creation that this report represents.

01 — Business Model
How DBH organises capital, people, and processes to deliver housing finance.

02 — Business Environment
Macroeconomic, regulatory, and sector context shaping the year ahead.

03 — Stakeholder Analysis
Who depends on DBH and what each group expects from the institution.

04 — Materiality Determination
Identifying the issues that matter most to long-term value creation.

05 — Strategic Focus Area
Where the Board has chosen to concentrate management effort and capital.

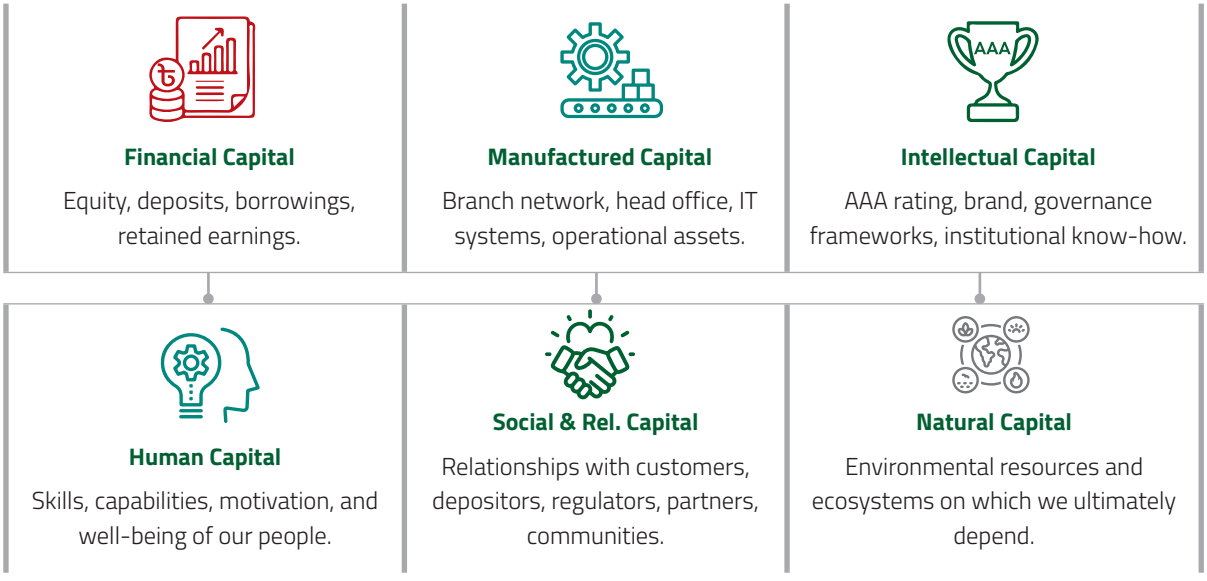
06 — Strategic Indicators
Quantitative and qualitative metrics by which performance is measured.

07 — Value Creation Structure
The six-capitals view of how inputs become outputs and outcomes.

INTEGRATED ANNUAL REPORT

The Six Capitals We Manage

Throughout this report, we reference six categories of resource — the "six capitals" of the International <IR> Framework — through which DBH receives inputs and produces outputs, outcomes, and impacts. Each section of this report indicates which capitals it primarily addresses.



How We Engage With Our Stakeholders

DBH's reporting and strategic priorities are shaped by ongoing engagement with the stakeholder groups whose decisions, expectations, and well-being are most directly tied to the institution. The table below summarises how that engagement happens in practice.

Stakeholder Group	How We Engage	Frequency	Key Topics Raised
Shareholders & Investors	Annual General Meeting, Extraordinary General Meeting, Annual Integrated Report, stock exchange filings, Press release, publication of quarterly and annual financials on newspaper	*Annual + ad-hoc*	Financial performance, dividend, strategy, governance, risk profile
Depositors	Branch interactions, customer service helpline, account statements, deposit-renewal communications, communication for tax return slip	*Continuous*	Safety of deposits, interest rates, service quality, accessibility, less tax burden for Depositors
Customers (Borrowers)	Branch interactions, online portal, customer service team, loan-servicing communications	*Continuous*	Loan products, interest rates, processing speed, after-sales service
Employees	Town halls, performance reviews, structured training, well-being programmes, internal communications, annual get together, MD and CHRO communication	*Continuous + structured*	Career development, well-being, fair pay, work-life balance, inclusion

Stakeholder Group	How We Engage	Frequency	Key Topics Raised
Regulators	Regulatory inspections, statutory returns, regular prudential reporting, supervisory briefings, meeting with BOD	*Continuous*	Compliance, capital adequacy, asset quality, governance, AML/ CFT, sustainability, risk management
Development Partners (IFC, HDFC)	Joint programme reviews, partnership meetings, technical assistance engagements, reporting of Covenants	*Semi-annual*	Affordable housing, programme effectiveness, ESG performance
Communities and Civil Society	CSR programmes, financial-literacy sessions, NGO partnerships, community outreach, press release	*Throughout the year*	Inclusion, sustainability, social impact, financial access
Media and Analysts	Press releases, interviews by MD, briefings, results announcements	*Periodic*	Major corporate developments, performance, strategic direction

Material Topics for 2025

Drawing on the stakeholder engagement above, the following topics were identified as material to DBH's ability to create value over the short, medium, and long term during 2025.

Material Topic	Why It Matters	Primary Capitals
Asset quality preservation	Foundation of depositor trust and the institution's ability to lend through cycles.	*Financial · Intellectual*
Net interest margin trajectory	Drives core profitability through the rate cycle; under industry-wide pressure in 2025.	*Financial*
Affordable housing scale-up	Delivers strategic growth alongside meaningful social impact.	*Financial · Social & Rel.*
DBH Islamic governance and growth	New franchise; depth of governance is the precondition for sustainable scaling.	*Intellectual · Social & Rel.*
Climate-risk integration into credit	Long-term portfolio resilience and emerging regulatory expectation.	*Natural · Financial*
Digital and operational transformation	Cost-to-serve efficiency, customer experience, and future readiness.	*Manufactured · Intellectual*
Workforce development and inclusion	Capability building, retention, and the institution's future leadership pipeline.	*Human · Social & Rel.*
Deposit-base stability and diversification	Funding cost, balance-sheet resilience, and trust through a stressed cycle.	*Financial · Social & Rel.*
Governance and regulatory compliance	License to operate; underpins every other stakeholder commitment.	*Intellectual*

UN Sustainable Development Goals — Where DBH Contributes

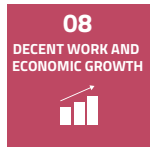
DBH's strategy, products, and impact most directly contribute to the following United Nations Sustainable Development Goals. The colours and numbers below follow the United Nations' official SDG identifiers.



Affordable housing finance enables families to step into ownership and intergenerational wealth.



Workplace inclusion, fair-pay practices, and continued investment in female participation.



Stable employment, structured career development, and contribution to housing-sector economic activity.



Affordable Housing Loan programme deliberately targets lower- and middle-income segments.



Expanding distribution into Tier-2 and Tier-3 cities; financing for urban housing stock.



Climate-risk integration into credit; Decarbonisation Roadmap; IFRS S1/S2 alignment in progress.



Long-running partnerships with IFC, and other institutions advancing housing access.

External Assurance

DBH has obtained independent external assurance over the following components of this Annual Integrated Report during the reporting period:

#	Subject of Assurance	External Assurer
1	Audited Financial Statements	*Hoda Vasi Chowdhury & Co., Chartered Accountants*
2	Corporate Governance Compliance Certification	*S A Rashid & Associates*
3	Entity Long-Term Credit Rating	*Emerging Credit Rating Ltd.*
4	Actuarial Valuation of Gratuity Fund	*Z. Halim & Associates*
5	GHG Emission Calculations	*GREENBUD*

All sustainability and climate-related disclosures contained in this report — including the Scope 1, 2, and 3 greenhouse-gas emissions, the PCAF-based financed-emissions calculation, and the broader sustainability narrative — have been prepared in their entirety by Greenbud, an independent external organisation engaged by DBH for this purpose, and are reproduced in this report without modification. While this data originates from an independent third party, these disclosures have not been subject to a separate formal assurance engagement by an audit or assurance firm. DBH expects to seek limited third-party assurance over these disclosures from the 2027 reporting cycle onwards, in line with the progressive maturity of the IFRS S1 and S2 standards in Bangladesh.

Restatements and Changes in Reporting

The 2024 comparative information presented in this report has been re-stated where necessary to ensure like-for-like comparability with the 2025 figures. The principal restatements relate to:

Net Asset Value per Share for 2024
Originally reported at BDT 47.25; re-stated to BDT 46.33 to reflect the share count after the bonus issue declared during 2025.

Earnings per Share for 2024
Re-stated on the same basis to reflect the post-bonus share count, in compliance with IAS 33 (Earnings per Share), Originally reported BDT 5.07, restated to BDT 4.97.

GHG emissions baseline
2024 is established as the baseline year for Scope 1, 2, and 3 emissions measurement under the PCAF and GHG Protocol methodologies adopted in 2025. No prior-period emissions have been re-stated.

There are no other material restatements. The reporting methodology, scope, and frameworks applied have otherwise been consistent with the 2024 Annual Integrated Report, save for the enhancements set out under "What's New in This Year's Report" above.

How to Navigate Through This Report

The Annual Integrated Report is organised around the questions our stakeholders most frequently ask. The table below maps those questions to the corresponding sections.

What Stakeholders Want to Know	Where to Look in This Report	Page
WHO WE ARE AND WHAT WE STAND FOR		
Who is DBH? What is our purpose?	■ Organizational Overview ■ Vision, Mission and Strategic Objectives ■ Core Values and Code of Conduct	13 14-16 14
How is DBH structured and owned?	■ Shareholding Structure ■ Organizational Hierarchy ■ Products and Services	21 26 22-25
How did 2025 compare with prior years?	■ Operational and Financial Highlights ■ Value Creation Scorecard	28-32, 319 20
HOW WE CREATE VALUE		
What is our business model?	■ Business Model ■ Value Creation Model ■ How We Create Value ■ Six Capitals (Financial, Manufactured, Intellectual, Human, Social and Relationship, Natural)	88-89 90-97 98-99 120-131
What is most important to our stakeholders?	■ Stakeholder Analysis ■ Materiality Determination ■ Strategic Focus Areas	104-108 100-103 118-119
What environment are we operating in?	■ Business Environment Analysis ■ Economic Review	112-117 134-143
HEARING FROM OUR LEADERS		
How does the Board view 2025 and the future?	■ Message from the Chairman ■ Directors' Report	44-48 49-66

What Stakeholders Want to Know	Where to Look in This Report	Page
How did management deliver, and what is next?	■ Message from the Managing Director & CEO ■ Management's Discussion and Analysis	69-71 80-86
HOW WE MANAGE RISK AND GOVERN OURSELVES		
How does DBH identify and control risk?	■ Risk Management Framework ■ Risk Management Structure ■ Risk Mitigation Methodology ■ CAMD Disclosure	144-145 146 147-150 151-158
How is the Company governed?	■ Comprehensive Corporate Governance Report ■ Board Composition and Committees	199-216 186, 195-198
OUR ESG AND CLIMATE COMMITMENTS		
How is DBH integrating sustainability?	■ Sustainability and Climate-Related Financial Disclosures ■ Environmental Reporting ■ CSR Report	164-174 176-178 180-183
MEASURING OUR PERFORMANCE		
How did we perform financially?	■ Audited Financial Statements ■ Notes to the Financial Statements ■ Financial Highlights and Five-Year Statistics ■ Horizontal and Vertical Analysis	260-264, 310-311 265-309, 312-318 28-32, 319 39-42

Responsibility for the Integrated Report

The Board of Directors of DBH Finance PLC acknowledges its collective responsibility for the preparation and presentation of this Annual Integrated Report, prepared in accordance with the International Integrated Reporting <IR> Framework, GRI Standards 2021 (with reference to), and IFRS S1 & S2 (Climate-related Disclosures).

The Board confirms that this report addresses all material matters identified through DBH's Double Materiality Assessment (p.100–103); presents information in a balanced manner without undue emphasis; is prepared on a going concern basis (p.245–246); has been prepared with integrity consistent with DBH's Code of Business Conduct; and has been reviewed by the Board Audit Committee prior to publication.

Forward-looking statements reflect the Board's reasonable expectations as at the date of this report and are subject to risks, uncertainties, and assumptions described in the Risk Management section. Actual outcomes may differ materially. DBH undertakes no obligation to update them except as required by law or regulation.

On behalf of the Board of Directors

Syed Moinuddin Ahmed
Chairman, Board of Directors
DBH Finance PLC
Dhaka, 10 May 2026

Reviewed and approved by:

Nasimul Baten
Managing Director & CEO
DBH Finance PLC
Dhaka, 10 May 2026

Feedback

We welcome feedback from all our stakeholders on this report and on the institution it represents. Comments and suggestions may be addressed to:

The Company Secretary
DBH Finance PLC
Landmark Building (9th Floor), 12–14 Gulshan North C/A, Gulshan-2, Dhaka-1212, Bangladesh.
Email: dbh@dbhfinance.com
Web: www.dbhfinance.com

ORGANIZATIONAL OVERVIEW

Annual Integrated Report 2025

Resilient Today, Ready for Tomorrow



30 years of building homes, one family at a time

DBH Finance PLC (DBH) is Bangladesh's leading Finance Company whose main core business is home loans. Incorporated in 1996 as a joint venture between three prominent Bangladeshi institutions — BRAC, Delta Life Insurance Company Limited, and Green Delta Insurance PLC — and two international partners, HDFC (India) and IFC (a member of the World Bank Group), DBH commenced operations in 1997 with a singular mandate: to make homeownership accessible to Bangladeshi families.

In its 30th year of operations, DBH has financed homes for 62,869 families — building the institution one home at a time since 1997. It is listed on both the Dhaka and Chittagong Stock Exchanges, is rated AAA for the 20th consecutive year (the only financial institution in Bangladesh to have achieved this distinction), and operates with a capital adequacy ratio of 30.73% — more than three times the regulatory minimum. The institution is regulated by Bangladesh Bank under the Finance Company Act 2023, and its governance practices have been recognised with the ICSB Award for Excellence in Corporate Governance.

Through 2025 — a year marked by macroeconomic stress, elevated funding costs, sector-wide credit deterioration, and the lingering effects of the 2024 political transition — DBH demonstrated the institutional resilience that its conservative, specialised business model is designed to deliver. Against a sector-wide NPL ratio approaching 40%, DBH's NPL ratio improved to 0.84%. Its capital base strengthened. Its deposit franchise grew. And the institution delivered on each of its stated strategic priorities, from affordable-housing expansion to the deepening of DBH Islamic Finance.

DBH at a Glance — 2025

62,869
Families Financed Since Inception

BDT 4,543 Cr
Home-Loan Portfolio 2025

BDT 1,162 Cr
Net Disbursements 2025

30.73%
Capital Adequacy ratio

0.84%
NPL Ratio (Industry: ~40%)

AAA × 20
Consecutive Years AAA Rating

431
Employees at Year-end 2025

BDT 4,674 Cr
Deposit Basket 2025

BDT 436 Cr
Islamic HPSM Portfolio (+63%)

15% Cash Dividend Recommended

BDT 252 Cr
Affordable Housing Loan Disbursed in 2025

25 Branch Target by June 2027



VISION

To strengthen the society of the country by continually expanding home ownership.



MISSION

To be the leading financial institution in the country with satisfied customers and employees and to generate value for our shareholders while contributing to the well-being of the society.

CORE VALUES



Honesty, integrity and ethics in all aspects of business.



Outstanding service to the customer, above all else.



Individual opportunity and reward based on merit.



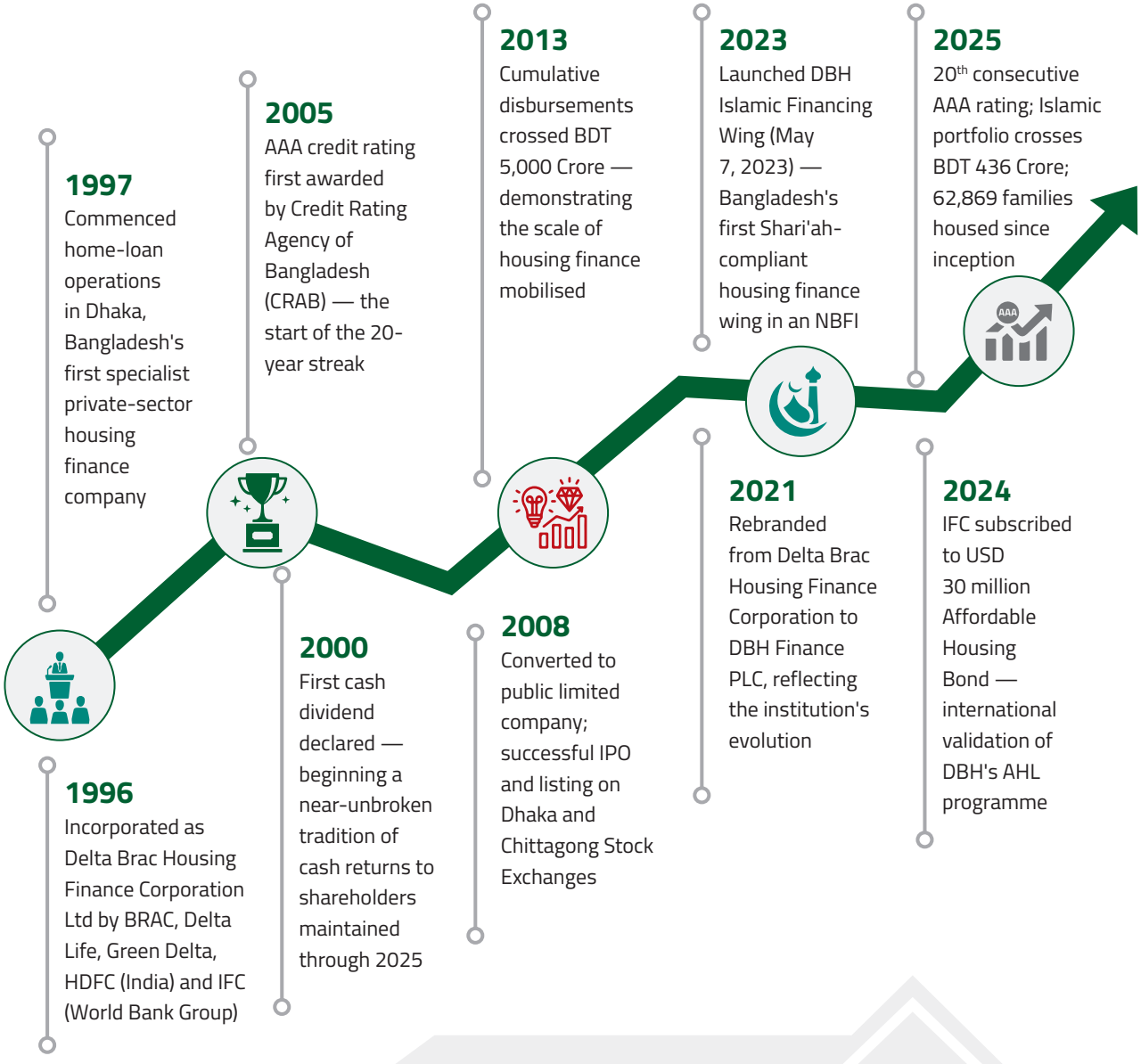
Respect and concern for every employee.



Hard work and continuous self-improvement.

30 YEARS CORPORATE MILESTONES

From a pioneering joint venture in 1996 to Bangladesh's most trusted housing finance institution in 2025 — DBH's history is a story of disciplined compounding, one home at a time.



1997
Commenced home-loan operations in Dhaka, Bangladesh's first specialist private-sector housing finance company

1996
Incorporated as Delta Brac Housing Finance Corporation Ltd by BRAC, Delta Life, Green Delta, HDFC (India) and IFC (World Bank Group)

2005
AAA credit rating first awarded by Credit Rating Agency of Bangladesh (CRAB) — the start of the 20-year streak

2000
First cash dividend declared — beginning a near-unbroken tradition of cash returns to shareholders maintained through 2025

2013
Cumulative disbursements crossed BDT 5,000 Crore — demonstrating the scale of housing finance mobilised

2008
Converted to public limited company; successful IPO and listing on Dhaka and Chittagong Stock Exchanges

2023
Launched DBH Islamic Financing Wing (May 7, 2023) — Bangladesh's first Shari'ah-compliant housing finance wing in an NBFI

2021
Rebranded from Delta Brac Housing Finance Corporation to DBH Finance PLC, reflecting the institution's evolution

2025
20th consecutive AAA rating; Islamic portfolio crosses BDT 436 Crore; 62,869 families housed since inception

2024
IFC subscribed to USD 30 million Affordable Housing Bond — international validation of DBH's AHL programme

STRATEGIC OBJECTIVES-2025 AND BEYOND

Six explicit, measurable strategic commitments — set by the Board of Directors and Managing Director & CEO — against which DBH expects to be held accountable.



01

Accessible & Affordable Home Ownership

The non-negotiable centre of strategy — 62,869 families served, BDT 252 Crore AHL disbursed in 2025. +20% AHL portfolio target for 2026.



02

Geographic Expansion

25 branches by June 2027. Active in Mymensingh, Barishal, Cumilla, Khulna, Rajshahi & Rangpur.



03

Deepening DBH Islamic Finance

BDT 436 Crore HPSM (+63%), BDT 415 Crore Mudaraba (+84%). Target: BDT 600 Crore Islamic assets by year-end 2026.



04

Digital Transformation

End-to-end digital onboarding, STP loan processing, cyber-resilience, and turnaround-time reduction — 2026 capex programme approved.



05

Capital Discipline & Value Creation

CAR 30.73%; NPL 0.84%; AAA 20th year; 15% cash dividend. EVA recovery targeted through NIM restoration as rates normalise.



06

ESG & Climate Integration

First GHG 3-scope baseline published. Portfolio climate mapping in 2026. IFRS S1/S2 full scope by 2027.

DISTINCTIVE HIGHLIGHTS — WHAT SETS DBH APART

Six institutional advantages that distinguish DBH from every other financial institution in Bangladesh — not claims, but quantified and verifiable facts.

01

Unmatched Asset Quality

DBH's NPL ratio of 0.84% at year-end 2025 is approximately 47 times better than the Bangladesh financial sector average of ~40%. Remarkably, the ratio improved during 2025 despite the industry experiencing its most severe non-performing loan crisis in recent memory — demonstrating the genuine quality of the portfolio rather than lenient classification.

- **NPL 2025:** 0.84% (improved from 0.97% in 2024)
- **Industry average (approx.):** ~40% (2024-25)
- **DBH vs industry:** ~47× better than sector average
- **Policy:** 100% provisioning for loans >180 days overdue

02

20 Consecutive Years of AAA

DBH is the only financial institution in Bangladesh — bank or NBFI — to have held the highest long-term credit rating of AAA for 20 unbroken consecutive years. This is not merely a rating; it is the daily compounding of disciplined risk management, transparent reporting, conservative provisioning, and patient capital stewardship since 2005.

- **Current rating:** AAA (20th consecutive year)
- **Rating agencies:** CRAB and ECRL
- **Significance:** Unique in Bangladesh financial sector
- **Implication:** Highest depositor safety; lowest cost of funds level metrics from 2026.

03

Capital Fortress

DBH's capital adequacy ratio of 30.73% in 2025 is 3.07 times the Bangladesh Bank regulatory minimum of 10%. Total eligible capital under Basel II stood at BDT 1,041 Crore, providing a capital surplus of BDT 702 Crore — a buffer that supports both growth and resilience against unexpected shocks.

- **CAR 2025:** 30.73% (vs 10% minimum)
- **Total eligible capital:** BDT 1,041 Crore
- **Capital surplus:** BDT 702 Crore above regulatory minimum
- **Trend:** +0.27 ppts improvement over 2024

04

Industry-Leading Cost Efficiency

Even at 30.53% in 2025 — a modest uptick driven by inflation-adjusted HR costs, branch expansion investment, and digital transformation expenditure — DBH's cost-to-income ratio is materially below the sector average. The metric reflects the operational advantage of a lean, specialised, single-product institution.

- **Cost-to-Income 2025:** 30.53%
- **2024:** 28.12%
- **Peer benchmark (IDLC 2025):** 39.66%
- **Peer benchmark (IPDC 2025):** 46.81%

05

25 Years of Cash Dividends

DBH has maintained a near-unbroken tradition of cash dividend payments to shareholders since 1999-2000 — interrupted only twice, in two specific years when stock dividends were distributed in lieu. In 2025, the Board recommended a 15% cash dividend (BDT 1.50 per share), continuing this commitment despite earnings pressure from the high-rate environment.

- **2025 dividend:** 15% cash (BDT 1.50 per share) (proposed)
- **2024 dividend:** 17% (15% cash + 2% stock)
- **Tradition since:** Near-unbroken since 1999-2000
- **EPS 2025:** BDT 4.69

06

DBH Islamic — Two Years, Transformative Scale

Launched in May 2023, DBH Islamic Financing Wing completed its second full year of operations in 2025 with HPSM investment growing 63% to BDT 436 Crore and Mudaraba deposits surging 84% to BDT 415 Crore. The Wing now represents approximately 10% of DBH's total home-loan portfolio — validating both the market need and the operational architecture built from the outset.

- **HPSM investment 2025:** BDT 436 Crore (+63% YoY)
- **Mudaraba deposits 2025:** BDT 415 Crore (+84% YoY)
- **Share of total portfolio:** ~10%
- **2026 target:** BDT 600 Crore Islamic assets

DBH IN 2025

Key activities, milestones and achievements across six strategic themes — the year DBH Finance PLC proved that resilience is not a slogan but a result.

01	02	03	04	05	06
Financial Resilience	Affordable Housing	Islamic Finance	Geography & Growth	ESG & Climate	People & Governance

01 Navigated the Toughest Year in a Decade — and Emerged Stronger

The Bangladesh financial sector entered 2025 still absorbing the shock of the July–August 2024 political transition and a prolonged high-interest-rate environment that drove industry-wide NPLs toward 40%. Against this backdrop, DBH delivered a profit after tax of BDT 95.16 Crore, maintained a capital adequacy ratio of 30.73% (3.07× the regulatory minimum), and improved its NPL ratio from 0.97% to 0.84% — the only major NBFI to see asset quality improve during the year.

PAT: BDT 95.16 Crore

CAR: 30.73% vs 10% regulatory minimum

NPL: 0.84% — improved 13 bps; ~47× below sector average

Total Eligible Capital: BDT 1,041 Crore; surplus BDT 702 Crore

02 Affordable Housing — Scale, Depth and IFC Partnership

The Affordable Housing Loan (AHL) programme — built on the USD 30 million IFC-subscribed DBH Affordable Housing Bond — reached meaningful scale in 2025. Combined institution-wide AHL disbursement (conventional + Islamic) amounted to approximately BDT 252 Crore, directed at middle- and lower-middle-income families for whom conventional home financing had been out of reach. DBH simultaneously deepened its geographic coverage in Tier-2 and Tier-3 cities, actively disbursing in Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, and Rangpur — cities where the housing-finance gap is most acute.

Total families financed in 2025: 3,165

Cumulative families since inception: 62,869

AHL disbursement (conventional): BDT 225 Crore

AHL disbursement (Islamic): BDT 27.5 Crore

Tier-2/3 cities actively served: 6 cities across Bangladesh

03 DBH Islamic Finance — Second Year, Transformative Results

DBH Islamic Financing Wing — launched May 2023 — completed its second full year of operations in 2025 with results that materially exceeded internal expectations. Operating under a fully segregated architecture (dedicated i-CBS, independent Shari'ah Supervisory Committee, separate accounts and financial statements), the Wing delivered 63% growth in HPSM investment and 84% growth in Mudaraba customer deposits. Islamic financing now represents approximately 10% of DBH's total home-loan portfolio, making it one of the fastest-scaling Shari'ah-compliant housing finance programmes in Bangladesh's NBFI sector.

HPSM investment: BDT 436 Crore (+63% YoY)

Mudaraba customer deposits: BDT 415 Crore (+84% YoY)

Share of total home-loan portfolio: ~10%

AHL under Islamic Wing: BDT 27.5 Crore disbursed

04 Geographic Expansion — Committed, Structured, Accountable

The Board formalised a structured commitment to geographic expansion in 2025: 25 branches by June 2027. This is not an aspiration — it is a Board-level accountability with a phased branch-rollout plan, city sequencing based on housing-demand density, and a commitment to begin reporting branch-level disbursement and portfolio metrics from 2026 onwards.

Branch target: 25 branches by June 2027

Tier-2/3 cities with AHL presence: Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, Rangpur

05 ESG & Climate — First Baseline, Board-Level Accountability

In 2025, DBH published its most detailed Sustainability and Climate-Related Financial Disclosure, aligned with IFRS S1 and S2 standards, the Greenhouse Gas Protocol, and the PCAF methodology. The Company completed its first comprehensive measurement of its GHG footprint across all three scopes — establishing a credible baseline for annual tracking. Approximately 97.9% of total emissions arise from Scope 3 (financed homes), pointing clearly to the institutional decarbonisation lever: portfolio-level interventions, green-building criteria in lending policy, and sustainable housing product development. The Board accepted ultimate accountability for climate-risk governance, with the Risk Management Committee as the primary oversight body. CSR activities — guided by the Bangladesh-Bank-aligned ~0.5% of after-tax profit policy — delivered measurable community impact including a solar-powered irrigation project for 100 climate-vulnerable families in Satkhira (with Sajida Foundation) and educational support in the Sreemangal tea-garden community.

GHG Scope 3 (financed emissions): 97.9% of total measured footprint

Scope 2 emissions trend: –2.9% YoY despite higher electricity consumption

IFRS S1 & S2: First full disclosure published 2025

ESRM: Applied in all new-project credit appraisals

06 People, Governance & Recognition

DBH closed 2025 with 431 employees — a healthy increase over 2024 — and continued to invest in structured training, career progression, and well-being. The gratuity fund was independently actuarially valued during the year and returned a comfortable surplus of approximately BDT 2.77 Crore, confirming the adequacy of DBH's defined-benefit obligations. On governance, DBH got ICSB award for excellence in Corporate Governance — a recognition that reflects 20 years of transparent, rules-based institutional management. DBH also won ICMAB Best corporate awards and SAFA best presented annual report in 2025. The Board met 8 times during 2025; its Audit, Executive, Risk Management, and Shari'ah Supervisory Committees met regularly throughout the year.

Employees: 431 (year-end 2025)

Gratuity fund surplus: BDT 2.77 Crore (independent actuarial valuation).

Governance award: ICSB Award for Excellence in Corporate Governance, ICMAB Best Corporate Award, SAFA BPA Awards.

Board meetings: 8 in 2025; all committee meetings held as per regulations.

2025 in Numbers

BDT 791.8 Cr
Interest income

BDT 100.57 Cr
Investment income

BDT 130.81 Cr
Net interest income

BDT 173.97 Cr
Operating profit

BDT 95.16 Cr
Profit after tax

BDT 1,508.9 Cr
Cash & equiv. (year-end)

BDT 1.50
Cash dividend per share (proposed)

VALUE CREATION SCORECARD

DBH's Value Creation Scorecard sets out, in a single view, how the Company has performed over the past three years across the key metrics that the Board considers material to long-term value creation, together with the specific targets the Board has set itself for 2026. The scorecard is organised around the six capitals of the International <IR> Framework, and is the primary tool by which the Board holds itself — and management — accountable to stakeholders.

Where 2026 targets are expressed as ranges, ratios, or qualitative thresholds rather than precise numerical values, this reflects the Board's view that the underlying metric is better managed against a corridor than a single point estimate.

Capital	Key Metric	2023	2024	2025	2026 Target
FINANCIAL CAPITAL					
Financial	Net Profit After Tax (BDT Cr)	98	101	95	≥ 100 Cr
Financial	Net Asset Value per Share (BDT)	43.63	46.33	49.55	≥ BDT 52
Financial	Capital Adequacy Ratio (%)	28.85	30.46	30.73	≥ 30%
Financial	Classified-Loan Ratio (%)	0.86	0.97	0.84	≤ 1.00%
HUMAN CAPITAL					
Human	Total Workforce (no. of staff)	339	371	431	446
Human	Total Training Hours	2,834	4,979	5,247	5,500
Human	Employee Attrition Rate (%)	21%	16%	14%	12%
Human	Female Representation (%)	15%	14%	14%	15%
MANUFACTURED CAPITAL					
Manufactured	Branch Network (no. of offices)	14	16	17	20
Manufactured	Geographical Footprint (divisions covered)	8	8	8	8
INTELLECTUAL CAPITAL					
Intellectual	Long-term Credit Rating	AAA	AAA	AAA	AAA
Intellectual	IT and Digital Investment (BDT Cr)	0.34	0.42	2.84	1.1
SOCIAL & RELATIONSHIP CAPITAL					
Social & Rel.	CSR Spend (BDT Cr)	0.30	0.31	0.34	0.5% of PAT
Social & Rel.	Affordable Housing Disbursed (BDT Cr)	0	60	250	300
Social & Rel.	Total Deposit Base (BDT Cr)	4,665	4,578	4,674	4,700
NATURAL CAPITAL					
Natural	Scope 1 + 2 Emissions (tCO_2e)	N/A	551	543	−25% by 2030
Natural	Financed Emissions — Scope 3 (tCO_2e)	N/A	24,914	25,202	Roadmap 2026

PATTERN OF SHAREHOLDINGS

Annexure-iii

As on 31st December 2025

(i) Shareholding position of Sponsors:

Name	No. of Shares held	Percent (%)
BRAC	37,304,183	18.39
Delta Life Insurance Company Limited	35,760,368	17.63
Green Delta Insurance PLC	31,049,587	15.30
Mr. Kazi Fazlur Rahman	0	0.00
Mr. Faruq A. Choudhury	36	0.00
Dr. Salehuddin Ahmed	36	0.00
Mr. Q. M. Shariful Ala, FCA	0	0.00
Total	**104,114,210**	**51.32**

(ii) Shareholding status of Directors/CEO/CS/CFO/HIAC & their spouses & minor children

Name of the Directors	Nominated by	No. of Share(s) held	Percent (%)
Mr. Syed Moinuddin Ahmed, Chairman	Green Delta Insurance PLC	-	-
Mr. Imran Rahman, Vice Chairman	Independent Director	-	-
Mr. Khandkar Manwarul Islam	Delta Life Insurance Company Ltd.	-	-
Mr. Nazir Rahim Chowdhury	Delta Life Insurance Company Ltd.	-	-
Mr. Mohammad Anisur Rahman	BRAC	-	-
Ms. Nausheen Rahman	Independent Director	-	-

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Mr. Nasimul Baten	Managing Director & CEO	-	-
Mr. Jashim Uddin, FCS	EVP - Company Secretary & Head of Corporate Affairs	-	-
Mr. Md. Abdul Ahad, FCA	EVP & Chief Financial Officer	-	-
Mr. Shihabuddin Mahmud	SAVP & Head of Internal Audit	-	-

(iii) Top five salaried persons other than the Directors, CEO, CS, CFO & HIAC

Name of the Executives	Status	No. of Share(s) held	Percent (%)
Mr. A. K. M. Tanvir Kamal	DMD & Chief Operating Officer	-	-
Mr. Tanvir Ahmad	DMD & Chief Human Resources Officer and Head of Islamic Financing Division	-	-
Mr. Saiyaf Ejaz	SEVP & Chief Risk Officer	-	-
Mr. Ashfakul Islam	SEVP & Chief Technology Officer	-	-
Mr. Md. Zakaria Eusuf	EVP & Head of Credit	-	-

(iv) Shareholders holding 10 % or more voting interest in the Company

Name of the Shareholders	No. of Share(s) held	Percent (%)
BRAC	37,304,183	18.39
Delta Life Insurance Company Limited	35,760,368	17.63
Green Delta Insurance PLC	31,049,587	15.30

OUR PRODUCTS AND SERVICES

DBH Finance PLC stands as Bangladesh's leading financial institution with an exclusive focus on housing finance. Since its inception in 1996, DBH has been instrumental in facilitating homeownership for over 62,000 families across the nation. The company's unwavering commitment to customer-centric solutions, product innovation, and financial stability has solidified its reputation as a trusted partner in the journey toward homeownership and long-term financial well-being.

To cater to the evolving needs and spiritual beliefs of its customers, DBH offers a comprehensive range of financial solutions under two broad categories: Conventional Financing and Islamic Financing. These categories are further segmented into two core product types—Deposit Products and Financing Products—developed to meet both housing and personal financial needs. Each product is thoughtfully designed to deliver maximum convenience, flexibility, and value, ensuring that clients can achieve their financial goals through reliable and tailored solutions.

The following section provides a detailed overview of all DBH products and services under both conventional and Islamic financing categories.

Segment -1: Conventional Products & Services:

DBH offers a diverse array of conventional financial solutions developed to meet both housing and personal financial needs. These products are precisely designed to provide maximum convenience, flexibility, and value to its customers.

Type A: Financing Products:

Apartment Purchase Loan: Designed for clients aiming to purchase ready residential apartments, this loan offers competitive interest rates and manageable repayment schedules, facilitating a seamless transition into homeownership.

Own Construction Loan: offered for individuals intending to construct their own homes on owned land, this loan provides customized disbursement plans aligned with construction progress, ensuring financial support at every building phase.

Extension/Renovation Loan: Ideal for homeowners seeking funds to expand or renovate their existing properties, this loan ensures that homes evolve with the changing needs of families.

Plot Purchase Loan: Enables clients to acquire residential plots with flexible terms and competitive rate, laying the foundation for near future home construction.

Group Construction Loan: Offered to multiple individuals or families jointly developing a residential property, promoting community living and shared investment.

Home Equity Loan: Allows homeowners to leverage the value of their property to meet financial needs such as education, medical expenses, or business expansion.

Semi Pucca Construction Loan: Supports the development of affordable and semi-pucca housing structures, catering to a broader demographic.

Affordable Home Loan: Specifically crafted for middle- and lower-income segments, this loan ensures that affordable housing becomes an attainable reality for all.

Balance Transfer Loan: Assists customers in transferring existing home loans from other financial institutions to DBH, offering better rates and enhanced service quality.

Personal Loan: Designed for salaried individuals to address short-term personal financial needs such as emergencies, education, or weddings.

Car Loan: Provides competitive auto financing solutions for both new and recondition vehicles, featuring attractive EMI and tenure options.



Type –B: Deposit Products

Annual Income /Day Wise/Cumulative Deposits: Offers term deposits from 3 months to 5 years based on customer preferences.

Quarterly/Monthly income deposits: Offers regular income options based on customer preferences, ensuring stable financial returns.

Platinum Deposits: A premium fixed deposit scheme offering attractive returns and flexible tenure options, who can place his/her valued funds for 15 months. At the end of 12 months the interest will be added to the principal amount and then renewed to complete the term of 15 months.

Flexible Fixed Deposits: This is a special deposit product that allows up to 95% of quick loan facility at a lowest rate. The product aims to cater to frequent and instantaneous fund requirement needs of individuals especially for self-employed individuals.

Double Money Deposits: A long-term investment option designed to double the principal amount over a specified period, appealing to long-term savers.

DBH DPS/Easy Deposits: Encourages customers to build savings gradually through monthly installments, serving as a robust plan for future financial security.

Segment -2: Islamic Products and services:

DBH launched its Islamic Financing Division (IFD) under the brand "DBH Islamic" on May 7, 2023, as a separate unit alongside its conventional operations. Shari'ah compliance is overseen by a dedicated Islamic Financing Division staffed with AAOIFI-certified professionals. An independent Shari'ah Supervisory Committee (SSC), chaired by Dr. Muhammad Saifullah Madani, with members Mr. Fariduddin Ahmed, Mr. Abdul Awwal Sarker, and Prof. Dr. Zubair Muhammad Ehsanul Haque, also ensures adherence to Islamic principles.

In line with Bangladesh Bank and SSC directives, DBH Islamic maintains separate accounts—including Al-Wadeeah Current Accounts and Mudaraba Special Notice Deposit (MSND) accounts—for proper fund segregation and CRR/ SLR maintenance.

A distinct accounting framework has been adopted, featuring separate financial statements per Shari'ah and regulatory guidelines. DBH has also developed an Islamic Core Business Software (i-CBS), and operations are guided by approved Product Programme Guidelines (PPGs) and a dedicated Operations Manual.

Type-A: Islamic Financing Products (Under HPSM Mode)

At present, DBH Islamic offers Islamic Home Financing (IHF) and Islamic Car Financing (ICF) within the Shari'ah purview of Hire Purchase under Shirkatul Meelk (HPSM) as approved by the Shari'ah Supervisory Committee and Bangladesh Bank.

Islamic Home Financing (IHF) Products:

1. **HPSM Apartment Purchase Financing**

   Finance to purchase new or old apartments from preferred developers/sellers.

2. **HPSM Self/Group Construction Financing**

   Funding for individual or group residential construction with gestation period (GP) facility; EMI starts after construction completion.

3. **HPSM Commercial Space Purchase Financing**

   Finance to purchase commercial space for business or professional use.

4. **HPSM Home Extension/Renovation Financing**

   Finance for extending or renovating an existing home; ideal for comfort upgrades or rental income.

5. **HPSM Semi-pucca Construction Financing**

   Shari'ah-based funding for affordable semi-pucca house construction to meet basic housing needs.

6. **HPSM Affordable Home Financing (Amar Ghor & Amar Bari)**

   Tailored for lower income groups:

   - Amar Ghor: Up to Tk. 30 Lac (household income ≤ Tk. 1 Lac)
   - Amar Bari: Up to Tk. 60 Lac (income between Tk. 1 Lac and Tk. 1.5 Lac)

7. **HPSM Plot Purchase Financing**

   Finance to purchase residential land for building a home.

8. **HPSM Balance Transfer / Take-over Financing**

   Facility to transfer existing home loans from other banks/ financial institutions to DBH Islamic with optional top-up.

Key Features of IHF:

Financing up to 80% of property value	Tenure: up to 25 years (15 years for affordable segment)	Optional gestation period (max 18 months)	Partial prepayment or early settlement allowed after 6 months without fees	Shari'ah-compliant with competitive rates and no hidden charges

Islamic Car Financing (ICF):

Shari'ah-compliant financing for brand new, reconditioned, or selected used cars for personal use.

Up to 80% financing of car value	Tenure: 12–72 months (new/reconditioned), 12–48 months (used)	No hidden charges, competitive rental rates	Early settlement and partial adjustment after 6 months allowed	Option to bundle with IHF

Type-B: Mudaraba Deposit Products

Based on unrestricted Mudaraba, where depositors (Sahib-Al-Maal) invest capital, and DBH Islamic (Mudarib) manages funds under Shari'ah. Profit is shared as per pre-agreed Income Sharing Ratio (ISR); losses, if any, are borne by the depositor unless caused by misconduct or negligence.

Islamic Deposit Products:

Key Features of IHF:

DBH Mudaraba Term Deposit (MTDR)
- Tenure: Minimum 3, maximum 60 months
- Minimum Deposit: Tk. 10,000
- Auto-renewal at maturity

DBH Mudaraba Monthly Income Deposit (MMID)
- Tenure: Minimum 6, maximum 36 months
- Minimum Deposit: Tk. 50,000
- Monthly profit payout
- Auto-renewal at maturity

DBH Mudaraba Quarterly Income Deposit (MQID)
- Tenure: Minimum 6, maximum 36 months
- Minimum Deposit: Tk. 50,000
- Quarterly profit payout
- Auto-renewal at maturity

DBH Mudaraba Day-Wise Deposit (MDWD)
- Tenure: 90, 180, 360 days
- Minimum Deposit: Tk. 10,000
- Short-term flexible deposit
- Auto-renewal at maturity

DBH Mudaraba Easy Deposit (MED)
- Tenure: Minimum 12 months
- Minimum Deposit: Tk. 2,500
- Multiple monthly deposits allowed
- Withdrawable after 3 months
- Daily balance-based profit
- Auto-renewal at maturity

DBH Mudaraba Monthly DPS (MMDPS)
- Tenure: 2–7 years
- Monthly deposit: Tk. 1,000–1,00,000
- No penalty for missed instalments
- No auto-renewal at maturity
- Principal and profit credited to Bank A/c

DBH Mudaraba Hajj Deposit (MHD)
- Tenure: 2–7 years
- Monthly deposit: Tk. 10,000–50,000
- No penalty for missed instalments
- ISR 2% higher than MMDPS
- No auto-renewal at maturity
- Principal and profit credited to Bank A/c

Common Features

Fully Shari'ah-compliant under unrestricted Mudaraba principle.

Profit distribution based on ISR.

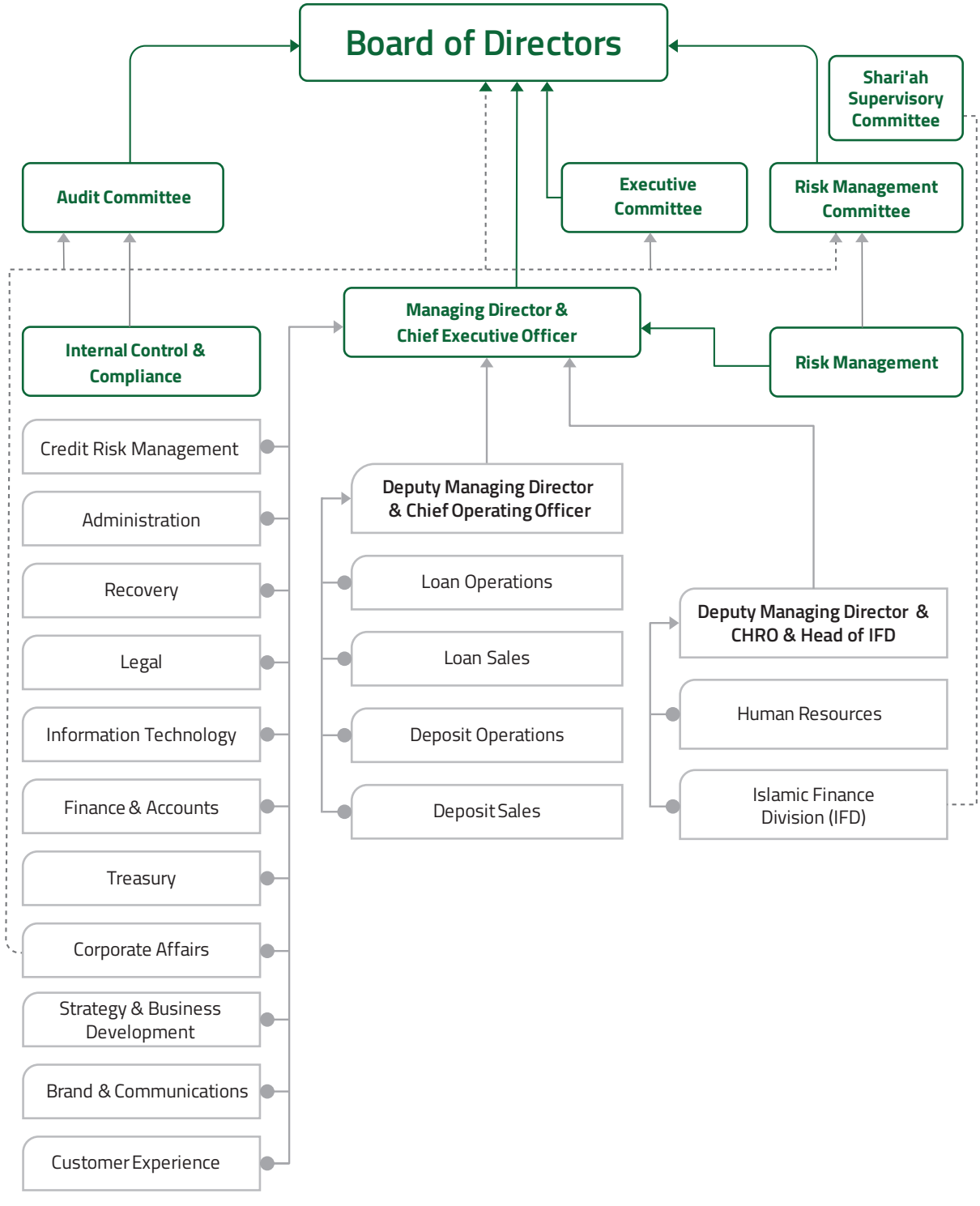
Automated crediting of principal and profit upon maturity.

HASSLE FREE

Hassle-free, flexible options catering to various customer needs.

ORGANIZATIONAL HIERARCHY

THIS REPRESENTS OUR COMPANY'S GOVERNING STRUCTURE



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OPERATIONAL AND FINANCIAL HIGHLIGHTS

All Figures in BDT Crore Except (%)

Business Performance (Gross)	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
Loan Approvals	948	1,285	1,344	1,253	1,450	1,402		-3.31%	8.14%
Loan Disbursement	703	1,080	1,103	1,024	1,157	1,230		6.31%	11.84%
Cumulative Disbursement	12,041	13,122	14,225	15,190	16,295	16,657		2.22%	6.70%
Cumulative Sanction	14,253	15,538	16,883	18,135	19,585	20,988		7.16%	8.27%

Financial Position	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
Total Assets	5,861	6,028	6,174	6,754	6,719	6,872		2.28%	3.23%
Total Liabilities	5,218	5,303	5,375	5,886	5,779	5,867		1.52%	2.37%
Home Loan Portfolio	4,243	4,337	4,400	4,315	4,375	4,543		3.85%	1.37%
Property Plant and Equipment	29	26	25	28	26	39		48.51%	6.29%
Current Assets	2,259	2,512	2,388	3,000	2,608	2,867		9.93%	4.88%
Current Liabilities*	1,266	1,283	1,617	1,635	1,331	1,494		12.26%	3.37%
Net Current Assets	994	1,229	771	1,365	1,277	1,373		7.50%	6.68%
Non Current Assets	3,601	3,516	3,785	3,754	4,111	4,005		-2.58%	2.15%
Long Term Liabilities	3,952	4,020	3,758	4,251	4,448	4,373		-1.70%	2.04%
Term Deposits	4,383	4,398	4,006	4,666	4,578	4,674		2.10%	1.29%
Total Investment Portfolio	5,758	5,923	5,807	6,628	6,598	6,733		2.05%	3.18%

Operational Performance	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
Gross Revenue (funded income)	593	518	498	611	815	892		9.52%	8.51%
Operating Revenue (Gross) (funded + non funded income)	611	537	518	630	833	911		9.37%	8.33%
Operating Profit (Net)	162	192	152	153	182	174		-4.62%	1.37%
Operating Expenses	52	57	61	64	71	76		7.04%	7.74%
Financial Expenses	396	289	305	413	580	661		14.04%	10.79%
Net Profit Before Tax	150	172	158	156	171	158		-7.47%	1.07%
Net Profit After Tax	89	104	102	98	101	95		-5.81%	1.29%
EBITDA	565	487	464	574	768	842		9.58%	8.32%

Equity Parameters	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
Authorized Capital	200	200	400	400	400	400		0.00%	14.87%
Paid-up Capital	154	177	195	199	199	203		2.00%	5.65%
Shareholders' Equity	643	724	799	868	940	1,005		6.95%	9.34%
No. of Share Outstanding (Crore)	15.41	17.73	19.50	19.89	19.89	20.29		2.00%	5.65%
Net Asset Value (NAV) Per Share (BDT)	41.72	40.87	40.96	43.63	46.33	49.55		6.95%	3.50%
Earnings Per Share (BDT)	5.78	5.89	5.11	4.95	4.97	4.69		-5.62%	-4.09%
Year end market price (BDT) per share	92.60	77.10	57.80	56.70	38.90	34.60		-11.05%	-17.87%
Market capitalization	1,427	1,367	1,127	1,128	774	702		-9.28%	-13.23%
Market Value Addition per share (BDT)	82.60	67.10	47.80	46.70	28.90	24.60		-14.88%	-21.51%

All Figures in BDT Crore Except (%)

Financial Ratios	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
Gross Profit Ratio (%)	33.25%	44.20%	38.80%	32.45%	28.87%	25.93%		-10.17%	-4.85%
Operating Profit Ratio (%)	26.60%	35.69%	29.42%	24.29%	21.89%	19.09%		-12.79%	-6.42%
Net Profit Ratio (%)	15.02%	20.16%	20.43%	16.10%	12.38%	10.65%		-13.99%	-6.65%
Return on Capital Employed (%)	26.55%	28.04%	20.01%	18.36%	18.17%	15.98%		-12.04%	-9.65%
Current & Quick Ratio (Times)	1.79	1.96	1.48	1.84	1.96	1.92		-2.08%	1.46%
Debt Equity Ratio (Times)	8.11	7.32	6.73	6.78	6.15	5.84		-5.08%	-6.37%
Financial Expense Coverage Ratio (Times)	1.41	1.66	1.50	1.37	1.28	1.24		-3.76%	-2.62%
Return on Shareholders' Equity (%)	14.56%	15.27%	13.35%	11.81%	11.16%	9.78%		-12.46%	-7.67%
Return on Total Assets (%)	1.52%	1.73%	1.65%	1.46%	1.50%	1.38%		-7.90%	-1.88%
Return on Average Asset (%)	0.27%	1.76%	1.67%	1.52%	1.50%	1.40%		-6.62%	38.57%
Return on Investment (%)	1.56%	1.81%	1.74%	1.55%	1.52%	1.43%		-6.32%	-1.76%
Net interest income as a percentage (%) of working funds	33.84%	37.05%	30.45%	28.85%	23.33%	19.63%		-15.89%	-10.32%
Non-interest income as a (%) of working funds	3.47%	5.39%	6.01%	5.65%	15.07%	17.77%		17.88%	38.64%
Operating Profit as percentage (%) of working fund	2.52%	2.91%	2.27%	2.03%	2.49%	2.31%		-7.26%	-1.72%

Operational Ratios	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
Gross Non-Performing assets to gross advances (%)	0.41%	0.63%	0.86%	0.86%	0.97%	0.84%		-13.40%	15.42%
Provision coverage ratio (times)	2.6	2.4	1.3	1.2	1.1	1.5		28.95%	-10.78%
Cost to Income Ratio (%)	24.36%	22.76%	28.60%	29.44%	28.12%	30.53%		8.46%	4.59%
Cash Reserve Ratio (CRR) (Requirement 1.5%)	1.56%	1.55%	1.58%	1.56%	2.00%	1.55%		-22.77%	-0.17%
Statutory Liquidity Ratio (SLR) (Requirement: 5%)	37.63%	36.83%	38.07%	38.07%	35.20%	39.14%		11.20%	0.79%
Capital Adequacy Ratio (Requirement: 10%)	24.22%	25.9%	28.34%	28.85%	30.46%	30.73%		0.89%	4.88%
Average effective tax rate (%)	40.53%	39.35%	35.66%	36.94%	41.05%	39.89%		-2.83%	-0.32%
Net Profit Per Employee (BDT crore)	0.35	0.37	0.31	0.29	0.28	0.24		-16.82%	-7.74%
Loan client retention rate (%)	85.7%	84.3%	84.2%	83.2%	82.2%	82.4%		0.26%	-0.78%
Deposit client retention rate (%)	85.1%	81.7%	83.1%	83.4%	85.7%	80.4%		-6.18%	-1.13%

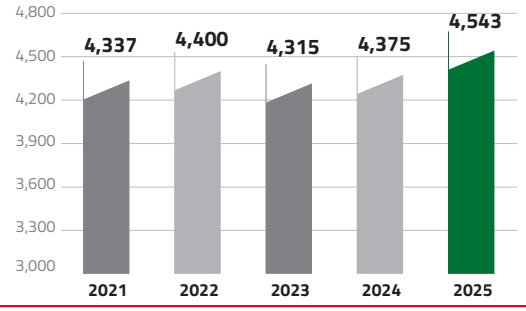
Investors' Ratios	2020	2021	2022	2023	2024	2025	Trend Analysis	Growth of 2025 over 2024	5 Year CAGR (%)
P/E Ratio (Times)	16.02	13.09	11.31	11.46	7.83	7.38		-5.76%	-14.37%
Dividend per share	3.00	2.50	2.50	1.70	1.50	1.50		0.00%	-12.94%
Dividend yield (%)	3.24%	3.24%	4.33%	3.00%	3.86%	4.34%		12.43%	6.00%
Dividend payout ratio (%)	37%	43%	42%	33%	30%	30%		-0.41%	-4.15%
Dividend Coverage (Times)	1.93	2.36	2.04	2.91	3.31	3.13		-5.62%	10.17%

* Current liability is calculated as follows: (All liabilities except deposit for the tenure of upto 12 months from Liquidity Statement + Total deposit X (1- Retention rate of deposit for last 12 months)

GRAPHICAL REPRESENTATION OF FINANCIAL HIGHLIGHTS

Home Loan Portfolio

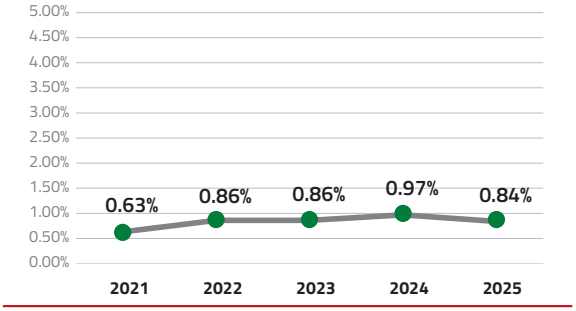
(BDT Crore)



Portfolio growth strengthened in 2025, driven by increased disbursements in the home loan segment as the interest rate environment began to normalise.

Non-Performing Loan (NPL)

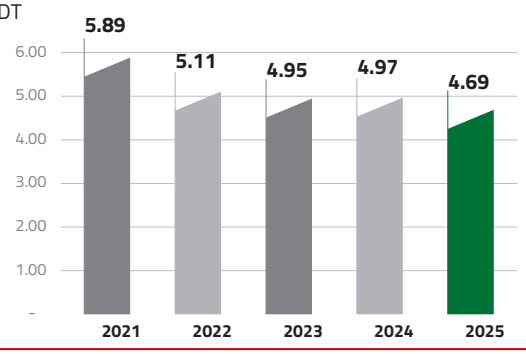
(Percentage %)



Improvement in NPL ratio reflects stronger recovery efforts and relative stabilisation of borrower repayment capacity across the mortgage portfolio.

Earnings Per Share

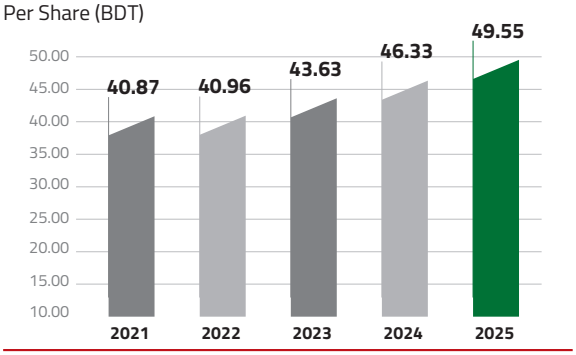
BDT



Slight decrease in profitability due to elevated cost of funds continued to weigh on bottom-line earnings, despite DBH maintaining a growing asset base and EBITDA improvement.

Net Asset Value (NAV)

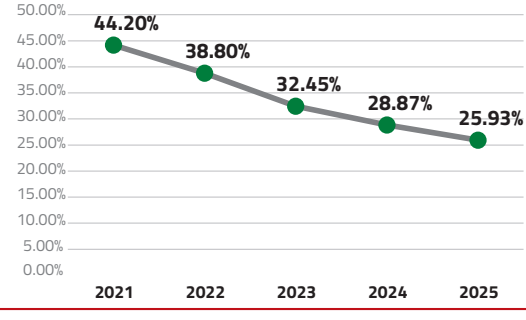
Per Share (BDT)



Follows from the increase in shareholders' equity derived from stable profit and dividend with relatively stable share base.

Gross Profit Ratio

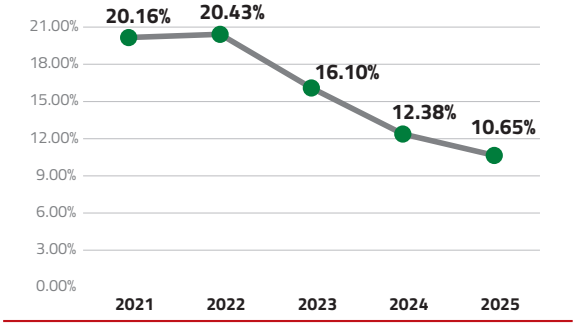
(Percentage %)



Ongoing compression in lending spread due to elevated cost of funds continues to weigh on gross margin, though income from G-sec investments provided a partial cushion.

Net Profit Ratio

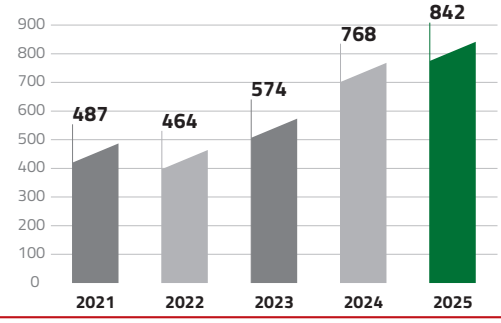
(Percentage %)



Decline reflects higher provisioning charges eating into net income, despite continued contribution from operating income sources including G-sec.

EBITDA

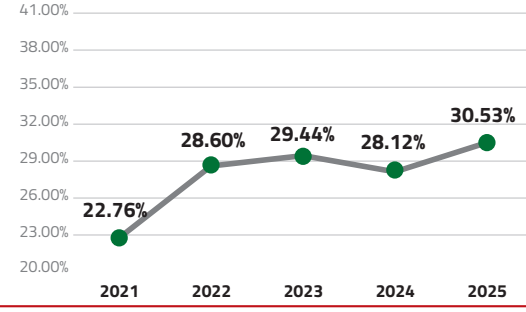
(BDT Crore)



Robust growth driven by higher interest income from an expanded loan portfolio and sustained income from government securities investments.

Cost to Income Ratio

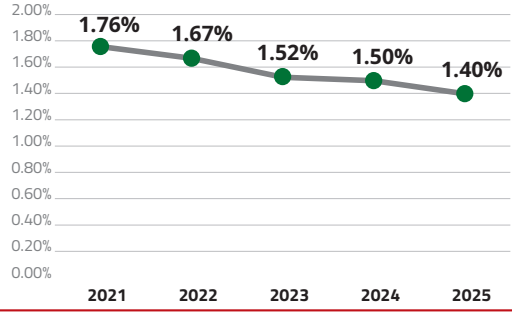
(Percentage %)



Modest rise in the ratio reflects increased operating expenditure from network expansion and high inflationary pressure, with income growth yet to fully absorb the additional cost base.

Return on Average Asset (ROA)

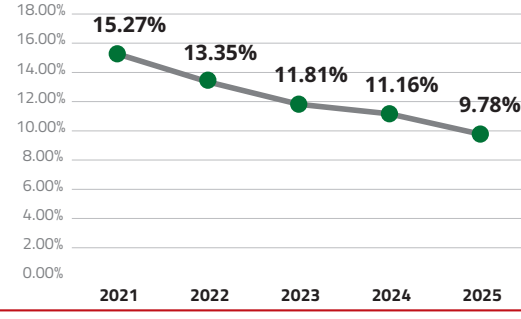
(Percentage %)



Largely stable, indicating consistent earnings performance relative to a steadily growing asset base.

Return on Shareholders' Equity (ROE)

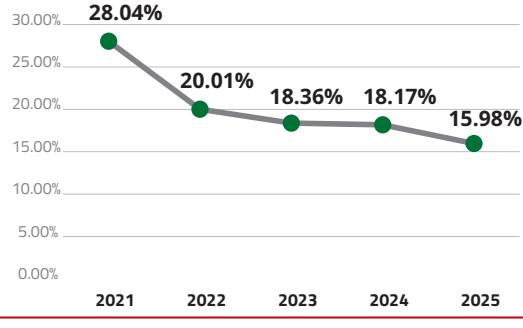
(Percentage %)



Decline despite a growing equity base reflects earnings growth not fully keeping pace with equity expansion due to compressed spread environment.

Return on Capital Employed

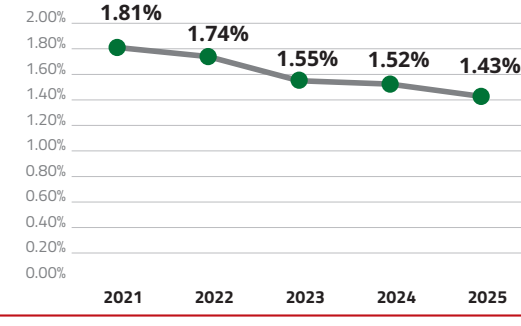
(Percentage %)



Moderation in return reflects lower net earnings relative to a growing capital base amid a persistently tight interest rate spread.

Return on Investment

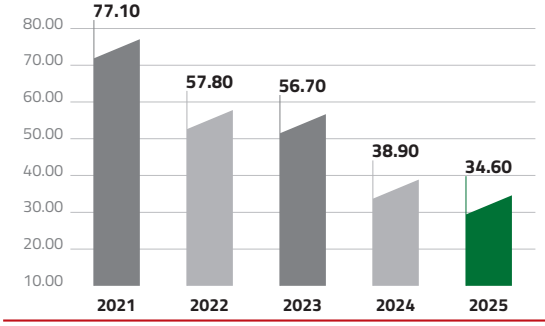
(Percentage %)



Largely stable, with a slight dip attributable to the expanding investment base growing marginally faster than investment income.

Stock Performance

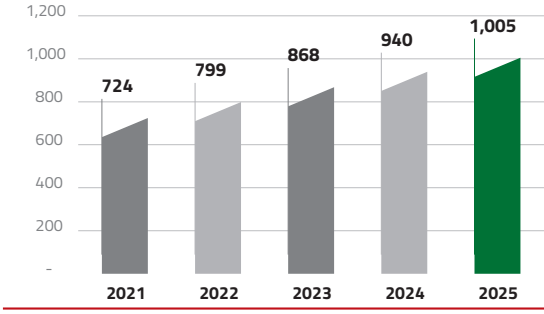
(BDT)



Stock price reflects broader capital market softness; NAV per share of BDT 49.55 continues to significantly exceed market price, indicating underlying fundamental strength.

Shareholders' Equity

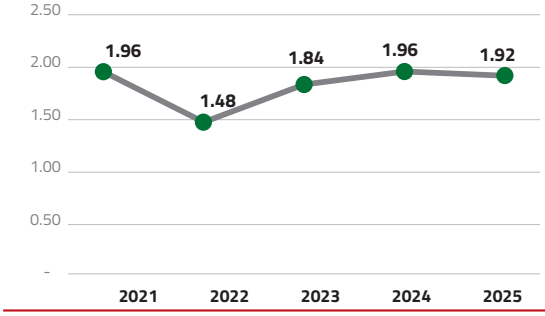
(BDT Crore)



Equity crossed the BDT 1,000 crore milestone in 2025, underpinned by consistent profit retention and stable dividend distribution over the period.

Current & Quick Ratio

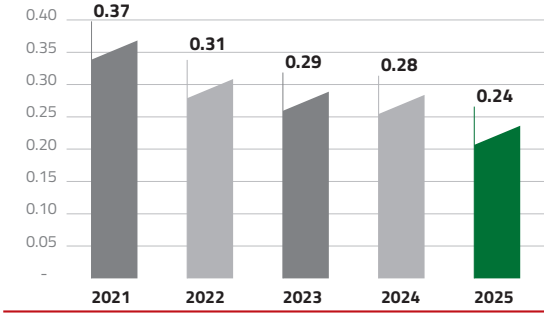
(Times)



Liquidity position remains healthy and stable, with short-term assets comfortably covering short-term obligations reflecting sound asset-liability management.

Employee Productivity

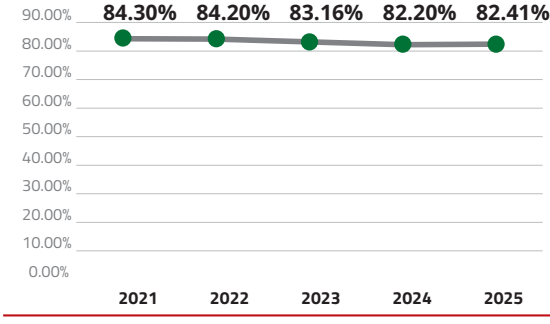
(BDT Crore)



Moderation reflects planned headcount additions from branch expansion outpacing near-term net profit growth, with productivity expected to recover as the expanded network matures.

Loan Client Retention Rate

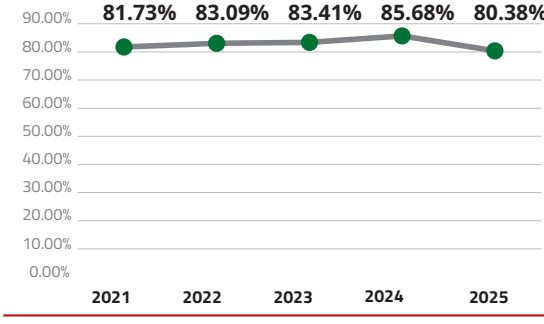
(Percentage %)



Retention stabilised in 2025, suggesting interest rate-driven prepayment pressure that characterised prior years is beginning to ease.

Deposit Client Retention Rate

(Percentage %)



Moderation in retention rate reflects a deliberate strategic decision to let go of higher-cost deposits, prioritising funding cost optimisation over volume retention.

HISTORICAL RECORD OF DIVIDEND PAYMENTS

The Company started its journey in early 1997 and was able to pay the dividend to its shareholders since 2000. The historical record of payment of dividend is given hereunder as general disclosure to the stakeholders of the Company.

Year	Paid-up Capital	Dividend (%)
1999-2000	20,00,00,000.00	7.50 (Cash)
2000-2001	20,00,00,000.00	12.00 (Cash)
2001-2002	20,00,00,000.00	15.00 (Cash)
2002-2003	20,00,00,000.00	15.00 (Cash)
2003-2004	20,00,00,000.00	18.00 (Cash)
2004-2005	20,00,00,000.00	22.00 (Cash)
2005-2006	22,00,00,000.00	25.00 (10% Stock & 15% Cash)
2006-2007	22,00,00,000.00	30.00 (Cash)
2007-2008	27,00,00,000.00	New Issue of Tk. 500,00,000 (IPO)
2007-2008	35,10,00,000.00	30.00 (Stock)
2008-2009	40,36,50,000.00	32.00 (15% Stock & 17% Cash)
2009-2010	50,45,62,500.00	35.00 (25% Stock & 10% Cash)
2010-2011	1,00,91,25,000.00	100.00 (Stock)
2011-2012	1,16,04,93,750.00	25.00 (15% Stock & 10% Cash)
2012-2013	1,16,04,93,750.00	25.00 (Cash)
2013-2014	1,16,04,93,750.00	25.00 (Cash)
2014-2015	1,16,04,93,750.00	30.00 (Cash)
2015-2016	1,21,85,18,430.00	35.00 (5% Stock & 30% Cash)
July 2016 - Dec 2016 (six months)	1,21,85,18,430.00	15.00 (Cash)
2017	1,21,85,18,430.00	30.00 (Cash)
2018	1,34,03,70,270.00	35.00 (10% Stock & 25% Cash)
2019	1,54,14,25,810.00	35.00 (15% Stock & 20% Cash)
2020	1,77,26,39,680.00	30.00 (15% stock & 15% cash)
2021	1,94,99,03,640.00	25.00 (10% stock & 15% cash)
2022	1,98,89,01,710.00	17.00 (2% stock & 15% cash)
2023	1,98,89,01,710.00	15.00 (Cash)
2024	2,02,86,79,740.00	17.00 (2% stock & 15% cash)

VALUE ADDED STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025 | AMOUNT IN CRORE BDT

The Value Added Statement offers a transparent account of how DBH has created and distributed economic value across its key stakeholder groups during the year. It quantifies the total wealth generated through the company's core financing operations and reveals how that value has been equitably allocated — to employees who drive performance, shareholders who provide capital, the government through tax contributions, financiers who extend credit, and the business itself through retained earnings earmarked for future growth.

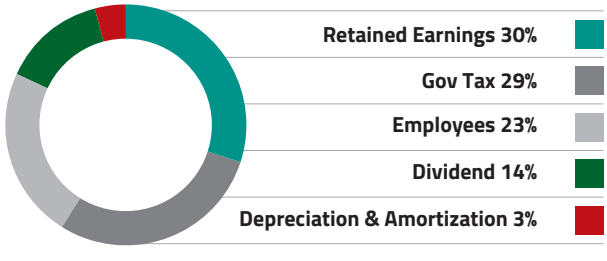
This statement serves as a powerful complement to conventional financial reporting. While the income statement focuses on profitability, the Value Added Statement reveals the breadth of DBH's economic contribution — capturing its role not merely as a profit-generating entity, but as an active participant in the national economy. It provides stakeholders with meaningful insights into the company's commitment to inclusive growth, disciplined cost management, and responsible stewardship of the value it creates.

Figures in parentheses ( ) denote deductions

	2025	%	2024	%
Value Added				
Net Interest Income	130.81	61%	154.30	72%
Fees Earned	17.60	8%	17.67	8%
Investment Income	100.57	47%	80.91	38%
Other Income	1.46	1%	0.86	0%
Operating Expense (excl. Salary, Allowance, Depreciation & Amortization)	(19.40)	-9%	(18.05)	-8%
Provision for Loan, Advances & Allowances	(15.66)	-7%	(11.29)	-5%
Total Value added by the company	**215.39**	**100%**	**224.40**	**100%**
Distribution of Value Added				
Employees				
As Salary Allowances	49.71	23%	46.90	21%
Provider of Capital	-		-	
Dividend to Ordinary Shareholders	29.83	14%	29.83	13%
Government	-		-	
Income Tax	63.15	29%	70.24	31%
Retained for business growth	-		-	
Earning Retained in the Business	65.34	30%	71.03	32%
Depreciation and Amortization	7.36	3%	6.40	3%
Total Distribution	**215.39**	**100%**	**224.40**	**100%**

In 2025, DBH generated a total value added of BDT 215.39 Crore, compared to BDT 224.40 Crore in 2024. The moderate year-on-year change reflects a challenging macroeconomic environment, particularly elevated interest rate pressures and subdued credit market activity. Despite these headwinds, the company maintained strong distribution discipline.

Value Distribution-2025 (% of BDT 215.39)



BDT 215.39 Cr
Total Value Added

–4.0%
YoY Change

23%
Employees

29%
Government Tax

Key Highlights — Value Distribution (2025)

Employees (Salaries & Allowances): 23% of total value added | Dividend to Shareholders: 14% | Government (Income Tax): 29% | Retained for Business Growth: 30% | Depreciation & Amortisation: 3% | Total Value Added: BDT 215.39 Crore

MARKET VALUE ADDED (MVA) STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025 I AMOUNT IN BDT CRORE

What is Market Value Added?

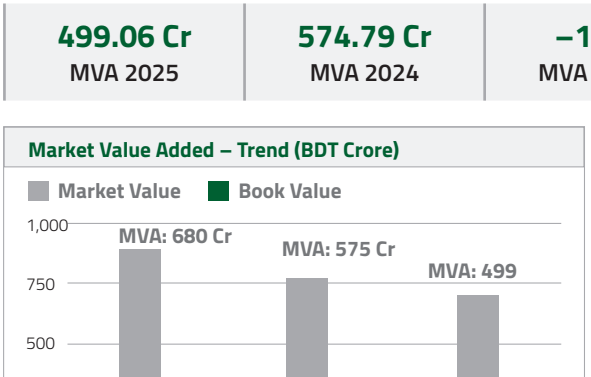
Market Value Added (MVA) is a forward-looking performance metric that measures how effectively a company has enhanced shareholder wealth over time. It is defined as the difference between the total market value of shares outstanding and the book value of shareholders' equity. In essence, MVA reflects the stock market's collective judgement on a company's future earnings potential relative to the capital its shareholders have invested.

A positive MVA indicates that the market believes management has created value above and beyond the capital contributed by shareholders — a sign of strong investor confidence and perceived competitive advantage. A declining or negative MVA, on the other hand, may signal that external pressures or evolving market perceptions have temporarily weighed on the company's market capitalisation, irrespective of its underlying financial fundamentals.

MVA Performance in 2025

DBH's MVA declined from BDT 574.79 Crore in 2024 to BDT 499.06 Crore in 2025, representing a decrease of approximately 13.2%. This contraction was driven primarily by a reduction in the market value of shares outstanding — from BDT 773.68 Crore to BDT 701.93 Crore — against a backdrop of broad market weakness that affected equities across the sector. Importantly, the book value of shares outstanding grew by approximately 2.0%, from BDT 198.89 Crore to BDT 202.87 Crore, reflecting genuine improvements in the company's net asset base.

499.06 Cr	574.79 Cr	–13.2%	701.93 Cr	202.87 Cr
MVA 2025	MVA 2024	MVA Change	Market Value 2025	Book Value 2025



Key Factors Behind the MVA Decline

1. Broad Capital Market Downturn

The Dhaka Stock Exchange experienced continued bearish pressure in 2025. The benchmark DSEX index declined from 5,218 points at the start of the year to 4,862 points by year-end — a fall of approximately 7%, compounding the more severe 16.5% contraction seen in 2024. This systemic market-wide decline suppressed share prices across the board, including those of fundamentally sound companies such as DBH. Since MVA is directly linked to market capitalisation, a falling market reduces a company's total market value irrespective of its operational performance or internal profitability.

2. Divergence Between Intrinsic Value and Market Price

The 4.86% growth in DBH's Net Asset Value (NAV) per share signals a genuine strengthening of the company's underlying balance sheet. However, MVA is determined by market price — not book value. In a bearish market environment, investor sentiment frequently diverges from fundamental value, as risk aversion and liquidity constraints suppress share prices below their intrinsic worth. This disconnect between improving financials and declining market price is a common feature of prolonged market downturns.

3. Lag in Market Recognition of Financial Improvements

Financial progress — including growth in profit after tax and net assets — does not always translate into immediate market re-rating. In subdued market conditions, institutional and retail investors often remain cautious, deferring re-entry into equities until there is sustained evidence of recovery or a change in the broader macroeconomic outlook.

4. Valuation Multiple Compression

During market downturns, price-to-earnings (P/E) and price-to-book (P/B) multiples typically compress as investors apply higher risk premiums and lower growth expectations to their valuations. This means that even where a company delivers earnings growth, the lower multiple applied by the market can more than offset the improvement, resulting in a decline in share price and therefore in market capitalisation and MVA.

Conclusion

The decline in DBH's MVA during 2025 is an outcome of external market forces — not a reflection of internal underperformance. The company's sustained growth in Profit After Tax, Net Asset Value, and book equity demonstrates continued operational resilience in a challenging environment. As market conditions normalise and investor confidence returns, DBH's strengthened financial fundamentals are well-positioned to drive a meaningful recovery in its market valuation — and consequently in its Market Value Added.

ECONOMIC VALUE ADDED (EVA) STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2025 | AMOUNT IN CRORE BDT

What is Economic Value Added?

Economic Value Added (EVA) is a measure of true economic profitability — one that goes beyond conventional profit metrics by accounting for the full cost of all capital deployed in the business, including both debt and equity. A company may report accounting profit while simultaneously eroding shareholder value if it fails to earn returns that exceed its cost of capital. EVA corrects for this by calculating the residual income remaining after charging capital providers their required return.

A positive EVA confirms that the company has generated genuine economic surplus for its shareholders. A negative EVA suggests that, despite accounting profits, the cost of capital employed has not been fully recovered — signalling a need to improve capital efficiency, returns, or the cost structure of funding. EVA therefore provides management and stakeholders with a more rigorous lens for assessing value creation, evaluating strategic performance, and guiding capital allocation decisions.

EVA Performance in 2025

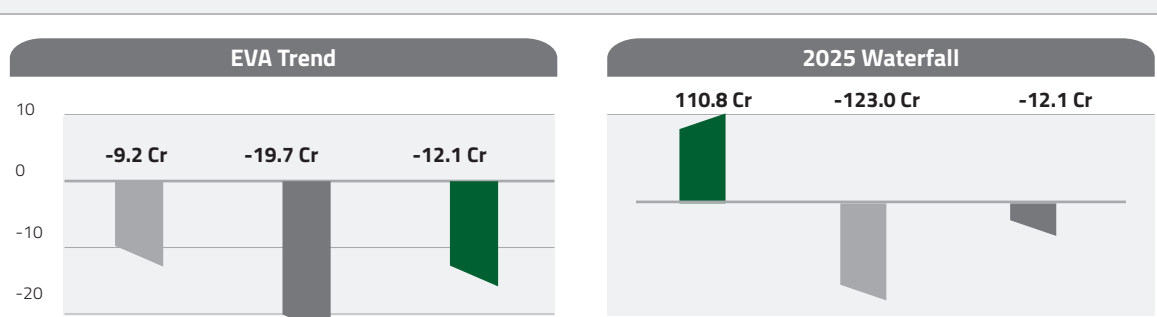
DBH recorded a Net Operating Profit After Tax (NOPAT) of BDT 110.82 Crore in 2025, compared to BDT 112.14 Crore in 2024. Total capital employed increased from BDT 1,056.42 Crore to BDT 1,131.07 Crore, reflecting the company's continued investment in its asset base and provisioning strength. Applying the cost of equity — benchmarked to the prevailing 10-year Government Treasury Bond rate of 10.87% — the charge for capital amounted to BDT 122.95 Crore, resulting in an EVA of negative BDT 12.13 Crore.

While the negative EVA warrants attention, it is important to contextualise this outcome. The elevated cost of equity, driven by persistently high government securities rates, has mechanically raised the capital charge — even as the company's operating performance and balance sheet have remained sound. Encouragingly, the EVA deficit narrowed significantly from negative BDT 19.70 Crore in 2024 to negative BDT 12.13 Crore in 2025 — a trajectory of improvement that is expected to continue as interest rate pressures moderate.

Particulars	2025	2024
Net Operating Profit	174	182
Provision for Taxes	63	70
Net Operating Profit after Tax (NOPAT)	**111**	**112**
Charges for Capital		
Capital Employed	1,131	1,056
Cost of Equity (%)	10.87%	12.48%
Charges for Capital	123	132
Economic Value Added	**-12**	**-20**
EVA per Share	-0.6	-1.0
Capital Employed		
Shareholders' Equity	1,005	940
Accumulated Provision for Doubtful Debt	126	117
Total Capital Employed	**1,131**	**1,056**

110.82 Cr	122.95 Cr	–12.13 Cr	–19.70 Cr	+7.57 Cr
NOPAT 2025	Capital Charge	EVA 2025	EVA 2024	Improvement

Economic Value Added — Trend & Waterfall 2025 (BDT Crore)



Improved Management Commentary on EVA

DBH Finance reports Economic Value Added (EVA) as a measure of the true economic profit generated above the cost of capital. EVA is a more complete measure than accounting profit because it accounts for the full cost of equity capital, not only debt.

In 2025, our EVA was BDT –12.13 Crore (2024: –BDT 19.70 Crore; 2023: –BDT 9.20 Crore). The negative EVA in recent years reflects a structural feature of the housing finance business in a high interest rate environment: as the 10-year Bangladesh Government Treasury Bond yield rose to 12.48% in 2024, our cost of equity rose accordingly, while net operating returns have been compressed by spread pressure.

Interpreting Negative EVA Correctly

Although EVA remains temporarily negative due to the elevated cost of equity arising from high government securities rates and a compressed net interest spread, DBH continues to deliver strong Earnings Per Share, maintain sector-leading Net Asset Value, and grow its provisioning base. The company's disciplined, low-risk home financing model underpins long-term value creation, financial stability, and consistent returns to shareholders — and positions the business well to return to positive EVA as the rate environment evolves.

Three Drivers Towards Positive EVA

(i) Loan Repricing	(ii) Bond Yield Normalisation	(iii) Non-Interest Income Growth
Existing book rolling into higher-rate environment	Reduction in govt securities rates directly lowers cost of equity	170% growth in 2024; continued growth tracks in 2025
		Target: +EVA by 2026

Our path back to positive EVA rests on three drivers, all of which are now in motion:

(1)	Loan repricing — as the existing book gradually rolls into the higher-rate environment;
(2)	Normalisation of government bond yields — which directly reduces our cost of equity input;
(3)	Continued growth in non-interest income — which grew significantly in 2025 following 170% growth in 2024.

We project a return to positive EVA territory by 2026.

Management Commentary

Although EVA remains temporarily negative due to the elevated cost of equity arising from high government securities rates and a compressed net interest spread, DBH continues to deliver strong Earnings Per Share, maintain sector-leading Net Asset Value, and grow its provisioning base. The company's disciplined, low-risk home financing model underpins long-term value creation, financial stability, and consistent returns to shareholders — and positions the business well to return to positive EVA as the rate environment evolves.

Notes to the EVA Statement

1. Cost of Equity

Determined using the prevailing 10-year Government Treasury Bond rate as a proxy for the minimum return expected by equity shareholders, consistent with the Capital Asset Pricing Model framework.

2. Net Operating Profit After Tax (NOPAT)

Calculated by deducting the full income tax provision from gross operating profit, representing the company's after-tax return from its operating activities.

3. Capital Employed

Defined as the sum of shareholders' equity and accumulated provision for doubtful debts, reflecting the total quantum of funds deployed in the company's financing operations.

4. Average Capital Employed

EVA calculations are based on the average of beginning-of-year and end-of-year capital employed, in line with standard EVA methodology for greater accuracy.

5. Charge for Capital

Represents the cost of capital expressed in monetary terms, calculated by multiplying the cost of equity by the average capital employed for the year.

Share Price Sensitivity Analysis

The following sensitivity analysis illustrates how changes in three key variables — interest rates, loan portfolio growth, and operating cost efficiency — may affect DBH's Earnings Per Share (EPS), Net Asset Value per Share (NAV/Share), and the implied market valuation ratios, using the year-end 2025 DSE closing price of BDT 34.60 as the base reference.

BDT 34.60	BDT 4.69	BDT 49.55	7.38x	4.34%
Year-End DSE Market Price (2025)	Earnings Per Share (EPS)	Net Asset Value Per Share	Price/Earnings Ratio (P/E)	Dividend Yield (BDT 1.50/ share)

Scenario A — Interest Rate Sensitivity (Impact on Net Interest Income)

An increase or decrease in Bangladesh Bank's policy rate (or Government Securities yield) by 100 basis points affects DBH's net interest income. The table below shows the estimated impact on PAT and EPS, holding all other variables constant. A +100bps rate environment is positive for DBH's NIM as it reprices loans upward.

Rate Change (bps)	NII Impact (BDT Cr)	PAT (BDT Cr)	EPS (BDT)	P/E at BDT 34.60	Impact on EPS
–100 bps (Rate decline)	–12.00	87.95	4.34	7.98x	–0.35
–50 bps	–6.00	91.55	4.51	7.67x	–0.18
Base Case (2025 Actual)	—	95.16	4.69	7.38x	—
+50 bps	+6.00	98.77	4.87	7.11x	+0.18
+100 bps (Rate rise)	+12.00	102.37	5.05	6.86x	+0.36

Scenario B — Loan Portfolio Growth Sensitivity

The table below shows the estimated impact on PAT and EPS from changes in the rate of growth of DBH's home-loan portfolio, assuming an incremental net lending spread of approximately 2.5% on new deployments (gross yield minus average cost of funds), and holding all other variables constant.

Portfolio Growth Rate	Incremental NIM (BDT Cr)	PAT (BDT Cr)	EPS (BDT)	P/E at BDT 34.60	Impact on EPS
–5% (Portfolio contraction)	–5.70	91.74	4.52	7.65x	–0.17
Base Case (2025 Actual — +2.4%)	—	95.16	4.69	7.38x	—
+5%	+5.70	98.58	4.86	7.12x	+0.17
+10%	+11.39	102.01	5.03	6.88x	+0.34
+15%	+17.09	105.43	5.20	6.65x	+0.51

Scenario C — Cost-to-Income Ratio Sensitivity

DBH's cost-to-income ratio of 30.53% in 2025 is among the lowest in Bangladesh's NBFI sector. A one percentage point improvement in C/I (representing tighter cost control relative to income) adds approximately BDT 1.50 Crore to PAT. The table shows the estimated sensitivity of EPS to C/I changes.

C/I Ratio (Change)	Operating Expenses (BDT Cr)	PAT (BDT Cr)	EPS (BDT)	P/E at BDT 34.60	Impact on EPS
28.53% (–2 ppts improvement)	71.45	98.16	4.84	7.15x	+0.15
29.53% (–1 ppt improvement)	73.95	96.65	4.76	7.27x	+0.07
30.53% (Base Case — 2025 Actual)	76.47	95.16	4.69	7.38x	—
31.53% (+1 ppt increase)	78.96	93.64	4.62	7.49x	–0.07
32.53% (+2 ppts increase)	81.46	92.14	4.54	7.63x	–0.15

Note: All sensitivity scenarios are illustrative estimates only. They assume linear relationships and hold all other variables constant. Actual outcomes will depend on a combination of factors including credit quality, funding mix, market conditions, and regulatory requirements. These scenarios should not be relied upon as forecasts or projections of future financial performance.

HORIZONTAL ANALYSIS
(ANALYSIS OF GROWTH IN COMPARISON TO THE BASE YEAR OF 2020)
BALANCE SHEET

Amount in Crore BDT

	2020	%	2021	%	2022	%	2023	%	2024	%	2025	%
PROPERTY AND ASSETS												
Cash in hand & Balance with Bangladesh Bank and its agent banks	57.5	100%	55.8	97%	57.5	100%	62.2	108%	68.2	119%	71.2	124%
Balance with other banks and financial institutions	1,433.9	100%	1,472.6	103%	1,101.8	77%	1,744.7	122%	938.1	65%	1,409.6	98%
Money at call and short notice	-	100%	-	0%	270.0	0%	10.0	0%	190.0	0%	45.0	0%
Investment	48.9	100%	67.8	139%	251.7	515%	516.5	1056%	1,018.6	2083%	720.9	1474%
Leases, loans and advances	4,275.0	100%	4,383.1	103%	4,453.6	104%	4,367.0	102%	4,450.9	104%	4,557.7	107%
Fixed assets including land, building, furniture and fixtures	29.0	100%	26.3	91%	25.4	88%	27.6	95%	26.5	91%	39.3	136%
Other assets	16.4	100%	22.3	136%	13.7	84%	25.6	157%	26.5	162%	28.2	172%
TOTAL PROPERTY AND ASSETS	**5,860.7**	**100%**	**6,027.9**	**103%**	**6,173.8**	**105%**	**6,753.7**	**115%**	**6,718.8**	**115%**	**6,871.9**	**117%**
LIABILITY AND SHAREHOLDERS' EQUITY												
Liabilities												
Borrowings from Bangladesh Bank, other banks and financial institutions	557.1	100%	617.6	111%	1,108.0	199%	935.8	168%	860.5	154%	803.0	144%
Term deposits	4,382.7	100%	4,397.8	100%	4,006.1	91%	4,665.6	106%	4,577.5	104%	4,673.7	107%
Other liabilities	277.8	100%	288.0	104%	261.0	94%	284.4	102%	340.9	123%	390.1	140%
Total Liabilities	**5,217.6**	**100%**	**5,303.4**	**102%**	**5,375.1**	**103%**	**5,885.9**	**113%**	**5,779.0**	**111%**	**5,866.7**	**112%**
		100%		0%		0%		0%		0%		0%
Paid up capital	154.1	100%	177.3	115%	195.0	126%	198.9	129%	198.9	129%	202.9	132%
Share premium	5.5	100%	5.5	100%	5.5	100%	5.5	100%	5.5	100%	5.5	100%
Reserve and surplus	483.5	100%	541.6	112%	598.2	124%	663.5	137%	735.4	152%	796.8	165%
Shareholders' Equity	**643.1**	**100%**	**724.4**	**113%**	**798.6**	**124%**	**867.8**	**135%**	**939.8**	**146%**	**1,005.2**	**156%**
Total Liabilities and Shareholders' Equity	**5,860.7**	**100%**	**6,027.9**	**103%**	**6,173.8**	**105%**	**6,753.7**	**115%**	**6,718.8**	**115%**	**6,871.9**	**117%**

HORIZONTAL ANALYSIS
(ANALYSIS OF GROWTH IN COMPARISON TO THE BASE YEAR OF 2020)
PROFIT AND LOSS ACCOUNT

Amount in Crore BDT

	2020	%	2021	%	2022	%	2023	%	2024	%	2025	%
Interest income	590.9	100%	505.4	86%	483.1	82%	592.4	100%	733.9	124%	791.8	134%
Interest expenses on deposits & borrowings	396.0	100%	289.0	73%	304.5	77%	413.0	104%	579.6	146%	661.0	167%
Net Interest Income	**194.9**	**100%**	**216.4**	**111%**	**178.6**	**92%**	**179.4**	**92%**	**154.3**	**79%**	**130.8**	**67%**
Income from investment	2.4	100%	12.5	518%	14.5	601%	19.0	786%	80.9	3350%	100.6	4164%
Commission, exchange and brokerage income	15.6	100%	17.8	114%	18.3	117%	16.4	105%	17.7	113%	17.6	113%
Other operational income	2.0	100%	1.6	84%	2.1	105%	2.1	106%	0.9	43%	1.5	74%
Total Operating Income	**214.8**	**100%**	**248.3**	**116%**	**213.5**	**99%**	**216.9**	**101%**	**253.7**	**118%**	**250.4**	**117%**
Operating Expenses	-	100%	-	0%	-	0%	-	0%	-	0%	-	0%
Salary and allowances	35.4	100%	36.4	103%	37.7	107%	40.0	113%	46.9	132%	49.7	140%
Rent, taxes, insurance, electricity etc.	3.2	100%	3.8	118%	3.6	111%	2.6	80%	2.1	66%	2.7	83%
Legal and professional fees	1.3	100%	1.6	126%	1.8	142%	2.2	172%	2.2	174%	2.0	162%
Postage, stamp, telecommunication etc.	0.7	100%	0.9	126%	0.8	122%	0.8	123%	1.1	166%	1.1	153%
Stationery, printing, advertisement	0.7	100%	1.1	152%	2.0	270%	1.9	254%	1.5	202%	1.7	222%
Managing director's salary and allowance	0.7	100%	1.3	184%	1.3	184%	1.3	184%	1.3	189%	1.3	189%
Director fees and expenses	0.1	100%	0.1	112%	0.1	100%	0.1	108%	0.1	131%	0.1	93%
Audit fees	0.1	100%	0.1	106%	0.1	111%	0.1	111%	0.1	178%	0.1	213%
Repairs, maintenance and depreciation	6.1	100%	6.6	108%	7.1	116%	7.5	122%	8.3	136%	9.3	153%
Other expenses	4.1	100%	4.7	114%	6.6	160%	7.5	182%	7.7	187%	8.5	208%
Total operating expenses	**52.3**	**100%**	**56.5**	**108%**	**61.0**	**117%**	**63.8**	**122%**	**71.4**	**136%**	**76.4**	**146%**
Operating Profit	**162.5**	**100%**	**191.8**	**118%**	**152.4**	**94%**	**153.0**	**94%**	**182.4**	**112%**	**174.0**	**107%**
Provisions for loans / investments	12.7	100%	19.7	155%	(5.6)	-44%	(3.1)	-24%	11.3	89%	15.7	124%
Profit before tax and reserve	**149.8**	**100%**	**172.1**	**115%**	**158.0**	**105%**	**156.1**	**104%**	**171.1**	**114%**	**158.3**	**106%**
Provision for tax made during the year	60.7	100%	67.7	112%	56.4	93%	57.7	95%	70.2	116%	63.1	104%
Net profit after tax	**89.1**	**100%**	**104.4**	**117%**	**101.7**	**114%**	**98.4**	**110%**	**100.9**	**113%**	**95.2**	**107%**

VERTICAL ANALYSIS

(ANALYSIS OF EACH COMPONENT AS A % OF TOTAL ASSETS OF THE RESPECTIVE YEAR)

BALANCE SHEET

Amount in Crore BDT

	2020	%	2021	%	2022	%	2023	%	2024	%	2025	%
PROPERTY AND ASSETS												
Cash in hand & Balance with Bangladesh Bank and its agent banks	57.5	1.0%	55.8	0.9%	57.5	0.9%	62.2	0.9%	68.2	1.0%	71.2	1.0%
Balance with other banks and financial institutions	1,433.9	24.5%	1,472.6	24.4%	1,101.8	17.8%	1,744.7	25.8%	938.1	14.0%	1,409.6	20.5%
Money at call and short notice	-	0.0%	-	0.0%	270.0	4.4%	10.0	0.1%	190.0	2.8%	45.0	0.7%
Investment	48.9	0.8%	67.8	1.1%	251.7	4.1%	516.5	7.6%	1,018.6	15.2%	720.9	10.5%
Leases, loans and advances	4,275.0	72.9%	4,383.1	72.7%	4,453.6	72.1%	4,367.0	64.7%	4,450.9	66.2%	4,557.7	66.3%
Fixed assets including land, building, furniture and fixtures	29.0	0.5%	26.3	0.4%	25.4	0.4%	27.6	0.4%	26.5	0.4%	39.3	0.6%
Other assets	16.4	0.3%	22.3	0.4%	13.7	0.2%	25.6	0.4%	26.5	0.4%	28.2	0.4%
TOTAL PROPERTY AND ASSETS	**5,860.7**	**100%**	**6,027.9**	**100%**	**6,173.8**	**100%**	**6,753.7**	**100%**	**6,718.8**	**100%**	**6,871.9**	**100%**
LIABILITY AND SHAREHOLDERS' EQUITY												
Liabilities												
Borrowings from Bangladesh Bank, other banks and financial institutions	557.1	10%	617.6	10%	1,108.0	18%	935.8	14%	860.5	13%	803.0	12%
Term deposits	4,382.7	75%	4,397.8	73%	4,006.1	65%	4,665.6	69%	4,577.5	68%	4,673.7	68%
Other liabilities	277.8	5%	288.0	5%	261.0	4%	284.4	4%	340.9	5%	390.1	6%
Total Liabilities	**5,217.6**	**89%**	**5,303.4**	**88%**	**5,375.1**	**87%**	**5,885.9**	**87%**	**5,779.0**	**86%**	**5,866.7**	**85%**
Paid up capital	154.1	3%	177.3	3%	195.0	3%	198.9	3%	198.9	3%	202.9	3%
Share premium	5.5	0%	5.5	0%	5.5	0%	5.5	0%	5.5	0%	5.5	0%
Reserve and surplus	483.5	8%	541.6	9%	598.2	10%	663.5	10%	735.4	11%	796.8	12%
Shareholders' Equity	**643.1**	**11%**	**724.4**	**12%**	**798.6**	**13%**	**867.8**	**13%**	**939.8**	**14%**	**1,005.2**	**15%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,860.7**	**100%**	**6,027.9**	**100%**	**6,173.8**	**100%**	**6,753.7**	**100%**	**6,718.8**	**100%**	**6,871.9**	**100%**

VERTICAL ANALYSIS

(ANALYSIS OF EACH COMPONENT AS A % OF TOTAL OPERATING INCOME OF THE RESPECTIVE YEAR)

PROFIT AND LOSS ACCOUNT

Amount in Crore BDT

	2020	%	2021	%	2022	%	2023	%	2024	%	2025	%
Interest income	590.9	275.0%	505.4	203.5%	483.1	226.3%	592.4	273.2%	733.9	289.2%	791.8	316.2%
Interest expenses on deposits & borrowings	396.0	184.3%	289.0	116.4%	304.5	142.7%	413.0	190.5%	579.6	228.4%	661.0	263.9%
Net Interest Income	**194.9**	**90.7%**	**216.4**	**87.1%**	**178.6**	**83.7%**	**179.4**	**82.7%**	**154.3**	**60.8%**	**130.8**	**52.2%**
Income from investment	2.4	1.1%	12.5	5.0%	14.5	6.8%	19.0	8.8%	80.9	31.9%	100.6	40.2%
Commission, exchange and brokerage income	15.6	7.3%	17.8	7.2%	18.3	8.6%	16.4	7.6%	17.7	7.0%	17.6	7.0%
Other operational income	2.0	0.9%	1.6	0.7%	2.1	1.0%	2.1	1.0%	0.9	0.3%	1.5	0.6%
Total Operating Income	**214.8**	**100%**	**248.3**	**100%**	**213.5**	**100%**	**216.9**	**100%**	**253.7**	**100%**	**250.4**	**100%**
Operating Expenses	-		-		-		-		-		-	
Salary and allowances	35.4	16.5%	36.4	14.7%	37.7	17.7%	40.0	18.4%	46.9	18.5%	49.7	19.8%
Rent, taxes, insurance, electricity etc.	3.2	1.5%	3.8	1.5%	3.6	1.7%	2.6	1.2%	2.1	0.8%	2.7	1.1%
Legal and professional fees	1.3	0.6%	1.6	0.6%	1.8	0.8%	2.2	1.0%	2.2	0.9%	2.0	0.8%
Postage, stamp, telecommunication etc.	0.7	0.3%	0.9	0.3%	0.8	0.4%	0.8	0.4%	1.1	0.5%	1.1	0.4%
Stationery, printing, advertisement	0.7	0.3%	1.1	0.5%	2.0	0.9%	1.9	0.9%	1.5	0.6%	1.7	0.7%
Managing director's salary and allowance	0.7	0.3%	1.3	0.5%	1.3	0.6%	1.3	0.6%	1.3	0.5%	1.3	0.5%
Director fees and expenses	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%
Audit fees	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%	0.1	0.0%
Repairs, maintenance and depreciation	6.1	2.8%	6.6	2.7%	7.1	3.3%	7.5	3.4%	8.3	3.3%	9.3	3.7%
Other expenses	4.1	1.9%	4.7	1.9%	6.6	3.1%	7.5	3.4%	7.7	3.0%	8.5	3.4%
Total operating expenses	**52.3**	**24.4%**	**56.5**	**22.8%**	**61.0**	**28.6%**	**63.8**	**29.4%**	**71.4**	**28.1%**	**76.4**	**30.5%**
Operating Profit	**162.5**	**75.6%**	**191.8**	**77.2%**	**152.4**	**71.4%**	**153.0**	**70.6%**	**182.4**	**71.9%**	**174.0**	**69.5%**
Provisions for loans / investments	12.7	5.9%	19.7	7.9%	(5.6)	-2.6%	(3.1)	-1.4%	11.3	4.4%	15.7	6.3%
Profit before tax and reserve	**149.8**	**69.7%**	**172.1**	**69.3%**	**158.0**	**74.0%**	**156.1**	**72.0%**	**171.1**	**67.4%**	**158.3**	**63.2%**
Provision for tax made during the year	60.7	28.3%	67.7	27.3%	56.4	26.4%	57.7	26.6%	70.2	27.7%	63.1	25.2%
Net profit after tax	**89.1**	**41.5%**	**104.4**	**42.0%**	**101.7**	**47.6%**	**98.4**	**45.4%**	**100.9**	**39.7%**	**95.2**	**38.0%**

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MESSAGE FROM LEADERS

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MESSAGE FROM THE CHAIRMAN

Syed Moinuddin Ahmed

Dear Shareholders and Valued Stakeholders,

Three decades ago, DBH was founded on a belief both ambitious and profoundly human: that home ownership should not remain the privilege of a select few, but a dignified aspiration attainable for Bangladeshi families across economic strata. Over the past thirty years, that belief has evolved into an institution built on trust, prudence, and purpose. As we reflect on this milestone year, we also reaffirm our commitment to carrying this mission forward with renewed conviction for the decades ahead.

On behalf of the Board of Directors, it is my privilege to welcome you to the 30th Annual General Meeting of DBH Finance PLC and to present the Annual Integrated Report for the year ended 31 December 2025. The theme of this year's report, "Resilient Today, Ready for Tomorrow,"

reflects not only DBH's ability to navigate a demanding operating environment, but also the deliberate strategic direction through which we aim to shape the institution's next chapter.

Navigating a Challenging Landscape

The year 2025 was marked by cautious macroeconomic stabilisation amid continued pressures within the financial sector. Tight liquidity conditions, subdued private-sector credit growth, elevated industry-wide non-performing loans, and the merger of several distressed banks collectively tested the resilience and governance standards of financial institutions across the country.

Simultaneously, the prolonged high-interest-rate environment exerted pressure on funding costs and compressed sector-wide margins — particularly for institutions such as DBH, whose core business revolves around long-tenor housing finance. Preserving portfolio quality, sustaining disbursement momentum, and maintaining prudent balance-sheet management in such conditions demanded institutional discipline of the highest order.

Yet amidst these headwinds, the long-term fundamentals of the housing-finance sector remained robust. Accelerating urbanisation, the continued rise of the middle-income population, and persistent housing shortages across Tier-2 and Tier-3 cities reinforced the enduring relevance of DBH's mission. Encouragingly, the evolving regulatory focus on affordable housing has also expanded the opportunity to serve a broader segment of aspiring homeowners.

Performance Anchored in Institutional Strength

While detailed financial performance has been comprehensively addressed in the Managing Director's review and audited financial statements, the Board's perspective is guided by indicators that reflect institutional durability rather than short-term profitability.

Despite a modest decline in profit after tax to BDT 95 crore from BDT 101 crore in the previous year, DBH strengthened its core fundamentals significantly. Total equity increased to BDT 1,005 crore, the capital adequacy ratio rose to an exceptional 30.73% against the regulatory requirement of 10%, and most notably, the classified-loan ratio improved further to 0.84% during a period of substantial deterioration across the broader banking and financial-services sector.

To the Board, this achievement carries profound significance. Strengthening asset quality during sector-wide stress is not the outcome of isolated interventions; rather, it reflects decades of disciplined underwriting, prudent risk culture, responsible recovery mechanisms, and a deeply embedded commitment to long-term institutional integrity.

Operationally, DBH disbursed BDT 1,162 crore during the year, bringing the total loan and advances portfolio to BDT 4,543 crore. More importantly, behind these figures are 3,165 families who achieved home ownership during 2025 alone — contributing to a cumulative total of 62,869 families served since inception. Ultimately, every balance-sheet figure represents a human outcome, and the Board remains deeply conscious of that responsibility.

In recognition of the Company's sustained performance and financial strength, the Board has recommended a 15% cash dividend (BDT 1.50 per ordinary share), subject to shareholder approval. DBH's near-uninterrupted record of shareholder return over the past twenty-six years reflects a longstanding institutional philosophy: that disciplined capital management and consistent value creation are mutually reinforcing objectives.

We are also proud to note that DBH retained its AAA long-term credit rating for the 20th consecutive year — a distinction unparalleled among financial institutions in Bangladesh. To us, this rating represents more than external recognition; it is an affirmation of our governance culture, conservative risk management, transparent reporting practices, and enduring commitment to financial stability.

Governance as the Foundation of Trust

At DBH, governance is not a compliance exercise — it is the architecture upon which institutional trust is built. Throughout 2025, the Board and its committees remained actively engaged in overseeing strategy, risk management, financial integrity, and operational resilience. Strong participation by independent directors continued to enrich deliberations and strengthen accountability.

The Company remains firmly committed to adherence with all applicable regulatory and governance frameworks, including the Companies Act 1994, Finance Company Act 2023, BSEC Corporate Governance Code 2018, stock exchange listing regulations, and Bangladesh Bank's prudential guidelines.

The Board's Audit Committee continued to maintain rigorous oversight over financial reporting, internal controls, and audit effectiveness. Our sustained recognition through prestigious governance awards, including the ICSB Award for Excellence in Corporate Governance, reflects the seriousness with which these responsibilities are undertaken.

ESG and Climate: The Board's Direct Accountability

It would be a failure of stewardship for any Board today to treat climate-related and broader sustainability issues as peripheral. At DBH, the Board has accepted ultimate responsibility for the oversight of climate- and sustainability-related risks and opportunities, with the Risk Management Committee taking the primary committee role and the Chief Risk Officer and Sustainable Finance Unit serving as the management interface.

Sustainability and climate governance cascade — Per IFRS S1 / S2 disclosure

BOARD OF DIRECTORS
Ultimate oversight of climate and sustainability-related risks and opportunities

RISK MANAGEMENT COMMITTEE
Reviews climate-risk exposures, guides sustainability policy, monitors ESRM alignment

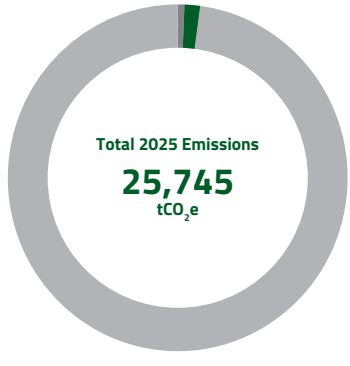
CHIEF RISK OFFICER & SUSTAINABLE FINANCE UNIT (SFU)
Operationalises Board-approved climate and sustainability policies across core activities

CREDIT APPRAISAL ■ ESDD ■ PORTFOLIO MONITORING ■ INTERNAL REPORTING
Integrates climate and sustainability considerations into day-to-day financing decisions

During 2025, we deepened this oversight in several concrete ways. We published our most detailed Sustainability and Climate-Related Financial Disclosure to date, prepared in alignment with IFRS S1 and S2 standards, the Greenhouse Gas Protocol, and the PCAF methodology. We completed our first comprehensive measurement of the Company's greenhouse gas footprint across all three scopes, establishing a credible baseline for future tracking. And we began integrating climate considerations into our Environmental and Social Due Diligence process, credit appraisal framework, ICAAP, and Risk Appetite Statement.

DBH's 2025 emissions profile at a glance

2025 Climate footprint — at a glance



Where our emissions come from

Scope 1 — Direct operations
159.54 tCO_2e
0.6% of total
+2.2% YoY

Scope 2 — Purchased electricity
383.66 tCO_2e
1.5% of total
-2.9% YoY

Scope 3 — Financed emissions (PCAF)
25,201.79 tCO_2e
97.9% of total
+1.2% YoY

Where the decarbonisation lever sits: Flat-purchase financing alone = 86.7% of Scope 3 → portfolio-level interventions are the long-term path to lower emissions.

The numbers themselves require interpretation. Approximately 97.9% of DBH's total measured emissions arise from Scope 3 — that is, from the homes and properties we finance — which is the inevitable profile of a housing-specialist institution. Within Scope 3, flat-purchase financing alone accounts for roughly 86.7% of our financed emissions, and the broader housing and property-related portfolio for approximately 99%. This concentration tells us exactly where the institutional decarbonisation lever sits: portfolio-level interventions, sustainable housing standards, green-building criteria embedded in lending policy, and energy-efficient financing products. Modest gains were recorded on the operational side — Scope 2 emissions declined by 2.9% year-on-year despite higher electricity consumption — reflecting both methodological refinement and efficiency measures, but the larger work lies ahead. We have also begun a sector-level climate scenario analysis, will progressively integrate climate-stress-testing into our credit risk framework, and intend to expand our green-financing capability through continued partnership with development institutions such as IFC.

The Board considers climate integration a standing governance accountability rather than a time-bound commitment — which is why it sits in this section rather than among the five strategic commitments below, but carries no less weight.

People, Inclusion, and the Communities We Serve

Our colleagues across DBH — over 400 strong at year-end — remain the institution's most important capital. The Board has emphasised throughout the year the importance of investing in training, well-being, gender inclusion, and the leadership pipeline, and was satisfied with the actuarial review of the Company's gratuity scheme conducted during the year.

Our CSR programme — guided by DBH's Bangladesh-Bank-aligned policy that allocates approximately 0.5% of after-tax profit across education, healthcare, climate resilience, and inclusive-development pillars — continued to support the institutional commitments that define DBH's place in Bangladesh society. The Board's own view is straightforward: in an institution that has financed homes for nearly three decades, our most consequential contribution to social development is the work itself — making home ownership accessible to families for whom it would otherwise remain out of reach. Every other commitment we make, philanthropic or otherwise, sits inside that framework.

Ready for Tomorrow — The Board's Five Strategic Commitments

Looking ahead, the Board has organised its accountability around five strategic commitments. These are deliberately specific. They are the priorities against which the Board will hold itself — and against which we expect to be held by you.

Ready for Tomorrow — The Board's Five Strategic Commitments

Specific, named accountabilities against which the Board has committed to be measured.

1	2	3	4	5
Renewing the Institutional Mission	**Geographic Expansion**	**Strengthening DBH Islamic**	**Long-term Value Creation Discipline**	**Digital Transformation & Modernisation**
Scale-up of the affordable-housing programme; deeper geographic distribution into Tier-2 and Tier-3 markets; strategic partnerships with development finance institutions.	25 branches by June 2027; disbursement penetration by new geography; portfolio quality in expanded markets tracked as direct Board accountability metrics.	Continued investment in the Shari'ah Supervisory Committee; operational and technological independence of the Islamic Wing; depth of Shari'ah-compliance assurance.	Capital adequacy materially above minimums; consistent dividend record; patient compounding over cyclical opportunism as the path to durable shareholder value.	End-to-end digitisation of loan origination, servicing, and customer experience; reduced turnaround times; data infrastructure for smarter risk analytics.

In greater detail:

Renewing the Institutional Mission: Holding DBH firmly to its founding purpose — accessible, dignified home ownership for Bangladeshi families — through continued scale-up of the affordable-housing programme, deeper geographic distribution beyond Dhaka into Tier-2 and Tier-3 markets, and strategic partnerships with development finance institutions. The Board considers this the non-negotiable centre of everything else.

Geographic Expansion: A structured commitment to extending DBH's physical presence across Bangladesh, with a target of 25 branches by June 2027. The Board recognises that the affordable-housing opportunity it is committed to serving does not sit only in Dhaka — it sits in every growing city, district town, and semi-urban corridor where families aspire to own a home but lack access to a trusted, long-tenor financing partner. Brick-and-mortar presence in those markets is not a distribution strategy alone; it is a statement of institutional intent. The Board will track branch rollout, disbursement penetration by new geography, and portfolio quality in expanded markets as direct accountability metrics under this commitment.

Strengthening DBH Islamic at the governance level: Continued investment in the work of the Shari'ah Supervisory Committee, the operational and technological independence of the Islamic Financing Wing, and the depth of Shari'ah-compliance assurance — the foundations on which the Wing's growth ambitions will be built.

Long-term value creation discipline: Maintaining capital adequacy materially above regulatory minimums, continuing our consistent dividend record, and resisting the temptation of short-term earnings strategies that compromise the long-term integrity of the balance sheet. The Board views patient compounding — not cyclical opportunism — as the path to durable shareholder value.

Digital Transformation and Operational Modernisation: A Board-level commitment to the end-to-end digitisation of loan origination, servicing, and customer experience — reducing turnaround times, expanding digital access for borrowers beyond Dhaka, and building the data infrastructure that will underpin smarter risk analytics and portfolio management. As competition in housing finance evolves, an institution that does not modernise its operating model will eventually be competing with one hand tied. The Board intends to ensure DBH is not that institution.

These five commitments are not aspirational statements decorated for an annual report. They are the priorities against which the Board has committed to hold itself, and management, accountable.

Acknowledgements

On behalf of the Board, I wish to express our sincere gratitude to everyone who made 2025 possible. To our shareholders — thank you for the patient capital and long-term trust that have underpinned three decades of compounding. To Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the Registrar of Joint Stock Companies and Firms, the Dhaka and Chittagong Stock Exchanges, and the National Board of Revenue — thank you for the regulatory framework and supervisory engagement that allows institutions like DBH to operate with confidence. To the International Finance Corporation, whose USD 30 million subscription to the DBH Affordable Housing Bond is enabling us to serve families we could not previously reach — thank you for sharing both capital and conviction. And to my fellow Directors, the Managing Director & CEO, and the entire management and staff — thank you for the independence of mind, operational excellence, and commitment you bring to this institution every day. Three decades on, DBH continues to turn savings into homes, and homes into families' futures — and that work remains far from complete.

Looking Ahead

The Board enters 2026 with clear eyes about the environment — liquidity will remain tight, credit costs elevated, and the macroeconomic path uncertain. We do not expect an easy year. What we do expect is that the disciplines, the culture, and the governance architecture we have built over thirty years will continue to distinguish DBH in precisely the conditions where distinction matters most.

The five commitments set out above are not hedges against uncertainty. They are the choices through which this Board intends to define what DBH becomes in its fourth decade. We remain firmly accountable to you — our shareholders, our depositors, our regulators, and the families whose homes we finance — for delivering on each one.

Thank you for your continued partnership and trust.

Warm regards,



Mr. Syed Moinuddin Ahmed
Chairman
DBH Finance PLC

DIRECTORS' REPORT

Dear Shareholders,

The Directors of DBH Finance PLC have the pleasure of presenting the Directors' Report of your Company together with audited accounts for the year ended December 31, 2025.

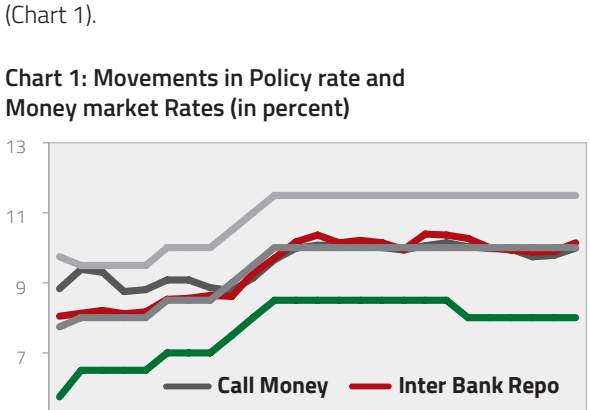
Review of Macroeconomy

Details of the review of macroeconomy is given in page 138.

Performance of the Financial Sector of Bangladesh in 2025

The financial sector of Bangladesh during the year operated under continued macroeconomic challenges characterized by persistent inflationary pressures, tight monetary conditions, and global geopolitical uncertainties. Despite these adversities, the external sector demonstrated resilience supported by strong remittance inflows, improved foreign exchange reserves, and recovery in the balance of payments position. Bangladesh Bank (BB) maintained its contractionary monetary policy stance throughout the quarter to contain inflation and safeguard macroeconomic stability (Chart 1).

Chart 1: Movements in Policy rate and Money market Rates (in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

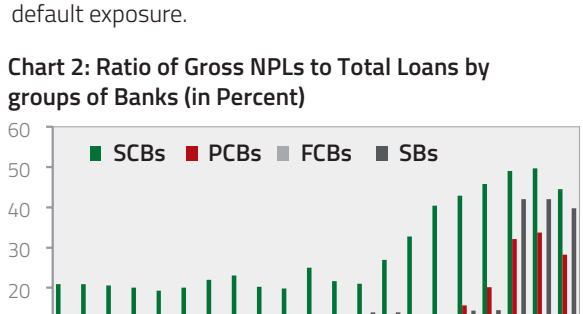
Banking Sector Performance

The banking sector continued to face significant structural and operational challenges during the period. Key concerns included elevated non-performing loans (NPLs), weak profitability, subdued private sector credit growth, and pressure on capital adequacy. However, liquidity conditions in the banking system improved substantially during the review period.

Non-Performing Loans (NPLs)

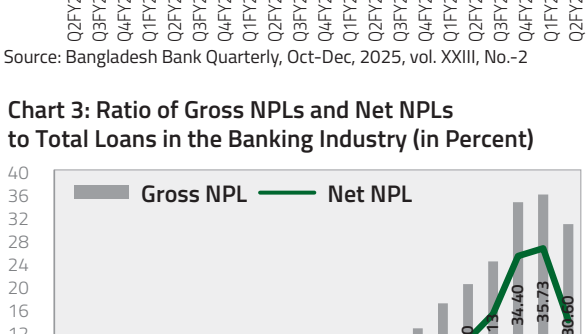
The banking industry remained burdened with a high level of non-performing loans during the period. The persistently elevated NPL ratio continued to weaken asset quality, constrain fresh credit expansion, and adversely affect public confidence in the banking system. State-owned commercial banks (SCBs) remained particularly vulnerable due to weak governance and high default exposure.

Chart 2: Ratio of Gross NPLs to Total Loans by groups of Banks (in Percent)



Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Chart 3: Ratio of Gross NPLs and Net NPLs to Total Loans in the Banking Industry (in Percent)



Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

The increasing trend of NPLs also resulted in higher provisioning requirements, which exerted additional pressure on banks' profitability and capital positions.

Capital Adequacy

Capital adequacy conditions in the banking sector remained under pressure during the review quarter. Several banks, particularly state-owned and weak private commercial banks, continued to struggle to maintain the minimum Capital to Risk-Weighted Assets Ratio (CRAR) required under the Basel III framework.

Bangladesh Bank continued supervisory and reform initiatives aimed at strengthening governance, improving risk management practices, and enhancing compliance with regulatory capital standards.

Profitability

The profitability of the banking sector remained subdued during the period due to elevated provisioning requirements, high funding costs, slower private sector credit growth, and weak investment demand. The persistence of high NPLs continued to adversely affect banks' earnings capacity and operational efficiency.

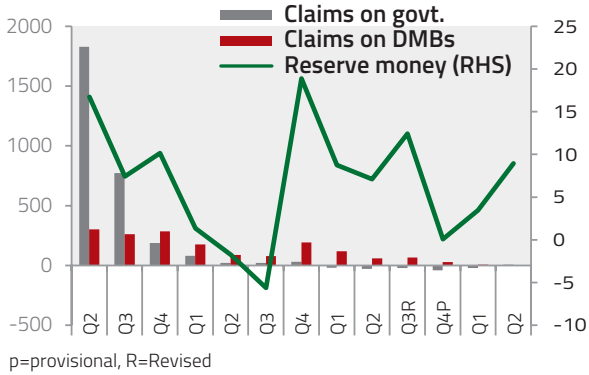
At the same time, banks adopted cautious lending strategies amid macroeconomic uncertainty and rising credit risks, further affecting profitability indicators such as Return on Assets (ROA) and Return on Equity (ROE).

Deposit and Credit Growth

Private sector credit growth declined to a multi-year low during the period due to persistently high lending rates and ongoing macroeconomic uncertainty, which dampened investment demand. Bangladesh Bank observed that the contractionary monetary policy stance and elevated borrowing costs significantly reduced credit appetite in the private sector.

Broad money (M2) growth, however, surpassed projections supported by substantial remittance inflows and strong deposit mobilization (Chart 4).

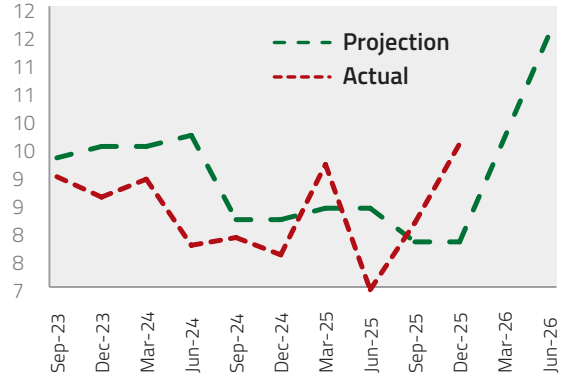
Chart: 4: Growth of RM, Claims on Govt., and DMBs (in percent)



p=provisional, R=Revised

Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Chart 5: Broad Money (M2) Growth (%): Projection Vs. Actual



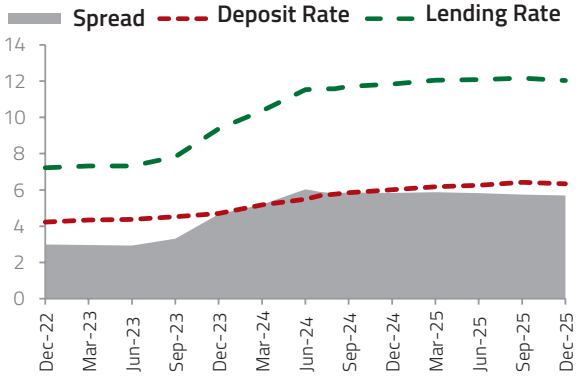
Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Interest Rate Movement

Bangladesh Bank maintained the policy rate at 10.00 percent throughout Q2FY26, while the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) rates remained unchanged at 11.50 percent and 8.00 percent respectively.

The weighted average lending rate declined marginally from 12.16 percent in September 2025 to 12.03 percent in December 2025, while the weighted average deposit rate decreased from 6.42 percent to 6.34 percent during the same period (Chart 6). The interest rate spread narrowed slightly as lending rates declined somewhat faster than deposit rates.

Chart 6: Interest Rate on Deposits and Lending (in percent)



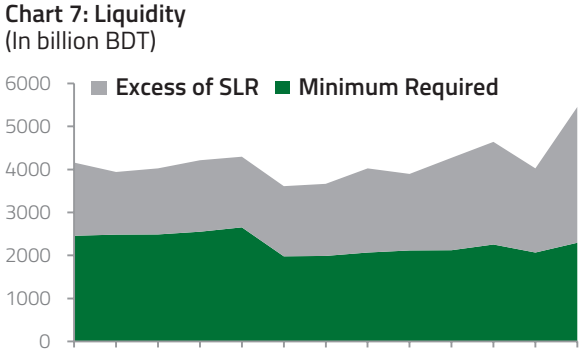
Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Liquidity Position

Liquidity conditions in the banking sector improved significantly during the review period. Excess liquidity increased substantially due to higher deposit inflows, sluggish private sector loan demand, and cautious lending behavior by banks.

Total banking sector liquidity rose from BDT 4,023.04 billion at the end of June 2025 to BDT 5,454.69 billion at the end of September 2025. Similarly, surplus Statutory Liquidity Ratio (SLR) increased sharply from BDT 1,958.24 billion to BDT 3,159.46 billion during the same period (Chart 7).

Chart 7: Liquidity
(In billion BDT)



Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

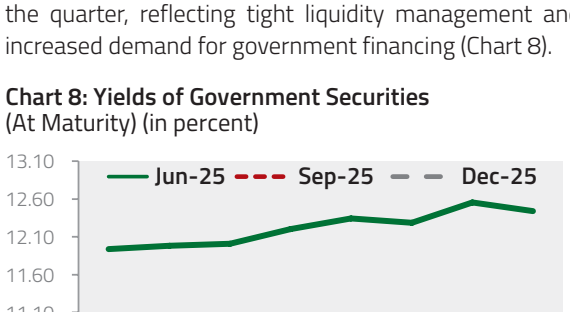
The improved liquidity position was largely attributable to slower credit growth, increased remittance inflows, and banks' preference for investing in government securities instead of extending new loans.

Money Market and Government Securities

Money market rates remained closely aligned with the policy corridor during the period, indicating effective monetary policy transmission. The weighted average call money rate increased marginally from 9.97 percent in September 2025 to 9.99 percent in December 2025, while the interbank repo rate rose from 9.94 percent to 10.14 percent.

Yields on government securities increased across all maturities amid high government borrowing demand. Treasury bill and bond yields rose significantly during the quarter, reflecting tight liquidity management and increased demand for government financing (Chart 8).

Chart 8: Yields of Government Securities
(At Maturity) (in percent)



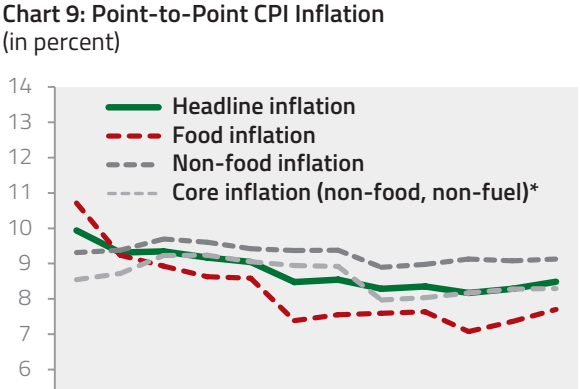
Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Inflation and Monetary Policy

Inflation remained persistently high during Q2FY26 despite Bangladesh Bank's contractionary monetary policy stance. Point-to-point headline inflation increased from 8.36 percent in September 2025 to 8.49 percent in December 2025, mainly due to higher administered fuel prices.

Food inflation increased slightly due to rising prices of fish, fruits, milk, cheese, and eggs, while non-food inflation also edged upward due to higher transportation and fuel-related costs (Chart 9).

Chart 9: Point-to-Point CPI Inflation
(in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

*Core inflation is calculated by the Research Department of Bangladesh Bank excluding food and fuel based on BBS data.

Bangladesh Bank continued monetary tightening measures to anchor inflation expectations and contain demand-side pressures. The central bank also undertook several supportive measures to ensure adequate supply of essential commodities and reduce market distortions.

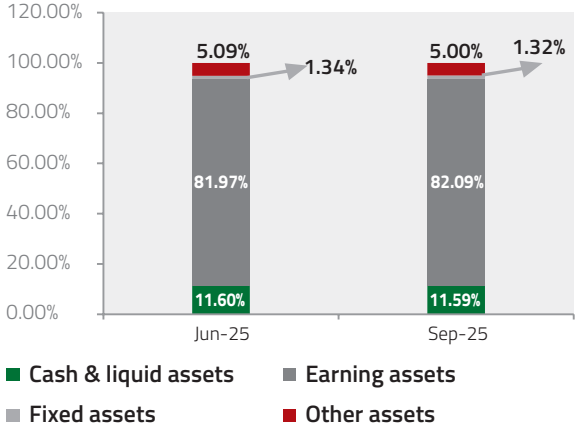
Performance of Finance Companies

The finance company sector continued to face substantial challenges during the year amid deteriorating asset quality, weak profitability, and capital deficiencies. Structural weaknesses and weak investor confidence continued to affect the overall stability of the sector. According to Bangladesh Bank's Quarterly Financial Stability Report (July–September 2025), although total assets of Finance Companies (FCs) increased marginally during the review quarter, profitability remained negative and asset quality continued to deteriorate.

Growth of Assets, Liabilities, and Shareholders' Equity

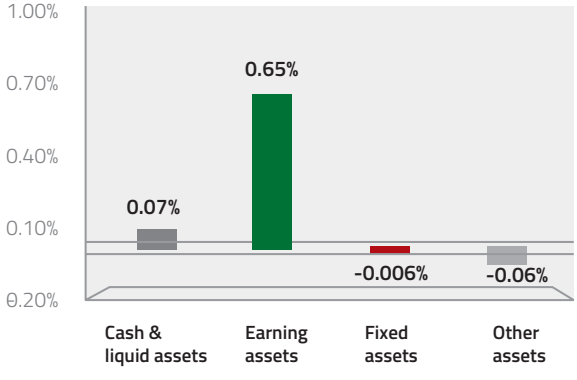
During the review quarter, total assets of Finance Companies (FCs) increased by 0.66 percent to BDT 1,052.41 billion compared to the previous quarter. The growth was mainly driven by increases in cash and liquid assets and earning assets, which grew by 0.64 percent and 0.80 percent respectively. On the other hand, fixed assets and other assets declined during the same period. The composition of FCs' assets may be presented through Chart 10, while the contribution of different components to total asset growth may be shown through Chart 11.

Chart 10: Composition of Assets



Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

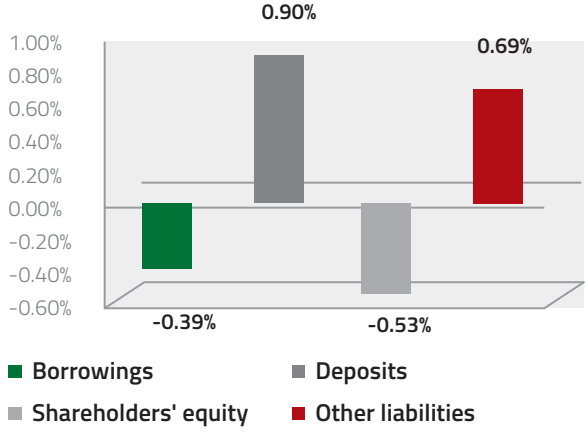
Chart 11: Contribution of Different Components in Growth of Total Assets



Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

The sector experienced increased dependence on liabilities, as deposits and other liabilities rose by 1.79 percent and 1.99 percent respectively, whereas borrowings and shareholders' equity declined by 1.35 percent and 3.87 percent. Total equity further deteriorated into negative territory, reaching BDT -149.14 billion at end-September 2025. The contribution of various liabilities components may be shown through Chart 12.

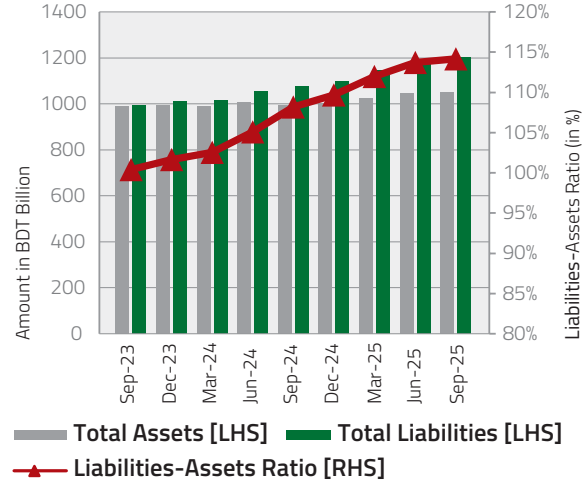
Chart 12: Contribution of Different Components in Growth of Total Liabilities and Shareholders' Equity At End-september 2025



Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

The liabilities-to-assets ratio stood at 114.17 percent during Q3FY25, increasing by 0.44 percentage points from the previous quarter, indicating continued financial vulnerability in the sector. The trend of liabilities-to-assets ratio may be shown through Chart 13.

Chart 13: FCS' Liabilities-assets Ratio



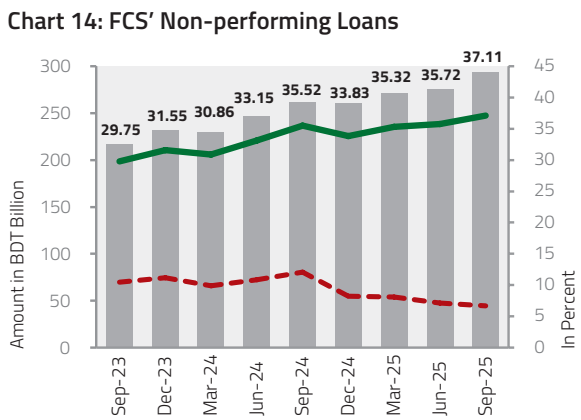
Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

Asset Quality

Asset quality remained a major concern for Finance Companies during the review period. Non-performing

loans and leases increased by 6.78 percent to BDT 294.09 billion. Consequently, the gross NPL ratio increased by 1.39 percentage points to 37.11 percent, although the net NPL ratio declined slightly to 6.67 percent from 7.08 percent at end-June 2025. The trend of gross and net NPL ratios may be presented through Chart 14.

Chart 14: FCS' Non-performing Loans



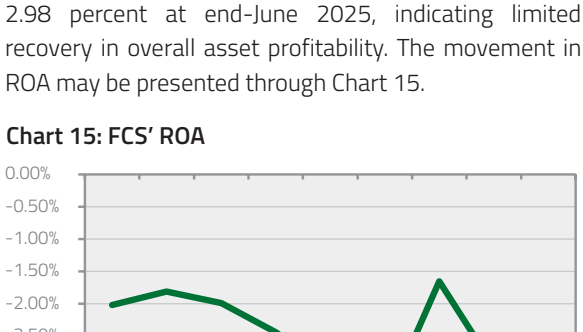
Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

The continued increase in classified loans reflected weak recovery performance, deteriorating borrower capacity, and ongoing stress within the non-bank financial sector. The elevated NPL ratio continued to adversely affect lending operations, profitability, and investor confidence.

Profitability

Profitability indicators of Finance Companies remained negative during the review quarter despite marginal improvement. Aggregate Return on Assets (ROA) improved slightly to negative 2.54 percent from negative 2.98 percent at end-June 2025, indicating limited recovery in overall asset profitability. The movement in ROA may be presented through Chart 15.

Chart 15: FCS' ROA



Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

The sector continued to suffer from high provisioning requirements, weak loan recovery performance, and elevated funding costs, which collectively constrained earnings and operational sustainability.

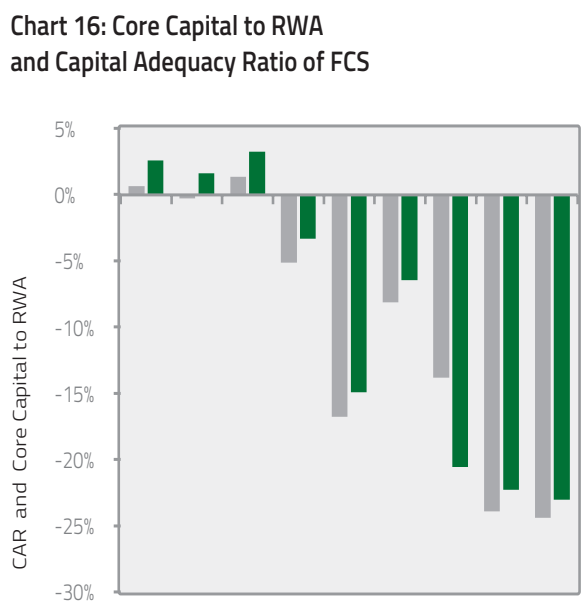
Asset Concentration

The finance company sector remained moderately concentrated during Q3FY25. According to the Lorenz Curve and Gini Coefficient analysis, approximately 64.39 percent of total industry assets were concentrated among the top 20 percent of Finance Companies, indicating uneven distribution of assets within the sector. The Gini coefficient increased to 0.569 at end-September 2025 from 0.565 in the previous quarter.

Capital Adequacy and Liquidity

The capital position of Finance Companies remained critically weak during the review period. Bangladesh Bank observed that the Capital Adequacy Ratio (CAR) and core capital (Tier-1) ratio of Finance Companies declined further during Q3FY25, reflecting persistent capital deficiencies and accumulated losses within the sector.

Chart 16: Core Capital to RWA and Capital Adequacy Ratio of FCS



Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

Bangladesh Real Estate 2025: An Integrated Market Review and Future Outlook

Bangladesh's real estate sector has emerged as an important contributor to economic growth, supported by rapid urbanization, infrastructure development, and the expansion of the middle-income population. Demand for residential and commercial properties continues to increase, particularly in major urban centers, while cities beyond Dhaka are also gaining investment importance.

At the same time, the sector is undergoing structural transformation due to evolving customer preferences, technological advancement, sustainability initiatives, and policy reforms. Despite challenges such as inflation, currency devaluation, geopolitical uncertainty, rising construction costs, and elevated interest rates, the industry retains strong long-term potential and is expected to play an increasingly important role in the country's socio-economic development.

Real Estate Market Review 2025

The real estate sector in Bangladesh in 2025 reflected a combination of resilience and adjustment amid a challenging macroeconomic environment. The year began with elevated inflation, liquidity pressure, and significantly higher borrowing costs, all of which constrained market activity. Nevertheless, the sector gradually adapted to the changing environment, supported by underlying housing demand and long-term urbanization trends.

One of the most significant developments during the period was the sharp increase in home loan interest rates. Mortgage rates rose from around 9% in January 2022 to nearly 16% by January 2024 and remained elevated throughout 2025. This substantially affected housing affordability, particularly for middle-income buyers who rely heavily on bank financing. In Bangladesh, buyers generally finance nearly 70% of property value through loans, while the remainder is paid as equity or down payment. Under earlier single-digit lending rates, many salaried individuals could substitute rent payments with loan instalments; however, rates of 14%–16% significantly increased monthly repayments, making homeownership less affordable.

As a result, overall market demand weakened, particularly during the first half of the year. Industry-wide apartment sales declined by approximately 30%, while several leading developers experienced de-growth of nearly 20%–25%. Monthly sales volumes declined from around 1,000 units to nearly 700–750 units, reflecting weaker purchasing capacity and cautious buyer sentiment. The mid-income segment was most affected due to its dependence on mortgage financing. The luxury segment also experienced a slowdown, with apartment sales in prime areas such as Gulshan and Baridhara declining significantly as some high-net-worth individuals shifted investments to overseas markets.

Despite these challenges, the market gradually shifted toward a healthier demand structure driven more by genuine end-users rather than speculative investors. Rapid urbanization remained a major long-term driver, with nearly 40% of the population now residing in urban areas. This continues to support demand for residential, commercial, and mixed-use developments across the country. While Dhaka remained the dominant real estate hub, secondary cities also demonstrated increasing potential due to infrastructure expansion and economic growth.

On the supply side, developers faced rising construction costs, higher financing expenses, and pressure on profitability. Increased prices of imported raw materials and subdued demand compressed margins and affected project viability. In some market segments, apartment prices either remained stagnant or recorded negative growth of around 5%–10%, instead of the usual annual appreciation trend. Developers also experienced higher booking cancellation rates as buyers withdrew commitments due to financial constraints and broader economic uncertainty.

Regulatory and policy-related factors further influenced market performance. Amendments and implementation uncertainties surrounding the Detailed Area Plan (DAP) delayed investment decisions and land acquisitions. Concerns regarding permissible building space, plot ratios, and compliance requirements created uncertainty for developers. In addition, delays in approvals from RAJUK and operational inefficiencies during the transition to digital systems slowed project execution.

Toward the latter part of the year, however, the sector began to show signs of stabilization. Ongoing infrastructure projects, improved policy clarity, and gradual normalization of the political and economic environment contributed to improving market sentiment. Increased adoption of digital tools also enhanced transparency, customer engagement, and transaction efficiency.

Overall, Bangladesh's real estate sector in 2025 experienced a period of transition and adjustment.

Although high financing costs, regulatory uncertainty, and macroeconomic pressure constrained growth, the sector demonstrated resilience through gradual adaptation. Strong underlying housing demand, urbanization, and infrastructure development continue to position the industry for long-term recovery and sustainable growth.

Opportunities in the Real Estate Industry

Infrastructure Development, Technology Adoption, and Gated Communities: Large-scale infrastructure projects, including metro rail networks, expressways, and improved connectivity, are creating new growth corridors and increasing demand in suburban and emerging urban areas. Transit-oriented development (TOD) around major transport hubs is also generating fresh investment opportunities. At the same time, increasing adoption of modern construction technologies is improving project efficiency, quality, and operational transparency. The growing popularity of gated communities is further driving demand for secure, organized, and amenity-based housing. Public-private partnership (PPP) initiatives are also expected to support large-scale housing and urban infrastructure development in the coming years.

Secondary and Rental Market Growth: The secondary (resale) and rental housing markets are gaining importance due to affordability constraints and elevated borrowing costs. As homeownership becomes relatively expensive, demand for rental housing continues to rise, particularly in urban areas, supporting stable rental yields. At the same time, the secondary market is attracting buyers seeking comparatively affordable, ready-to-move-in apartments. This trend is improving market liquidity and creating additional investment opportunities beyond primary real estate sales.

End-User Driven Market: Bangladesh's real estate sector is gradually becoming more end-user driven, with demand increasingly based on genuine housing needs rather than speculative investment. Buyers now enjoy greater bargaining power in terms of pricing and payment flexibility due to relatively higher market supply. This transition is encouraging more realistic pricing strategies, improved product offerings, and a healthier demand-driven market structure aligned with actual consumer requirements.

Green Building Initiatives and Sustainable Financing: Environmental sustainability is creating significant opportunities within Bangladesh's real estate sector. Growing emphasis on green buildings, energy-efficient designs, and sustainable construction practices is encouraging developers to adopt eco-friendly materials and internationally recognized green certifications. Simultaneously, green financing products from financial institutions and access to international climate funds are gradually improving funding availability for sustainable housing projects. These developments are expected to accelerate climate-resilient and energy-efficient housing initiatives across the country.

Challenges in the Real Estate Industry

Affordability Constraints: The sector continued to face significant affordability challenges in 2025 due to elevated home loan interest rates, which reached nearly 16%. Higher borrowing costs substantially increased monthly instalments, placing homeownership beyond the reach of many middle-income households. Rising raw material prices and import costs further increased construction expenses and compressed developer margins. At the same time, high registration fees, taxes, and regulatory compliance costs raised overall transaction expenses, discouraging market participation. Supply-side imbalances also remained visible, with oversupply in certain high-end segments alongside continuing shortages in affordable housing.

Regulatory Uncertainty (DAP): Frequent revisions and implementation ambiguities in the Detailed Area Plan (DAP) continued to create uncertainty within the sector. Developers faced challenges regarding permissible building heights, land-use classifications, and floor area regulations. Inconsistencies in policy interpretation among different authorities delayed project approvals and complicated investment planning, reducing overall investor confidence.

Demand-Supply Imbalance and Market Pressure: The sector experienced increased unsold inventory and liquidity pressure due to weak market demand and declining sales volumes. Demand remained subdued because of reduced purchasing power, economic uncertainty, and elevated financing costs. Higher booking cancellations further intensified inventory accumulation, while investor sentiment weakened due to lower returns, high interest rates, and overseas capital outflows.

Structural Legal, Taxation, and Financing Challenges: Persistent legal and regulatory challenges continued to affect market efficiency. Land ownership disputes, unclear property titles, and slow dispute resolution processes delayed transactions and project implementation. At the same time, elevated taxation, registration expenses,

and compliance costs increased the financial burden on buyers and developers. Mortgage demand also weakened due to high financing costs, reducing loan applications and slowing residential market activity.

Financing Landscape of the Real Estate Sector 2025

The financing landscape of Bangladesh's real estate sector in 2025 remained constrained due to tight liquidity conditions, high borrowing costs, and cautious lending practices. Mortgage rates increased sharply from single-digit levels to around 16%, reducing affordability for middle-income buyers and slowing overall housing demand.

The traditional housing finance structure in Bangladesh, where buyers typically finance nearly 70% of property value through loans, came under pressure as higher interest rates significantly increased monthly instalments. Many prospective buyers postponed purchases, shifted toward smaller apartments, or remained in rental housing due to affordability concerns.

Financial institutions also adopted a more cautious lending approach amid macroeconomic uncertainty and concerns regarding rising non-performing loans (NPLs). Consequently, loan disbursement growth slowed considerably.

Developers faced additional financing difficulties due to restricted access to project funding and rising borrowing costs. Slower sales and increased construction expenses created cash flow pressures and delayed project completion. Many developers became increasingly dependent on customer advances, which also became uncertain because of weaker market demand and rising cancellation rates.

Despite these challenges, the sector witnessed gradual progress toward alternative financing mechanisms. Green financing and sustainable housing initiatives gained increasing attention, supported by domestic policy incentives and potential access to international climate funds. However, the absence of a well-developed long-term financing ecosystem, including Real Estate Investment Trusts (REITs) and a deep corporate bond market, continued to limit large-scale capital mobilization.

Digital transformation also began reshaping the financing landscape through online loan applications, digital approvals, and improved customer engagement platforms, enhancing transparency and operational efficiency.

From a relatively insignificant component of the financial system, Bangladesh's home loan sector has gradually evolved into a measurable contributor to the economy. Mortgage loans increased from below 1% of GDP in 2019 to approximately 1.9% by 2023, supported by urbanization and rising formal housing finance demand. Outstanding housing loans reached nearly BDT 1.283 trillion in FY2024, although growth slowed to around 7.5% compared to earlier double-digit expansion.

Although the direct contribution of housing finance to GDP remains relatively modest, its indirect economic impact is substantial through construction activity, demand for cement and steel, employment generation, and growth in related service sectors. Consequently, housing finance continues to play an important multiplier role within Bangladesh's broader economy.

Overall, the financing environment in 2025 remained challenging but gradually adaptive. While high interest rates and cautious lending slowed market activity, policy support, financial innovation, and sustainable financing initiatives indicate a potential pathway toward long-term recovery.

Future Outlook of Bangladesh's Real Estate Sector

The future outlook for Bangladesh's real estate sector remains cautiously optimistic, supported by strong demographic fundamentals, rapid urbanization, infrastructure expansion, and gradual macroeconomic stabilization.

Urban migration will continue to be a major long-term growth driver as increasing numbers of people move to cities seeking employment, education, and improved living standards. This trend is expected to sustain demand for residential housing in Dhaka as well as emerging urban centers.

The growing middle-income population and evolving lifestyle preferences are also likely to increase demand for modern, secure, and well-planned housing with improved amenities and connectivity.

Interest rate movements will play a crucial role in determining the pace of recovery. Any gradual reduction in lending rates, supported by monetary policy adjustments and improved liquidity conditions, is expected to restore affordability and stimulate demand, particularly within the mid-income segment.

Infrastructure development will continue to reshape the spatial dynamics of the housing market. Projects

such as metro rail systems, expressways, and enhanced urban connectivity are expected to create new residential corridors and promote balanced urban expansion beyond central city areas.

Regulatory reforms and improved governance are also expected to strengthen the sector over time. Clearer implementation of planning frameworks, streamlined approval processes, and enhanced digital governance can improve transparency, efficiency, and investor confidence.

Sustainability is likely to become a defining theme within the sector. Growing environmental awareness, regulatory incentives, and access to green financing are expected to encourage wider adoption of green buildings, energy-efficient designs, and climate-resilient construction practices.

Technology adoption will continue to transform property search, financing, customer engagement, and transaction management processes. Increased use of digital platforms and improved data availability are expected to enhance market transparency and operational efficiency.

However, certain risks remain. Persistent inflationary pressure, delayed regulatory implementation, and prolonged high borrowing costs could slow short-term recovery. Ensuring affordability for lower- and middle-income households will also remain a critical challenge requiring coordinated efforts from policymakers, financial institutions, and developers.

Overall, Bangladesh's real estate sector is expected to transition toward a more balanced, transparent, and sustainable growth trajectory. Supported by strong underlying demand, infrastructure development, and evolving policy frameworks, the sector remains well-positioned to contribute significantly to the country's economic development and urban transformation in the years ahead.

Product wise Performance

Performance of Home Loan/Finance Operations – 2025

In 2025, DBH demonstrated resilient performance in its home loan and housing finance operations despite a challenging and highly competitive market environment. The company achieved a total net disbursement of BDT 1,162 crore, representing a 5% year-on-year growth compared to 2024. This growth contributed to a net portfolio increase of BDT 110.83 crore, reflecting DBH's continued focus on expanding its lending activities and strengthening its position in the housing finance sector.

Alongside its ongoing geographical expansion, DBH placed increased emphasis on affordable housing finance to cater to a broader segment of the population. This strategic focus enabled the company to enhance financial inclusion while tapping into emerging market demand.

Quarterly disbursement trends throughout the year reflected a mixed performance. In the first quarter of 2025, net disbursement stood at BDT 308 crore, marking a strong 17% increase compared to the same period in 2024. The second quarter recorded disbursements of BDT 320 crore, reflecting a moderate 5% growth year-on-year. In the third quarter, disbursement amounted to BDT 274 crore, achieving a notable 17% growth. However, in the fourth quarter, disbursement declined to BDT 260 crore, representing a 15% decrease compared to the corresponding period of the previous year, primarily due to market slowdown due to various external factors and intensified competition.

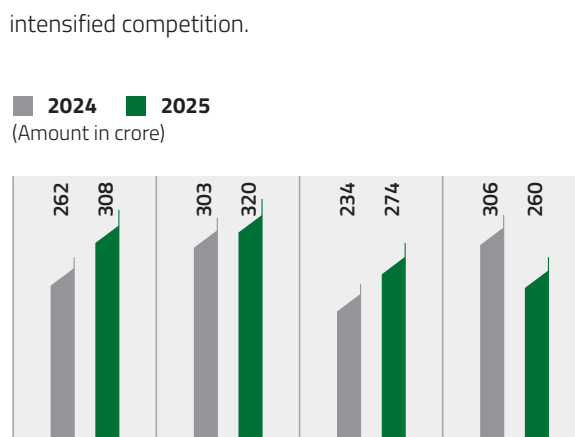


Figure 1: Quarterly Home loan disbursement in 2024 & 2025 (amount in Cr)

Throughout the year, DBH experienced a high volume of prepayments, including both voluntary early settlements and balance transfers to other banks offering relatively lower lending rates. This trend, combined with comparatively modest growth in fresh disbursements, constrained overall portfolio expansion and resulted in growth falling short of projected targets. The difference in lending rates between DBH and commercial banks further limited disbursement acceleration during the year. As of December 2025, the total loan portfolio stood at approximately BDT 4,485 crore.

Despite these challenges, DBH maintained strong operational efficiency and financial discipline. The company continued to operate with low operating costs and secured funding at favorable rates, supported by its strong market reputation and prudent financial management. These strengths enabled DBH to remain competitive alongside leading commercial banks.

Importantly, DBH sustained its exceptional asset quality throughout the year. As of December 2025, the non-performing loan (NPL) ratio stood at 0.84%, remaining one of the lowest in the industry by a significant margin. Overall, 2025 reflects a year of steady and disciplined performance for DBH, where strategic focus, operational efficiency, and strong risk management helped the company navigate market challenges while maintaining its leadership position in the housing finance sector.

Performance of Deposit Portfolio

DBH has consistently strengthened its position as one of the leading depository institutions in the country, underpinned by its longstanding reputation for financial stability, transparency, and superior customer service. Deposit mobilization continues to constitute the cornerstone of the Company's funding strategy, enabling DBH to finance its home loan portfolio primarily through stable and sustainable deposit-based funding sources.

The Company offers a broad and diversified range of deposit products designed to address the varying financial needs of both retail and corporate customers across conventional and Islamic financing segments. DBH's deposit product portfolio is as follows-

Conventional: Annual Income Deposit, Day-wise Deposit, Monthly Income Deposit, Quarterly Income Deposit, Flexible Fixed Deposit, Easy Deposit, Platinum Deposit, Double Money Deposit, and the Deposit Pension Scheme (DPS).

Islamic financing wings: Mudaraba Term Deposit (MTDR), Mudaraba Day Wise Deposit (MDWD), Mudaraba Monthly Income Deposit (MMID), Mudaraba Quarterly Income Deposit (MQID), Mudaraba Easy Deposit (MED), Mudaraba Monthly DPS(MMDPS), Mudaraba Hajj Deposit (MHD).

In compliance with Bangladesh Bank guidelines, all deposit products are maintained with a minimum tenure of three months.

As of December 31, 2025, DBH's total deposit portfolio stood at Tk. 4,673.65 crore, while accrued interest payable amounted to Tk. 158.80 crore. During the year, the deposit base registered an increase of approximately 2.00% compared to the previous year. In line with the Company's strategic focus on optimizing funding costs and strengthening funding diversification, DBH continued to enhance its funding mix through increased utilization of bond issuances and credit facilities from commercial banks. This strategic rebalancing has contributed to greater funding stability and reduced concentration risk within the overall liability structure.

In addition to deposit products, DBH also provides Loan Against Deposit (LAD) facilities to support customers' short-term liquidity requirements. As of December 31, 2025, the outstanding LAD portfolio stood at Tk. 11.78 crore, reflecting the Company's continued commitment to delivering flexible and customer-oriented financial solutions.

Recovery

DBH continued to demonstrate strong asset quality in 2025, maintaining a non-performing loan (NPL) ratio significantly below the industry average. As of December 31, 2025, the Company's classified loans stood at Tk. 38.32 crore, representing only 0.84% of the total loan portfolio. In an environment where the banking and financial institution sectors experienced a notable rise in NPL levels, DBH successfully sustained one of the lowest NPL ratios in the industry, reflecting the resilience and soundness of its credit portfolio.

The Company's sustained asset quality performance is attributable to its prudent credit risk management practices, disciplined underwriting standards, and continuous portfolio monitoring mechanisms. DBH's Recovery Team continued to play a vital role in safeguarding portfolio quality through proactive recovery initiatives, rigorous follow-up procedures, and regular client engagement. These efforts enabled the timely resolution of delinquent accounts, strengthened recovery outcomes, and minimized credit losses. As a result, DBH maintained a healthy and well-balanced loan portfolio, reinforcing the Company's long-standing commitment to sound risk management and sustainable asset quality.

Funding Operations

As one of the largest non-bank depository institutions in the industry, DBH continues to maintain a funding structure predominantly anchored in customer deposits. These deposit products are strategically designed to cater to the diverse needs of both retail and corporate

clients. As of December 31, 2025, the Company's deposit portfolio stood at Tk. 4673.65 crore, accounting for 72.00 % of the total funding base.

In pursuit of a balanced and cost-effective capital structure, DBH also accesses both long-term and short-term borrowings. The bank loan portfolio includes Tk. 63.41 crore outstanding under the Bangladesh Bank's Housing Loan Refinance Scheme, alongside Tk. 418.86 crore in credit facilities and short-term borrowings secured from the domestic financial market.

In the year 2024, DBH successfully issued a five-year non-convertible redeemable fixed coupon senior bond amounting up to Tk. 350 crore named as DBH Affordable Housing Bond, which was fully subscribed. As of year-end, the outstanding balance of this instrument stood at Tk. 294.43 crore. The bond was fully subscribed by International Finance Corporation (IFC), a member of World Bank Group.

DBH's funding portfolio also entails a four year non-convertible redeemable zero-coupon bond amounting up to Tk. 300 crore issued in the Year 2021. Presently Tk. 26.28 crore is outstanding of the fully subscribed debt instrument.

In addition to external funding sources, shareholders' equity forms a key component of DBH's capital base, contributing Tk. 1,005.17 crore to the overall funding mix as of December 31, 2025.

DBH remains focused on broadening its funding sources to enhance financial resilience, optimize the cost of funds, and mitigate asset-liability maturity and interest rate mismatches. The Company's funding composition as at the close of the year is illustrated below:

Source	Amount in crore Taka	In Percentage
Deposit	4,673.65	72.10%
Borrowing from Other Banks, FI & Agents	802.97	12.39%
Equity	1,005.17	15.51%
Total Funding Portfolio	**6,481.79**	**100%**

Treasury Operations

At DBH, the Treasury function serves as a critical strategic pillar, effectively linking the Company's core businesses of housing finance and deposit mobilization. Amid a challenging macroeconomic and operating environment, the Asset-Liability Management (ALM) framework remained focused on mobilizing stable and cost-efficient funding to support portfolio growth, while optimizing spreads through prudent balance sheet management, disciplined investment strategies, and the identification of emerging market opportunities.

Maintaining a strong liquidity position continues to be a fundamental component of DBH's financial management philosophy. Liquidity risk is proactively monitored and managed across short, medium, and long-term horizons through a robust risk management framework and clearly defined internal thresholds relating to key indicators such as loan-to-fund ratio, exposure limits to financial institutions, and reliance on money market borrowings. These measures are designed to ensure that assets and liabilities are funded through stable and sustainable sources, maturity mismatches remain within acceptable parameters, and projected cash inflows consistently exceed anticipated outflows, including under stressed liquidity scenarios.

During 2025, the Treasury Division successfully managed liquidity and funding requirements through effective balance sheet optimization in compliance with regulatory and prudential requirements. The funding composition was strategically rebalanced to strengthen liquidity resilience while capitalizing on market-driven arbitrage opportunities. As part of its ongoing cost optimization initiatives, the Treasury team continued to diversify the funding base through the mobilization of public term deposits thereby gradually reducing dependence on interbank borrowings. The Division also actively participated in the overnight money market to enhance treasury income and improve short-term liquidity efficiency. In addition, DBH continued to generate healthy and stable returns from investments in Government Securities, leveraging low-risk exposure opportunities within the prevailing market environment.

Treasury operations made a significant contribution to the Company's overall net interest income through disciplined liquidity management and strategic investment activities. Throughout the year, DBH maintained a strong and balanced liquidity position and remained fully compliant with all applicable liquidity guidelines, regulatory requirements, and prudential standards prescribed by Bangladesh Bank.

Investment in Securities

The Bangladesh capital market navigated a challenging and highly volatile environment throughout the year 2025, shaped by shifting macroeconomic conditions and frequent policy changes. The year is likely to be remembered as one of the most difficult periods for the market, characterized by persistent volatility, weak investor participation, and a gradual erosion of confidence. DSEX, the benchmark index of the Dhaka Stock Exchange, experienced significant fluctuations, trading within a range of 4,600 to 5,600 points. The index closed at 4,865.34 points, representing a decline of 6.73% (351 points) from the previous year. This downturn positioned the DSEX as one of the more constrained performers in the South Asian region. Reflecting this cautious sentiment, total market capitalization declined to BDT 6,781.83 billion, reducing the Market Capitalization to GDP ratio to 12.32%. Trading activity also weakened, with average daily turnover falling by 15.88% to BDT 5.2 billion, compared to BDT 6.3 billion in the previous year.

In terms of sector-wise performance on the DSE, the pharmaceutical sector accounted for the highest share of total annual turnover at 14%, followed by the banking sector at 13% and the textile sector at 11%. The service, paper and printing, general insurance, and ceramic sectors were among the few that generated positive returns during the year.

The primary market remained inactive for more than one and a half years, marking the longest dry spell in recent history. Consequently, fundraising through initial public offerings (IPOs) stood at zero in 2025, as no new companies obtained regulatory approval. The cancellation of pending IPO applications, delays in the proposed amendments to public issue rules, and prolonged uncertainty in the market amid ongoing political developments further hindered primary market activities. These factors also intensified pressure on investor sentiment during the extended downturn in the capital market.

The market remained under pressure for most of the year due to election-related uncertainty, weak investor confidence, macroeconomic challenges, regulatory tightening, and concerns over currency depreciation. Risk-averse sentiment was reinforced by tighter margin loan rules, banking sector reforms, IMF negotiations, and fears of higher taxes, prompting reduced participation by both local and foreign investors.

A brief recovery in the second half of 2025 was supported by favorable macroeconomic indicators, policy reforms and selective buying of strong stocks. However, renewed regulatory uncertainties, concerns over financial sector restructuring, and unexpected political developments ahead of the election reversed those gains, kept the market bearish toward year-end.

In response to the adverse market conditions, we followed a cautious and disciplined investment strategy while utilizing selective profit booking opportunities as they emerged. Our primary focus remained on preserving capital amid the prolonged uncertainty in the capital market. Despite the challenging environment, our portfolios achieved a total return of BDT 0.78 crore in 2025, compared to a negative return of BDT 0.47 crore in the previous year. The return comprises gains and losses from the disposal of marketable securities along with dividend income and reflects the overall market situation during the year.

Human Resources

DBH believes that human resource is the edifice on which the company's performance and productivity are standing on. As human resources are one of the key success factors of the company, DBH maintains its policy of recruiting the very best and implementing continuous programs to develop, motivate and retain its talented and capable human resources.

DBH's commitment towards maintaining a fair and healthy working atmosphere binds it upon keeping an unbiased/impartial approach in all its scope that is, free from all kinds of discrimination based on gender, age, race, national origin, religion, marital status, or any other basis not prohibited by law. This maximizes efficiencies at tasks and helps employees reach their full potentials.

A separate report on human resources has been presented on page no. 122 of this report.

Information Technology

During the year 2025–2026, the IT Department of DBH Finance PLC implemented several modern technology-driven initiatives that further strengthened the company's digital operations, customer service, and information security framework. In addition to maintaining existing IT infrastructure and systems, the department focused on developing innovative applications and data-driven solutions to support operational efficiency and digital transformation.

A key highlight of the year was the introduction of the "CRM Mobile Application (DBH REACH)," designed to digitize and streamline field operations through real-time visit reporting and activity tracking for Sales, Technical, Credit, and Recovery teams, thereby improving operational transparency, monitoring, and overall service efficiency across the organization. The department also initiated the development of the "DBH WEB System" to migrate the existing system into a modern web-based platform. Furthermore, following the discontinuation of the previously third-party-managed VIVR (Visual Interactive Voice Response) service, the DBH IT Department successfully redeveloped and implemented the VIVR system internally.

To support management-level decision-making, "Data Analytics Dashboard" and "BI Dashboard" solutions were developed, allowing real-time analysis and visualization of business and operational data. In addition, initiatives leveraging Artificial Intelligence (AI) and Machine Learning (ML) technologies were undertaken for "Loan Approval Prediction," aiming to make the loan approval process more efficient and analytics-driven.

Moreover, the RTGS (Pacs.008) – Bank/NBFI to Customer Payment module was successfully implemented in compliance with Bangladesh Bank guidelines. To enhance security in the loan disbursement process, Customer Fingerprint Verification was also introduced to strengthen customer authentication and fraud prevention measures. Collectively, these initiatives have significantly contributed to DBH's ongoing digital transformation journey and reinforced its overall IT and information security capabilities.

Data Privacy and Cybersecurity

At DBH Finance PLC, safeguarding data privacy and cybersecurity is a top strategic priority. The organization has established a comprehensive, multi-layered security framework designed to protect sensitive data, particularly Personally Identifiable Information (PII), through advanced encryption protocols, rigorous authentication mechanisms, and strict access controls.

In alignment with the core principles of Confidentiality, Integrity, and Availability (CIA), DBH's IT infrastructure incorporates resilient network architecture, secure system design, and robust database management practices. High availability is ensured through redundancy measures that meet well-defined Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs), guaranteeing minimal disruption during incidents.

Enterprise-grade firewalls, intrusion prevention systems, and next-generation endpoint protection are deployed across the organization's digital environment to defend against unauthorized access, malware, ransomware, and other evolving cyber threats. A Security Information and Event Management (SIEM) system strengthens DBH's security posture by enabling real-time threat detection, automated alerting, and swift incident response.

Continuous monitoring of system performance and availability is conducted using advanced tools ensuring that all critical IT services remain resilient and secure. To proactively identify and remediate vulnerabilities, DBH conducts periodic Vulnerability Assessments and Penetration Testing (VAPT), supported by timely patch management processes and configuration audits.

DBH follows a layered data backup and recovery strategy, including both on-site and off-site redundancies, to support business continuity and enable rapid restoration in the event of data loss or disaster. As an ISO/IEC 27001-certified organization, DBH upholds international standards for information security management systems (ISMS), reflecting its commitment to regulatory compliance, risk mitigation, and industry best practices.

Recognizing that cybersecurity is not only a technological issue but also a human responsibility, DBH fosters a strong internal security culture. Regular training and awareness programs are conducted to educate all employees on emerging cyber threats, phishing prevention, secure data handling, and individual accountability in maintaining data privacy and organizational resilience.

Together, these integrated efforts demonstrate DBH Finance PLC's unwavering dedication to protecting customer data, ensuring operational integrity, and preserving stakeholder trust in an increasingly complex digital environment.

Internal Control System

DBH has adequate system of internal controls for business processes, 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. Your Company ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorization and compliance with the internal policies of the Company.

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of the Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

Codes and Standards

The Company has adopted various codes, standards and policies set out by Bangladesh Bank and Bangladesh Securities and Exchange Commission including inter alia Know Your Customer (KYC) Guidelines, Anti Money Laundering Guideline, Asset Liability Management Guideline, Code of Conducts for Employees as well as the Directors, HR Policies, IT Policies and Treasury Manual etc.

The Company has the mechanisms in place to review and monitor adherence to these codes and standards and ensure reporting and compliances as required.

Credit Rating

DBH Finance PLC. with its strong fundamentals has earned the highest credit rating award for the 20 (Twenty) consecutive years. Emerging Credit Rating Limited (ECRL) reaffirms AAA in the long term and ST-1 in the short term rating of DBH Finance PLC. in its latest entity rating done based on the Company's accounting year ended on 2024.

Key operating and financial data of at least last preceding 6 (six) years

Key operating and financial data of last preceding 6 (six) years has been presented under the heading of Operational and Financial Highlights on the page no. 28 of this annual report.

Contribution to National Economy

At DBH, we believe in our responsibility to the country where we operate and the society where we belong. As a financial institution, DBH contributes to economic prosperity by providing financial products and services to the housing sector. Our total credit exposure as on December 31, 2025 was BDT 4,557.65 crore. We have extended loans to around 17,589 customers to meet their housing needs, which remains one of the most fundamental necessities of life.

DBH contributes to the national exchequer in the form of income tax, VAT and excise duty. The company's contribution to the national exchequer has grown consistently over the years, reflecting our expanding business and commitment to fiscal responsibility. As shown in the table below, total tax payments rose from BDT 120.5 crore in 2023 to BDT 144.0 crore in 2024 and further to BDT 182.5 crore in 2025 — an increase of over 51% in just two years.

Figures in crore taka

Particulars	December 31, 2025	December 31, 2024	December 31, 2023
Income Tax paid on company's income	79.75	64.02	46.14
Tax collected at source on behalf of Government	86.61	66.33	54.26
Value Added Tax (VAT)	5.26	4.72	4.41
Excise Duty	10.88	8.9	15.71
Total	**182.5**	**143.97**	**120.52**

Creating employment has a vital impact on the economy and the number of employees of DBH as on December 31, 2025, was 431. An efficient and well-trained workforce is important both for the organization and for the country. Keeping this in view, DBH continues to invest in the development of its people through regular training programs. During the period from January 1, 2025 to December 31, 2025, DBH paid BDT 49.71 crore as salaries and allowances to its employees, reaffirming our commitment to rewarding and retaining quality talent.

Contribution to the society during the year

DBH Finance PLC remains firmly committed to contributing meaningfully to the socioeconomic development of the country. As a responsible corporate citizen, the Company continues to promote sustainable homeownership, support wealth creation, and contribute to the upliftment of underprivileged and underserved communities.

The Company's Corporate Social Responsibility (CSR) policy, duly approved by the Board of Directors, is aligned with the directives of Bangladesh Bank on CSR practices. This policy provides a structured framework for DBH's engagement in a wide range of social development initiatives, undertaken both directly and through collaborative partnerships with relevant stakeholders.

DBH's CSR activities focus on key priority areas, including humanitarian assistance, disaster relief, and

the empowerment of marginalized communities. The Company places particular emphasis on enhancing access to healthcare, education, and vocational training, while also supporting initiatives that promote environmental sustainability. Through these targeted interventions, DBH seeks to generate meaningful and lasting social impact in the communities it serves.
For further details on the Company's CSR initiatives and activities during the year, please refer to the Corporate Social Responsibility section of this Annual Report.

Highlights on Financial Performance

(Figures in crore taka)

Particulars	December 31, 2024	December 31, 2025	Percentage Change
Operating Revenue	833.4	911.46	9%
Interest Expense	579.6	661.02	14%
Operating Expense	71.4	76.47	7%
Provisions	182.4	173.97	-5%
Profit Before Tax	171.1	158.31	-7%
Net Profit After Tax	100.8	95.16	-6%

Reasons for Significant deviations:

Despite a modest growth in the loan portfolio, DBH delivered a solid operating performance in 2025, with operating revenue growing by 9% from BDT 833.4 crore in 2024 to BDT 911.46 crore in 2025, supported by continued expansion in the loan book and steady income from government securities.

However, interest expense rose by 14% from BDT 579.6 crore to BDT 661.02 crore, reflecting the sustained elevated cost of funds in a high-interest rate environment. Operating expenses increased by 7% from BDT 71.4 crore to BDT 76.47 crore, primarily driven by higher salary costs following annual increments and increased staffing to support business growth.

As a result of rising funding and operating costs outpacing revenue growth, profit before provision declined by 5% from BDT 182.4 crore to BDT 173.97 crore. Profit before tax fell by 7% from BDT 171.1 crore to BDT 158.31 crore, as provision requirements remained elevated during the year. Net profit after tax declined by 6% from BDT 100.8 crore to BDT 95.16 crore, with tax expenses continuing to weigh on the bottom line due to the tax inadmissibility of certain provisions.

While the compression in profitability reflects the challenging interest rate environment of 2025, DBH's ability to grow operating revenue by 9% and maintain a healthy loan portfolio demonstrates the underlying resilience of its core housing finance business.

Corporate and Financial Reporting Framework

The members of the Board, as required in accordance with the Bangladesh Securities & Exchange Commission's Corporate Governance Code, 2018 confirms that:

- The financial statements prepared by the Management of DBH, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored. (Statement given on page no. 238).
- The minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress.

Going Concern Assessment

The financial statements of the Company have been prepared on a going concern basis, reflecting the

assumption that assets will be realized and liabilities discharged in the normal course of business.

Each year, the Board of Directors of DBH undertakes a comprehensive evaluation to determine whether any material uncertainties exist that could cast significant doubt on the Company's ability to continue as a going concern. This assessment involves a detailed review of the Company's budgets, financial forecasts, and the potential impact of known uncertainties.

Based on this thorough review, the Board has concluded that the going concern assumption remains appropriate. No material uncertainties have been identified that would affect the preparation of the financial statements on this basis.

For detailed insights into this assessment, please refer to the separate report provided on page 245.

Board Meetings and Attendance by the Directors

Attendance by the Directors in the Board has been summarized and given in Annexure-i and the fees paid to them for attending the Board Meeting during the period has been given in Annexure-ii of this report.

Shareholding Pattern

Shareholding patterns of the Company as at the end of the 2025 has been shown in Annexure-iii of this report.

Proposed Dividend for the Year Ended 31 December 2025

The Board of Directors, upon careful consideration of the Company's overall financial performance, long-term growth strategy, future business expansion plans, capital adequacy requirements and the regulatory framework prescribed by Bangladesh Bank, which currently allows Financial Institutions to declare a maximum cash dividend of 15%, has recommended a cash dividend of 15% for the year ended 31 December 2025, equivalent to BDT 1.50 per ordinary share of BDT 10 each.

While making this recommendation, the Board duly considered the need to maintain a prudent balance between rewarding the valued shareholders through dividend distribution and retaining adequate earnings to support the Company's sustainable growth, strengthen its capital base and ensure continued business stability in the years ahead. The Board also took into account the prevailing Bangladesh Bank ceiling regarding cash dividend declaration by Financial Institutions.

The proposed dividend will be paid out of the Company's distributable profits generated during the year under review. The recommended 15% cash dividend represents approximately 32% of the Company's net profit after tax earned during the financial year 2025.

The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting (AGM) of the Company.

Directors' Election and Re-election

In accordance with the provisions of the Finance Company Act, 2023, the Articles of Association of DBH Finance PLC., and the relevant guidelines and directives issued by Bangladesh Bank, the following Directors are due to retire at the 30th Annual General Meeting (AGM) of the Company:

Khandkar Manwarul Islam (nominated by Delta Life Insurance Company Ltd)

Nazir Rahim Chowdhury (nominated by Delta Life Insurance Company Ltd)

The shareholders may note that, pursuant to Section 15(3) of the Finance Company Act, 2023 and Clause 3(Ja) of DFIM Circular No. 01 dated February 29, 2024, no institution or company is allowed to nominate more than one representative Director on the Board of a Financial Institution.

In compliance with the aforesaid regulatory requirement, Delta Life Insurance Company Ltd. has nominated Khandkar Manwarul Islam for continuation on the Board from among the two existing nominee Directors representing the institution. Accordingly, the Company has sought the necessary No Objection Certificate (NoC) from Bangladesh Bank for his re-election as nominee Director of Delta Life Insurance Company Ltd.

Subject to receipt of the requisite approval from Bangladesh Bank, Khandkar Manwarul Islam, being eligible, will be proposed for re-election at the forthcoming AGM.

The Board places on record its sincere appreciation for the valuable contributions, guidance and support rendered by Nazir Rahim Chowdhury during his tenure as Director of the Company and wishes him continued success in his future endeavors.

Appointment of Statutory Auditors

Hoda Vasi Chowdhury & Co., the existing Statutory Auditors of the Company, have completed their maximum permissible tenure and are due to retire at the forthcoming 30th Annual General Meeting (AGM). Accordingly, in line with the applicable regulatory requirements governing auditor rotation for Financial Institutions, the Board of Directors has recommended the appointment of A. Qasem & Co. as the Statutory Auditors of the Company for the financial year ending 31 December 2026.

The Board noted that, following the invitation of Expressions of Interest (EOI), proposals were received from several eligible audit firms. After reviewing the profiles, experience, sector expertise, independence status, and proposed audit fees of the participating firms, and based on the recommendation of the Audit Committee, the Board considered A. Qasem & Co. as suitable for appointment as Statutory Auditors for the financial year 2026.

Accordingly, the Board recommended the appointment of A. Qasem & Co. at an annual audit fee of BDT 10,00,000/- (Taka Ten Lac only) plus VAT, subject to prior approval from Bangladesh Bank and subsequent approval by the shareholders at the 30th AGM.

Re-appointment of Corporate Governance Auditor

In compliance with the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), the Company is required to obtain an annual certificate on compliance with the Corporate Governance Code from a practicing Professional Accountant or Chartered Secretary (other than the Statutory Auditors), to be included in the Annual Report.

The Board of Directors also noted the regulatory requirement for the appointment of an Independent Scrutinizer for the forthcoming Annual General Meeting (AGM) to authenticate the voting process and to submit the required report to BSEC.

In this regard, the Board reviewed the Expressions of Interest (EOIs) received from eligible professional firms and, based on due consideration of their credentials and governance requirements, took the following decisions:

The Board recommended the re-appointment of SARashid & Associates as the Corporate Governance Auditor for the financial year ending 31 December 2026 for issuance of the Compliance Certificate on the Corporate Governance Code, at a professional fee of Tk. 30,000/- (excluding VAT), subject to approval by the shareholders at the forthcoming AGM.

The Board further appointed Quazi Sabnam & Associates as the Independent Scrutinizer for the forthcoming AGM for authentication of the voting process and submission of the required report to BSEC, at a professional fee of Tk. 25,000/- (excluding VAT).

Corporate Governance

As a listed housing finance institution with an established track record of 30 years, DBH Finance PLC has developed a robust institutional framework to ensure full compliance with all applicable regulatory requirements on corporate governance. The Company is guided by a highly experienced Board of Directors, and its operations are effectively supervised through specialized Board Committees, ensuring structured oversight and sound decision-making. The inclusion of Independent Directors further strengthens the governance framework by bringing diverse perspectives, independent judgment, and strategic insights to the Board's deliberations.

DBH recognizes that strong corporate governance is essential for sustaining investor confidence, ensuring regulatory compliance, and achieving long-term business sustainability. The Company remains firmly committed to the principles of transparency, accountability, integrity, and ethical conduct, which continue to form the foundation of its corporate philosophy. These principles have significantly contributed to strengthening stakeholder trust and maintaining DBH's leading position in the housing finance sector.

In line with its core values of credibility, responsibility, and transparency, DBH continues to uphold disciplined governance practices and transparent operational processes that support sustainable growth and value creation for all stakeholders.

In compliance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), the following disclosures are included in this Annual Report:

- Report of the Audit Committee to the Shareholders
- Report of the Nomination and Remuneration Committee (NRC) to the Shareholders
- Statement on the Financial Statements signed by the Chief Executive Officer (CEO) and the Head of Finance
- Report on Corporate Governance
- Certificate of Compliance with Corporate Governance Code
- Statement on the Protection of Minority Shareholders' Rights

Additionally, a Statement of Compliance with the Good Governance Guidelines issued by Bangladesh Bank has been included as part of this Annual Report.

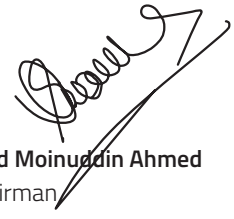
Acknowledgement

The Board of Directors of the Company expresses its sincere gratitude to all valued stakeholders for their continued trust, confidence, and support throughout the year. The Company remains deeply appreciative of its esteemed customers, financial partners, and regulatory authorities, including Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, and Chittagong Stock Exchange, whose continued guidance and support have been instrumental in enabling the Company to operate efficiently and achieve sustainable growth.

The Board also conveys its sincere appreciation to the Statutory Auditors for their professional diligence, independence, and valuable guidance in ensuring compliance with applicable regulatory requirements and high standards of financial reporting.

Finally, the Board places on record its deep appreciation for the dedication, integrity, and commitment of all employees across the organization. Their continued professionalism and unwavering efforts remain a key driving force behind the Company's sustained performance, resilience, and long-term success.

For and on behalf of the Board of Directors.



Syed Moinuddin Ahmed
Chairman

DIRECTORS' MEETING & ATTENDANCE

Annexure-i

During the financial year under reporting total eight Board Meetings were held and the attendance of the Directors are noted below:

Name & Description	Nominated by	Total Meetings	Meetings Attended	Changes During 2025	
				Date	
				Joining	Leaving
Dr. A M R Chowdhury Ex - Chairman	BRAC	4	3		19/06/2025
Mr. Syed Moinuddin Ahmed Chairman	Green Delta Insurance PLC	8	7	-	-
Mr. Imran Rahman Vice Chairman	Independent Director	8	5	-	-
Mr. Khandkar Manwarul Islam	Delta Life Insurance Company Ltd.	8	5	-	-
Mr. Nazir Rahim Chowdhury	Delta Life Insurance Company Ltd.	8	8	-	-
Mr. Mohammad Anisur Rahman	BRAC	3	2	25/08/2025	-
Ms. Nausheen Rahman	Independent Director	6	6	24/04/2025	-

DIRECTORS' REMUNERATION

Annexure-ii

The statement of remuneration paid to the Directors during the financial year under reporting are noted below:

Name of Directors	Board		Executive Committee		Audit Committee		Risk Management Committee		Total Fees Paid (Tk.)
	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	Attendance	Fees (Tk.)	
Dr. A M R Chowdhury Ex-Chairman	3	30,000	2	20,000	-	-	-	-	50,000
Mr. Syed Moinuddin Ahmed Chairman	7	60,000	2	20,000	3	10,000	4	40,000	130,000
Mr. Imran Rahman Vice Chairman	5	50,000	-	-	5	30,000	3	30,000	110,000
Mr. Khandkar Manwarul Islam	5	50,000	-	-	5	30,000	-	-	80,000
Mr. Nazir Rahim Chowdhury	8	70,000	4	40,000	-	-	3	30,000	140,000
Mr. Mohammad Anisur Rahman	2	10,000	-	-	-	-	-	-	10,000
Ms. Nausheen Rahman	6	50,000	2	20,000	-	-	-	-	70,000
Total	**-**	**320,000**	**-**	**100,000**	**-**	**70,000**	**-**	**100,000**	**590,000**

Note: Pursuant to the Bangladesh Bank circular no. 02 dated 13th March, 2024, In addition to the meeting attendance fees, the Independent Directors of the Company get monthly honorarium of Tk. 50,000/= per month and accordingly, the information of the monthly honorarium of the Independent Directors upto 31st December, 2025 are summarized below:

SL#	Name		Amount (Tk.)
01	**Mr. Imran Rahman**	Tk. 50,000/= per month * 12 months	600,000
02.	**Ms. Nausheen Rahman**	Tk. 50,000/= per month * 8 month & 7 days	411,667
	Total		**1,011,667**



MESSAGE FROM THE MANAGING DIRECTOR & CEO

Nasimul Baten

Dear Shareholders and Fellow Stakeholders,

This year's Annual Report carries the theme "Resilient Today, Ready for Tomorrow" — a theme that reflects both the realities we navigated in 2025 and the direction in which we are steering DBH Finance PLC for the future.

Thirty years ago, DBH was founded on a simple but powerful belief: that home ownership in Bangladesh should not remain the privilege of only a few. As Bangladesh urbanises and household aspirations evolve, the need for trusted, responsible housing finance institutions will only deepen. That conviction continues to shape every strategic decision we make and remains central to our long-term vision.

The Operating Environment in 2025

The year 2025 marked a period of gradual stabilisation for the Bangladesh economy following the macroeconomic pressures experienced in 2024. Inflation moderated during the year, foreign exchange reserves improved, and remittance inflows reached record levels. However, overall economic activity remained subdued, with private-sector credit growth slowing significantly and borrowing costs remaining elevated.

The financial sector continued to operate under tight liquidity conditions and rising stress within parts of the banking and NBFI industry. The regulator-led merger of several distressed banks during the year further highlighted the need for prudent risk management and disciplined balance-sheet stewardship.

Against this backdrop, the long-term fundamentals of the housing-finance sector remained resilient. Rapid urbanisation, demographic expansion, rising middle-income households, and increasing housing demand in Tier-2 and Tier-3 cities continue to create significant structural opportunities for sustainable growth.

Performance in Context

At the beginning of the year, management identified three core priorities:

- Preserving asset quality amid a high interest-rate environment
- Strengthening our core deposit base to reduce funding-cost volatility
- Scaling our Islamic Finance Wing while maintaining strong governance standards

I am pleased to report that we made meaningful progress across all three priorities.

Net interest income stood at BDT 131 Crore in 2025 compared to BDT 154 Crore in the previous year, reflecting continued pressure on funding costs and the deferment of accrued interest income on a placement with a merged bank in accordance with Bangladesh Bank guidance.

Despite margin compression, DBH maintained strong overall financial resilience. Profit after tax stood at BDT 95 Crore, while earnings per share (restated for the bonus issue) was BDT 4.69.

More importantly, the underlying strength of our balance sheet continued to improve:

- Net Asset Value per share increased to BDT 49.55
- Capital Adequacy Ratio strengthened to 30.73%, substantially above the regulatory minimum
- Classified loans declined further to only 0.84% of the portfolio — among the lowest in the financial sector

These indicators reflect the disciplined risk culture that has defined DBH over nearly three decades.

During the year, DBH financed 3,165 families, bringing the total number of households supported since inception to 62,869. Behind every financial figure in this report is a family achieving the security and dignity of home ownership — and that remains our greatest measure of success.

Affordable Housing and Islamic Finance

Affordable housing continued to emerge as an important growth segment for DBH during 2025. Under the DBH Affordable Housing Loan program, we expanded our footprint across middle-income and lower-middle-income customer segments, particularly in Tier-2 cities.

At the same time, our Islamic Finance Wing achieved remarkable momentum in only its second full year of operations. Islamic financing assets and deposits

recorded strong growth, validating the significant investment we made in governance, systems, product design, and Shari'ah compliance infrastructure.

We believe DBH Islamic will become an increasingly important pillar of our long-term growth strategy while continuing to uphold the principles of ethical and asset-backed financing.

Funding, Liquidity and Risk Management

Maintaining depositor confidence remained a key priority throughout the year. Despite sector-wide liquidity pressures, our core deposit base continued to grow steadily, reflecting the trust customers place in the DBH franchise.

Our liquidity position remained exceptionally strong, supported by substantial statutory liquidity surplus and a diversified funding base. At the same time, we strengthened provisioning coverage and continued our conservative approach to risk recognition and portfolio monitoring.

We also undertook a deliberate clean-up of legacy bad-debt cases during the year while maintaining one of the strongest asset-quality positions in the industry.

Digital Transformation and Operational Progress

Technology remains central to our long-term strategy. During 2025, we continued investing in digital capabilities aimed at improving customer experience, strengthening underwriting efficiency, and enhancing operational resilience.

Particular progress was made in the development of our dedicated Islamic Core Banking System (i-CBS), expansion of analytics-based credit monitoring, and enhancement of customer-service channels.

Looking ahead, we recognise that our digital transformation journey must accelerate further. Accordingly, the Board has approved targeted technology investments for 2026 focused on onboarding automation, workflow digitisation, and cyber-security enhancement.

Ready for Tomorrow — Strategic Priorities for 2026

As we look ahead, the Board and management team have identified five strategic priorities for 2026:

1.	2.	3.	4.	5.
Scaling the affordable-housing portfolio across underserved markets	Deepening DBH Islamic through product and distribution expansion	Accelerating digital transformation and process automation	Expanding branch presence and strengthening nationwide distribution	Advancing ESG and climate-risk integration across the organisation

These priorities are not merely aspirations; they are measurable commitments against which we expect to be evaluated.

Closing Reflections

2025 was not an easy year for the financial sector. Margin pressures persisted, liquidity remained tight, and external uncertainties continued to challenge the operating environment.

Yet difficult years often reveal the true strength of an institution.

DBH emerged from 2025 with stronger capital, improved asset quality, enhanced provisioning discipline, growing customer confidence, and a rapidly expanding Islamic Finance platform. Most importantly, we remained firmly aligned with our founding purpose: helping more Bangladeshi families achieve affordable home ownership.

The demand for quality and affordable housing in Bangladesh is not cyclical — it is structural, long term, and deeply connected to the country's future development. DBH was built for this opportunity.

We are resilient today, and we are ready for tomorrow.

Warm regards,

Nasimul Baten
Managing Director & CEO
DBH Finance PLC

BUSINESS SEGMENT REVIEW

DBH Finance PLC operates through two distinct but complementary business segments: a Conventional Housing Finance business — the institution's 30-year foundation — and DBH Islamic, a Shari'ah-compliant financing wing launched in May 2023. Running alongside both segments is the Affordable Housing Loan (AHL) programme, which cuts across the conventional and Islamic platforms and represents DBH's strategic commitment to inclusive finance. Together, these three engines of growth drove the company's performance in 2025 and define its trajectory toward 2026.

2025 BUSINESS AT A GLANCE

SEGMENT	PORTFOLIO (BDT Crore)	DISBURSEMENT (BDT Crore)
Conventional Finance	BDT 4,111 Crore	BDT 919 Crore
DBH Islamic (HPSM)	BDT 436 Crore	Incl. in Total
Total Home-Loan Portfolio	BDT ~4,547 Crore	BDT ~1,169 Crore

01 CONVENTIONAL HOUSING FINANCE
Building on a 30-Year Foundation

DBH Finance's conventional housing finance business has been the institution's core engine of value creation since its founding in 1996. Built on a philosophy of prudent underwriting, disciplined risk management, and deep customer relationships, the conventional book closed 2025 with a portfolio of BDT 4,111 Crore — essentially flat from BDT 4,110 Crore a year earlier, reflecting disciplined growth in a year marked by elevated prepayments as customers refinanced into bank facilities at competitive rates.

CONVENTIONAL BUSINESS — KEY METRICS

BDT 4,111 Crore
Home Loan Portfolio
Flat YoY

BDT 919 Crore
Gross Disbursement
+1.0% vs 2024

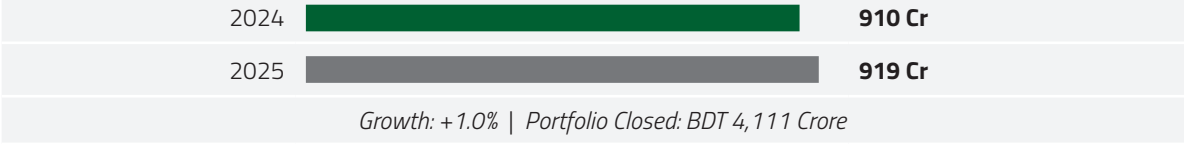
3,165 Families
Financed in 2025
62,869 since inception

0.84%
Classified Loan Ratio
Down from 0.97%

Portfolio & Disbursement Performance

Gross disbursements of BDT 919 Crore in 2025 were marginally higher than BDT 910 Crore in 2024, demonstrating the institution's continued origination strength despite a challenging operating environment. The core portfolio remained stable at BDT 4,111 Crore, with elevated prepayment activity offsetting new disbursements — a pattern expected to normalise as interest rate differentials between NBFIs and banks narrow in 2026.

Gross Disbursement — Conventional Business (BDT Crore)



The Affordable Housing Loan (AHL) programme represents DBH Finance's most deliberate act of purpose-led strategy — a structured effort to extend quality home financing into middle-income and lower-middle-income households who have historically been underserved by formal financial institutions. Formally launched in the latter half of 2024 and backed by the USD 30 million IFC-subscribed DBH Affordable Housing Bond, the AHL programme gathered strong momentum through 2025 and is now a recognised growth engine for the institution.

AHL PROGRAMME — 2025 PERFORMANCE

BDT ~250 Crore Total AHL Disbursement **Conventional + Islamic**	**BDT 225 Crore** Conventional AHL **~25% of Conv. Disbursement**	**BDT ~27.5 Crore** Islamic AHL (HPSM) **Amar Ghor & Amar Bari**	**USD 30 Mn** IFC Bond Backing **DBH Affordable Housing Bond**

Geographic Reach — Tier-2 City Expansion

A defining feature of the AHL programme in 2025 was its geographic expansion beyond Dhaka and Chattogram. DBH extended affordable housing disbursements into six Tier-2 cities, reflecting the institution's conviction that structural housing demand in Bangladesh is not confined to metropolitan centres.

Mymensingh Tier-2 City	**Barishal** Tier-2 City	**Cumilla** Tier-2 City	**Khulna** Tier-2 City	**Rajshahi** Tier-2 City	**Rangpur** Tier-2 City

Conventional Financing Products

DBH's conventional product suite covers the full spectrum of residential and property financing needs, thoughtfully designed to serve diverse customer segments — from first-time homebuyers to property investors, from salaried individuals to self-employed professionals.

TYPE A — FINANCING PRODUCTS

Apartment Purchase Loan Ready residential apartments with competitive rates & flexible EMI	**Own Construction Loan** Self-build homes on owned land with phased disbursement	**Extension/Renovation Loan** Expand or renovate existing property	**Plot Purchase Loan** Acquire residential plots with flexible terms
Group Construction Loan Joint residential development for multiple families	**Home Equity Loan** Leverage existing property value for personal needs	**Semi Pucca Construction Loan** Affordable semi-pucca structures for broader demographics	**Affordable Home Loan** Middle & lower-income segments — core of AHL programme
Balance Transfer Loan Transfer existing home loans from other FIs at better rates	**Personal Loan** Short-term needs for salaried individuals	**Car Loan** Competitive auto financing — new and reconditioned vehicles	

TYPE B — DEPOSIT PRODUCTS

Annual / Day-Wise / Cumulative Deposits Term deposits from 3 months to 5 years	**Quarterly / Monthly Income Deposits** Regular income options with stable returns	**Platinum Deposits** Premium 15-month FD with compounding at month 12	**Flexible Fixed Deposits** Up to 95% quick loan facility at lowest rate
Double Money Deposits Long-term savings that double principal over the period	**DBH DPS / Easy Deposits** Monthly instalment savings plan for long-term security		

02 DBH ISLAMIC FINANCE WING

A New Business Segment Coming Into Its Own

Launched in May 2023, DBH Islamic Finance Wing completed its second full year of operations in 2025 — and delivered the institution's most compelling growth story of the year. What began as a purpose-built Shari'ah-compliant platform has matured into a meaningful contributor to the overall balance sheet, vindicated by exceptional growth in both financing assets and customer deposits.

DBH Islamic operates under the governance of an independent Shari'ah Supervisory Committee (SSC), chaired by the country's eminent Faqih Dr. Muhammad Saifullah Madani. The wing is supported by AAOIFI-certified professionals within the Islamic Financing Division, a proprietary Islamic Core Banking System (i-CBS) developed in-house, separate fund accounting, and Product Programme Guidelines (PPGs) fully aligned with AAOIFI standards and Bangladesh Bank directives. The wing maintains complete operational separation from the conventional book — separate Balance Sheet, P&L, Cash Flow Statement, accounts, and reporting.

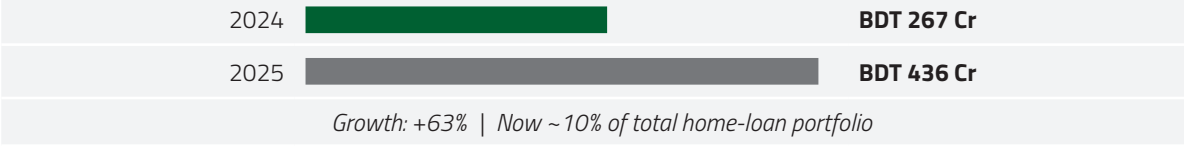
DBH ISLAMIC — 2025 KEY METRICS

BDT 436 Crore HPSM Financing Assets **+63% YoY growth**	**BDT 415 Crore** Mudaraba Deposits **+84% YoY growth**	**~10%** Share of Total Portfolio **Up from ~6% in 2024**	**BDT ~27.5 Cr** AHL Disbursement **Amar Ghor & Amar Bari**

Financing & Deposit Growth Trajectory

The growth recorded by DBH Islamic in 2025 is the direct outcome of the long preparation invested prior to launch — from the formation of the Shari'ah Supervisory Committee, to the proprietary i-CBS platform, to separately ring-fenced Islamic funds. The investment is now delivering results.

HPSM Financing Assets (BDT Crore)



Mudaraba Customer Deposits (BDT Crore)



Understanding HPSM — The Shari'ah-Compliant Financing Structure

All Islamic home financing products at DBH are structured under Hire Purchase under Shirkatul Meelk (HPSM), a Shari'ah-compliant hybrid mode approved by both the Shari'ah Supervisory Committee and Bangladesh Bank. HPSM is a combination of three independent contracts:

AHL PROGRAMME — 2025 PERFORMANCE

1. Shirkatul Meelk	2. Ijarah	3. Bai'
Co-ownership / Partnership	**Hire / Rent**	**Sale Contract**
DBH and the client jointly purchase or construct the asset, each holding a defined equity share.	DBH rents out its share of the asset to the client. The client pays rent (Ujrah) plus a portion of DBH's equity with each EMI, progressively increasing their ownership share.	Upon payment of the final EMI, DBH's equity reaches zero and ownership is formally transferred to the client under a separate sale contract.

With each EMI, DBH's equity share diminishes while the client's equity increases proportionally. By the time the last instalment is paid, the client achieves 100% ownership — a structure that ensures genuine asset-backing and Shari'ah compliance throughout the entire financing lifecycle.

Islamic Home Financing (IHF) Products — Under HPSM Mode

All Islamic home financing products are structured under Hire Purchase under Shirkatul Meelk (HPSM). Under HPSM, DBH Islamic and the customer jointly own the property, and the customer progressively acquires DBH's ownership share through periodic rental payments — ensuring genuine asset-backing and Shari'ah compliance throughout the financing lifecycle.

ISLAMIC HOME FINANCING (IHF) — PRODUCT SUITE

HPSM Apartment Purchase Financing New or old apartments from preferred developers/ sellers	**HPSM Self/Group Construction** Individual or group build with gestation period facility	**HPSM Commercial Space Purchase** Finance for commercial or professional use space	**HPSM Home Extension/ Renovation** Extend or renovate existing property
HPSM Semi-Pucca Construction Affordable semi-pucca housing for basic needs	**HPSM Affordable (Amar Ghor & Amar Bari)** Lower-income: up to BDT 30 Lac / BDT 60 Lac	**HPSM Plot Purchase Financing** Residential land purchase for future home construction	**HPSM Balance Transfer / Take-over** Transfer existing loans from banks/FIs with optional top-up

IHF Key Features

Financing up to 80% of property value

Tenure: up to 25 years (15 years for affordable)

Optional gestation period up to 18 months

Partial prepayment or early settlement after 6 months — no fees

No hidden charges; competitive rental rates

Islamic Car Financing (ICF)

Shari'ah-compliant financing for brand new, reconditioned, or selected used cars for personal use.

Up to 80% financing | Tenure: 12-72 months

No hidden charges | Early settlement after 6 months

Option to bundle with IHF home financing

Mudaraba Deposit Products

DBH Islamic's deposit products operate under the Mudaraba principle — depositors (Sahib-Al-Maal) provide capital, and DBH Islamic (Mudarib) manages funds in a Shari'ah-compliant manner. Profit is distributed per a pre-agreed Income Sharing Ratio (ISR). Mudaraba deposits grew 84% to BDT 415 Crore in 2025, a testament to deepening depositor confidence.

MUDARABA DEPOSIT PRODUCTS

DBH Mudaraba Term Deposit (MTDR) 3, 6, 12, 24, 60 months | Min. BDT 10,000 | Auto-renewal	**DBH Mudaraba Monthly Income Deposit (MMID)** 6, 12, 24, 36 months | Regular monthly profit distribution	**DBH Mudaraba Special Notice Deposit (MSND)** Short-notice deposit for institutional and individual liquidity	**Mudaraba DPS (Monthly Savings Scheme)** Monthly instalment-based savings for long-term accumulation

Shari'ah Governance & Ethical Commitment

A distinctive marker of DBH Islamic's Shari'ah commitment: late-payment charges collected from financing customers are not recognised as income. They are directed entirely to a Compensation Realised Charity Account, from which disbursements are made to approved charitable causes — ensuring no benefit from financial hardship accrues to the institution.

Shari'ah Supervisory Committee: Dr. Muhammad Saifullah Madani (Chairman), Mr. Fariduddin Ahmed, Mr. Abdul Awwal Sarker, Prof. Dr. Zubair Muhammad Ehsanul Haque.

03 TREASURY & INVESTMENT OPERATIONS

Liquidity Management, Yield Optimisation & Arbitrage Income

The Treasury function at DBH Finance PLC plays a critical and strategic role that extends well beyond regulatory compliance. Sitting at the intersection of funding, liquidity management, and income generation, the Treasury team is responsible for optimising the deployment of the Company's investable surplus across Government Securities, interbank placements, and short-term money market instruments — while maintaining full compliance with Bangladesh Bank's CRR and SLR requirements at all times.

In 2025, the Treasury function made an increasingly significant contribution to DBH's overall income profile. As margin pressure on the conventional lending book persisted and funding costs remained elevated, management deliberately rebalanced the investment portfolio toward Government Securities earlier in the year — a decision that generated substantial non-interest income and partially offset the compression in net interest income. Income from G-sec investments rose 23.4% to BDT 100 Crore in 2025, up from BDT 81 Crore in 2024, becoming a meaningful second pillar of earnings alongside net interest income.

TREASURY — 2025 KEY METRICS

BDT 282 Crore Total Treasury Income **+1.6% vs 2024**	**BDT 1,926 Crore** SLR Maintained **vs Requirement: BDT 246 Crore**	**BDT 607 Crore** Govt. Securities Portfolio **T-Bills & T-Bonds**	**BDT 1,455 Crore** Interbank Placements **SND, FDR & Short-Term**

Government Securities Investment

Government Securities — primarily Bangladesh Government Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds) — constitute the largest component of DBH's investment portfolio and the principal driver of investment income. In a year when risk-adjusted returns on Government Securities remained highly attractive relative to alternative deployments, DBH increased its allocation deliberately, earning healthy coupon income from risk-free sovereign exposures.

Treasury Bills are deployed for short-duration liquidity management and to capture attractive money market yields at the 91-day, 182-day, and 364-day tenures. Treasury Bonds provide longer-duration fixed-income exposure, generating stable coupon income that supplements the interest earned on the lending book. The deliberate build-up in the Government Securities portfolio also contributed directly to DBH's statutory liquidity surplus — which stood at BDT 1,926 Crore against a regulatory requirement of BDT 246 Crore, providing exceptional balance sheet flexibility.

GOVERNMENT SECURITIES PORTFOLIO — COMPOSITION

INSTRUMENT	PURPOSE	PORTFOLIO (BDT Crore)	INCOME (BDT Crore)
T-Bills (91 / 182 / 364 day)	Short-term yield & liquidity buffer	192	99.79
T-Bonds (2Y / 5Y / 10Y+)	Long-duration coupon income	415	
Total Govt. Securities	**SLR compliance + income generation**	**607**	**99.79**

Interbank & Money Market Placements

Alongside Government Securities, the Treasury team actively manages a portfolio of short-term interbank placements — including Special Notice Deposits (SND), Fixed Deposit Receipts (FDR), and overnight / short-term money market placements with scheduled banks and financial institutions. These instruments serve a dual purpose: they maintain a highly liquid buffer to meet day-to-day operational and regulatory liquidity requirements, while generating incremental income above the cost of funds when rate differentials present arbitrage opportunities.

The Treasury team monitors the daily money market rate environment and dynamically allocates surplus liquidity across these instruments, capturing spread income between DBH's cost of deposits and prevailing interbank offering rates. This disciplined arbitrage activity — often executed in the overnight and call money markets — contributed meaningfully to the institution's non-interest income in 2025.

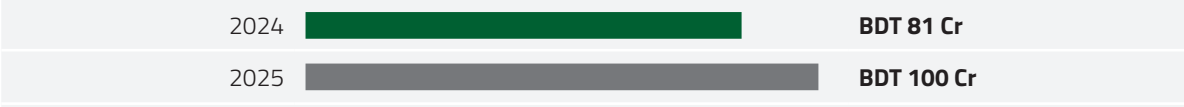
INTERBANK & MONEY MARKET INSTRUMENTS

INSTRUMENT	PORTFOLIO (BDT Crore)	PURPOSE
Current Deposit	12.82	
Special Notice Deposit (SND)	619.58	Near-liquid placement with banks; short notice withdrawal
Fixed Deposit Receipt (FDR)	777.15	Term placements at defined tenures for yield optimisation
Short-Term Placement / Call Money	45	Overnight & short-term arbitrage; daily liquidity buffer
Total Interbank & Money Market	**1,454.55**	

Investment Income from G-SEC Trajectory

Investment income has emerged as an increasingly important second income stream for DBH over recent years, reducing the institution's dependence on net interest income alone and providing a natural hedge against funding-cost volatility. The trend in 2025 continued this structural shift.

Investment Income Growth — DBH Finance PLC (BDT Crore)



2025 Investment Income: BDT 100 Crore | +23.4% YoY | Driven by Government Securities rebalancing

Liquidity Management & SLR Compliance

Maintaining depositor confidence and regulatory compliance remained central to the Treasury mandate in 2025. DBH's statutory liquidity position was one of the strongest in the Finance Company sector: SLR maintained stood at BDT 1,926 Crore against a regulatory requirement of BDT 246 Crore — a surplus of BDT 1,680 Crore. This exceptional liquidity buffer, built largely through Government Securities holdings, gives DBH substantial flexibility to grow its lending book, fund branch expansion, and navigate any unexpected liquidity events in 2026.

CRR (Cash Reserve Requirement)

Rate: 1.5% of total term deposits

Required: BDT 69.5 Crore

Maintained: BDT 71.7 Crore (Surplus: BDT 2.15 Crore)

Held in: Balance with Bangladesh Bank

SLR (Statutory Liquidity Reserve)

Rate: 5% of total liabilities (incl. CRR)

Required: BDT 246 Crore

Maintained: BDT 1,926 Crore (Surplus: BDT 1,680 Crore)

Held in: Cash, bank balances, T-Bills & T-Bonds

Treasury's Five Strategic Objectives

1. **Liquidity Optimisation:** Ensure DBH always holds sufficient liquid assets to meet depositor obligations, CRR/SLR requirements, and operational cash flows — while minimising the drag of idle liquidity.
2. **Yield Enhancement:** Maximise risk-adjusted returns on investable surplus through a diversified portfolio of Government Securities (primary) and interbank placements (secondary).
3. **Arbitrage Income:** Identify and capture spreads between DBH's cost of deposits and short-term interbank offering rates through disciplined overnight and call money market activity.
4. **Funding Mix Diversification:** Reduce reliance on interbank borrowings by sourcing long-term bonds and public term funds, improving the stability and cost-efficiency of the liability base.
5. **ALM & Interest Rate Risk:** Monitor duration mismatch between assets and liabilities, positioning the balance sheet appropriately for rate cycle movements within approved tolerance bands.

04 SEGMENT COMPARISON & STRATEGIC OUTLOOK

Metric	Conventional Business	DBH Islamic
Financing Mode	Interest-based (conventional)	Rent-based HPSM (Shari'ah)
Portfolio Size (2025)	BDT 4,111 Crore	BDT 436 Crore
Portfolio Growth	~Flat YoY	+63% YoY
Deposit Base (2025)	BDT 4,258 Crore (core)	BDT 415 Crore (Mudaraba)
Deposit Growth	Steady (core deposits)	+84% YoY
AHL Disbursement	BDT 225 Crore	BDT ~27.5 Crore
Governance Framework	Regulatory (Bangladesh Bank)	SSC + i-CBS + PPGs + Shari'ah
Share of Total Portfolio	~90%	~10% (rapidly growing)
2026 Target	Scale AHL; restore NIM	BDT 600 Crore financing assets

2026 Strategic Priorities by Segment

CONVENTIONAL



- 20%+ targeted growth in AHL portfolio
- Restore net interest margin as policy rate normalises
- Reduce prepayments through active customer engagement
- Expand to 25 branches nationwide by June 2027

DBH ISLAMIC



- Grow HPSM assets to BDT 600 Crore
- Introduce new Shari'ah-compliant deposit products
- Expand dedicated Islamic banking talent
- Deepen i-CBS platform capabilities

AHL PROGRAMME



- Expand into deeper Tier-2 and Tier-3 cities
- Partnership with IFC on product design & credit methodology
- Scale combined AHL disbursement beyond BDT 250 Crore
- Leverage Amar Ghor/Amar Bari for untapped segments

"The demand for accessible, affordable home ownership in Bangladesh is not a cyclical phenomenon. It is a structural national need that will deepen through the rest of this decade. DBH was built for precisely this opportunity — resilient today, and ready for tomorrow."

- **Nasimul Baten,** Managing Director & CEO, DBH Finance PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS (MDA)

This Management's Discussion and Analysis presents a comprehensive review of DBH Finance PLC's financial performance, strategic outcomes, and key financial indicators for the year ended 31 December 2025, together with comparative data for the immediately preceding five years. It should be read in conjunction with the audited financial statements and the notes thereto.

(a) Basis of Preparation

The financial statements for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in Bangladesh, the Companies Act 1994, the Finance Company Act 2023, and the directives of Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

(b) Changes in Accounting Policies and Estimation

DBH applies its accounting policies consistently to transactions, events, and conditions that are similar in nature and circumstances. For the financial year 2025, the Company did not implement any changes to its existing accounting policies or make material revisions to accounting estimates. This reflects a stable accounting environment and ensures that the assumptions, methodologies, and recognition criteria applied in prior periods remained valid and relevant during the reporting period. Consistency in policy application enhances comparability of financial information over time, supporting transparency and informed decision-making by stakeholders.

(c) Global Economy Context – 2025:

The global economy in 2026 remained relatively resilient despite rising geopolitical tensions and renewed supply-side pressures. Global growth was supported by steady consumer demand, recovering trade activities, and strong investment in technology and artificial intelligence, although escalating conflict in the Middle East created significant uncertainty through disruptions in energy markets and global supply chains. Consequently, global growth is expected to moderate slightly, while inflationary pressures have re-emerged due to higher energy and commodity prices. Advanced economies are likely to witness slower growth amid tighter financial conditions and elevated energy costs, whereas emerging economies are expected to maintain comparatively stronger growth momentum. In this challenging environment, prudent macroeconomic management, structural reforms, and international policy coordination will remain essential to support stable and resilient global growth. A detailed report on the World Economic Review is also attached on page no. 134 of the report.

(d) Macroeconomic Context — 2025

The Bangladesh economy in 2025 continued to navigate a complex and challenging macroeconomic environment. The country entered the year still absorbing the aftershocks of the July–August 2024 political transition, which had disrupted business confidence, slowed disbursement pipelines across the financial sector, and introduced new regulatory and governance priorities. The post-transition interim administration moved decisively to restore economic order, stabilise the banking sector, and revive investor confidence — but the process was uneven and its pace slower than many market participants had hoped.

Against this backdrop, elevated funding costs — a consequence of Bangladesh Bank's sustained contractionary monetary stance and the high-rate environment that persisted through most of the year — compressed net interest margins across the financial sector. Industry-wide non-performing loans rose to historically elevated levels, in some segments approaching 40% of the loan book, as borrowers who had taken on debt during the low-rate years of 2020–2022 struggled to service higher-rate obligations. Real estate market activity moderated as affordability deteriorated, and cautious consumer sentiment tempered demand for long-tenor housing loans.

(e) Financial Performance Review

The Annual Integrated Report is organised around the questions our stakeholders most frequently ask. The table below maps those questions to the corresponding sections.

Total Loan Portfolio

BDT 4,558 Cr	**BDT 1,162 Cr**	**0.84%**
Total Loan Portfolio	Home Loan Disbursements	NPL Ratio
▲ 2.40% vs 2024	▲ 5.13% vs 2024	▼ 0.13 ppts improved

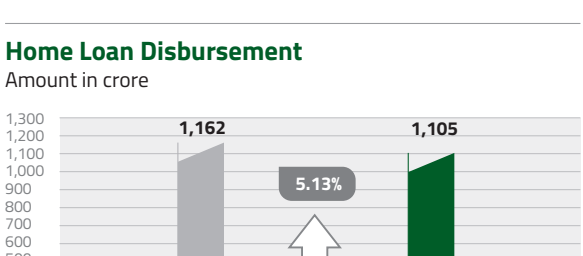
The total loan portfolio grew marginally by 2.40% in 2025, reaching BDT 4,558 Crore from BDT 4,450.93 Crore in 2024. While the growth rate appears modest in absolute terms, it must be interpreted against the broader macroeconomic context: a year of elevated interest rates, cautious consumer sentiment, and intensified competition from commercial banks offering home loans at comparatively lower rates. The portfolio's continued positive trajectory — now the fifth consecutive year of growth — reflects DBH's disciplined underwriting standards, its focus on asset quality over volume, and the structural demand for housing finance in Bangladesh that persists despite cyclical headwinds.

The portfolio is composed almost entirely of home loans — flat purchases, construction loans, and land-plus-construction facilities — across Dhaka and, increasingly, Tier-2 and Tier-3 cities. The growing share of the Affordable Housing Loan (AHL) programme, developed with IFC support, reflects the Company's strategic pivot toward the middle- and lower-middle-income housing segment that represents the most significant unmet need in Bangladesh's housing finance market.

Home Loan Disbursements

DBH disbursed BDT 1,162 Crore in home loans during 2025, a growth of 5.13% from BDT 1,105 Crore disbursed in 2024. This moderated disbursement pace also reflects DBH's focus on maintaining portfolio quality: stronger credit assessment practices, more selective borrower screening, and a priority on ensuring that customers can comfortably service long-tenor obligations in a period of elevated interest rates. The institution disbursed BDT 252 Crore under the Affordable Housing Loan programme alone demonstrating that growth in the affordable-housing segment continued even as overall disbursement moderated.

Home Loan Disbursement
Amount in crore

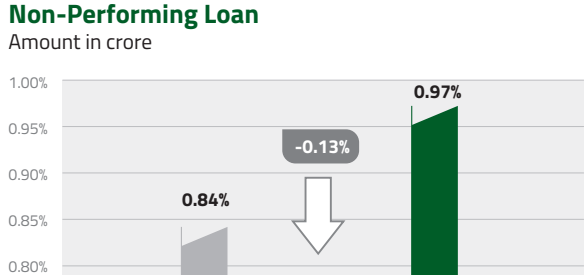


Non-Performing Loans (NPL)

DBH's NPL ratio improved to 0.84% at year-end 2025 from 0.97% in 2024 — a decline of 13 basis points and a continuation of the institution's long-term track record of maintaining one of the lowest NPL ratios in the Bangladesh financial sector. This achievement is particularly notable given that the industry-wide NPL ratio rose to approximately 40% during 2025–2026, making DBH's performance approximately 47 times better than the sector average.

The improvement in asset quality despite prevailing economic headwinds reflects the effectiveness of DBH's credit risk management architecture: stringent loan-to-value standards, income verification practices, conservative debt-service coverage requirements, and the proactive monitoring of borrowers showing early signs of stress. The Company's 100% provisioning policy for loans overdue by more than 180 days ensures that reported NPL figures are not distorted by inadequate provisioning, and its low NPL ratio reflects genuine portfolio quality rather than lenient classification practices.

Non-Performing Loan
Amount in crore



BDT 130.81 Cr
Net Interest Income
▼ 15.22% vs 2024

BDT 100.57 Cr
Investment Income
▲ 24.3% vs 2024

BDT 173.97 Cr
Operating Profit
▼ 4.62% vs 2024

BDT 15.67 Cr
Provisions
▲ 38.7% vs 2024

Net Interest Income

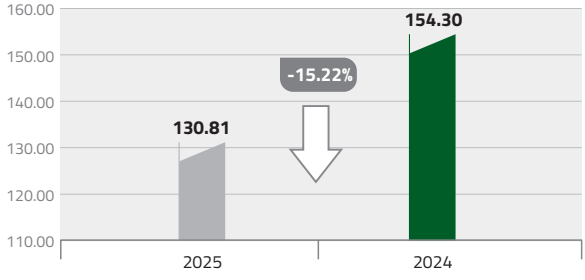
Net interest income for 2025 stood at BDT 130.81 Crore, compared to BDT 154.30 Crore in 2024, representing a decline of 15.22%. The reduction reflects the structural dynamics of DBH's business in a high-rate environment: a substantial portion of the deposit base — on which interest was paid at comparatively elevated rates — was strategically deployed into government securities. Since income earned on government securities is classified as investment income and excluded from net interest income, this allocation strategy, while sound from an overall financial perspective, depressed the reported net interest income figure.

Notwithstanding the decline in net interest income, the strategic deployment into government securities generated significantly higher investment income,

substantially offsetting the impact on total operating income. The net interest margin compression seen in 2025 is expected to ease as the interest rate cycle normalises and funding costs moderate, with management anticipating an improvement in NIM trajectory from 2026 onwards as the Board's stated priority of NIM restoration takes effect.

Net Interest Income

Amount in crore

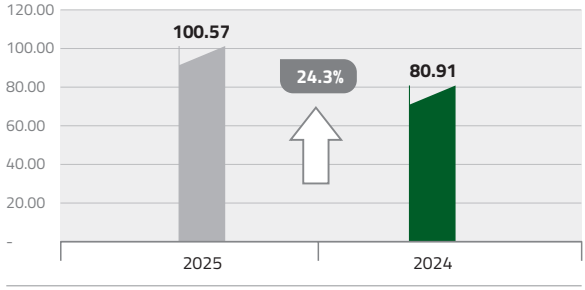


Investment Income

Investment income surged 24.3% to BDT 100.57 Crore in 2025 from BDT 80.91 Crore in 2024. This strong performance was driven primarily by DBH's strategic allocation into government securities, which offered attractive risk-adjusted returns during the year, and by growth in dividend income from equity investments. Investment income now represents a material and growing component of DBH's total operating income, reflecting the Company's proactive approach to portfolio management and its use of the balance sheet's liquidity buffer to generate returns.

Investment Income

Amount in crore



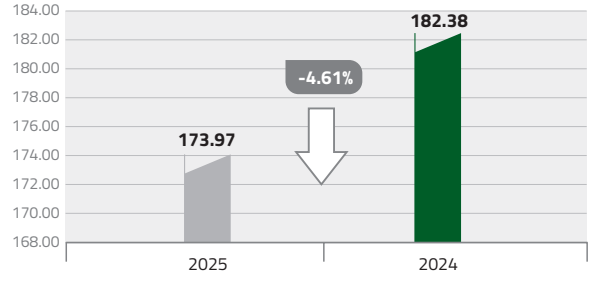
Operating Profit

Operating profit before loan provisions amounted to BDT 173.97 Crore in 2025, compared to BDT 182.39 Crore in 2024 — a decline of 4.62% that is modest given the significant headwinds faced during the year.

Total operating income remained broadly stable at BDT 250.43 Crore (2024: BDT 253.74 Crore), demonstrating the resilience of DBH's core revenue streams. Operating expenses rose to BDT 76.47 Crore from BDT 71.35 Crore in 2024, primarily reflecting inflationary adjustment of human-resource costs, investment in branch expansion, and technology-related expenditure. Despite the increase in expenses, DBH maintained its operating cost base among the most efficient in the NBFI sector.

Operating Profit

Amount in crore

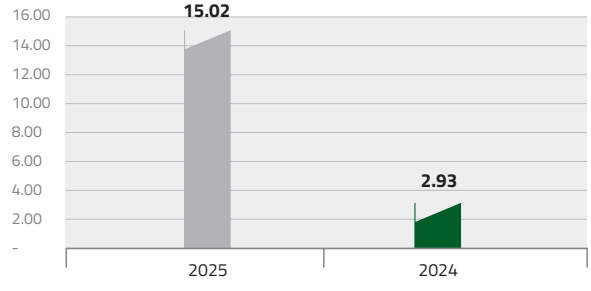


Provisions for Loans and Advances

DBH recorded provisions for loans and advances of BDT 15.02 Crore in 2025, compared to BDT 2.93 Crore in 2024. The significant increase in provisioning reflects a deliberate decision by management to materially strengthen the Company's provision buffer under its conservative credit risk management framework — rather than any systemic deterioration in portfolio quality (NPL actually reduced from 0.97% to 0.84%) . DBH's policy of provisioning 100% of loans overdue by more than 180 days means that as the loan book grows in absolute terms, provision requirements grow with it. The higher provisioning in 2025 — despite the improvement in the NPL ratio — reflects this proactive stance and the Company's commitment to maintaining adequate coverage against potential future credit risks.

Provisions for Loans and Advances

Amount in crore



Profitability, Capital & Funding

BDT 158.31 Cr
Profit Before Tax
▼ 7.47% vs 2024

BDT 95.16 Cr
Profit After Tax
▼ 5.65% vs 2024

30.53%
Cost-to-Income Ratio
▲ +2.41 ppts vs 2024

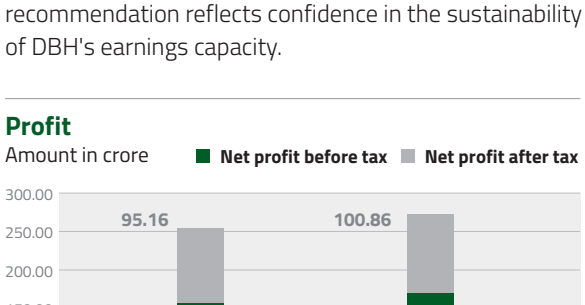
Net Profit Before Tax and Net Profit After Tax

Profit before tax for 2025 was BDT 158.31 Crore, compared to BDT 171.10 Crore in 2024 — a decline of 7.47%. Profit after tax stood at BDT 95.16 Crore, compared to BDT 100.86 Crore in the prior year, a decline of 5.65%. The reduction in profitability was primarily attributable to three factors: the compression of net interest income driven by the high-rate funding environment; the significant increase in loan provisions from BDT 2.93 Crore to BDT 15.02 Crore; and moderate growth in operating expenses driven by inflationary pressures and business expansion costs.

Notwithstanding these pressures, the profit performance demonstrates the resilience of DBH's operating model. Total operating income remained broadly flat year-on-year, and the growth in investment income substantially offset the decline in net interest income. The institution maintained a positive PAT in a year when many financial institutions across the sector faced significantly greater pressure, and the Board's 15% cash dividend recommendation reflects confidence in the sustainability of DBH's earnings capacity.

Profit

Amount in crore

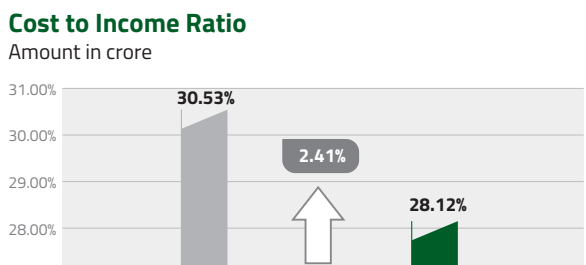


Cost-to-Income Ratio

The cost-to-income ratio increased to 30.53% in 2025 from 28.12% in 2024 — a rise of 2.41 percentage points. The increase was driven by higher operating expenses reflecting inflationary adjustment of human-resource costs, increased expenditure on digital transformation initiatives, and investment in branch-level infrastructure as part of the geographic expansion programme. Despite the increase, DBH's cost-to-income ratio remains significantly below the sector average and is a reflection of the Company's lean operating model, specialised product focus, and disciplined expense management. Sustaining a controlled cost structure while funding the investment required to achieve the institution's 2026 strategic priorities will be a key management focus.

Cost to Income Ratio

Amount in crore



30.73%
Capital Adequacy Ratio
▲ +0.27 ppts vs 2024

BDT 4.69
EPS
▼ 5.62% vs 2024

15% Cash
Dividend
▼ vs 17% (15%+2%) 2024

BDT 4,634 Cr
Core Deposits
▲ +2.58% vs 2024

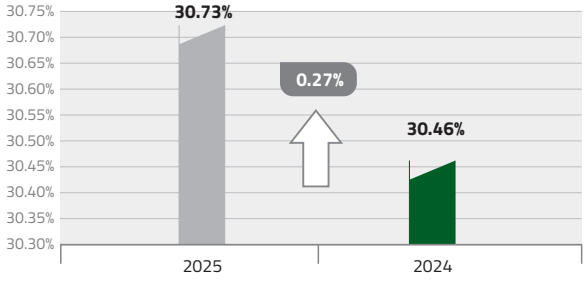
Capital Adequacy Ratio

DBH's Capital Adequacy Ratio (CAR) improved marginally to 30.73% in 2025 from 30.46% in 2024. This ratio is 3.07 times the Bangladesh Bank regulatory minimum of 10%, and represents one of the strongest capital positions in the NBFI sector. The capital surplus of approximately BDT 702 Crore provides substantial headroom to absorb unexpected losses, support growth in the loan portfolio,

and fund the strategic investments planned for 2026 and beyond. Total eligible capital under the Basel II framework stood at BDT 1,041 Crore at year-end 2025.

Capital Adequacy Ratio

Amount in crore

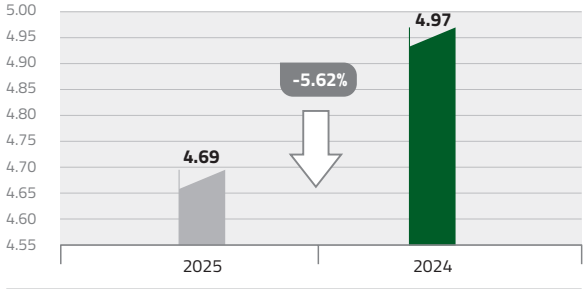


Earnings Per Share

DBH reported an Earnings Per Share (EPS) of BDT 4.69 in 2025, compared to BDT 4.97 in 2024 (after restatement for stock dividend). The decline of 5.62% reflects the lower profit after tax for the year. Despite the decrease, EPS remains significantly above historical levels for most of the preceding decade and demonstrates the Company's capacity to generate sustainable earnings for shareholders even in challenging operating environments. The EPS calculation is based on 20.29 Crore shares outstanding as of 31 December 2025.

Earnings Per Share (EPS)

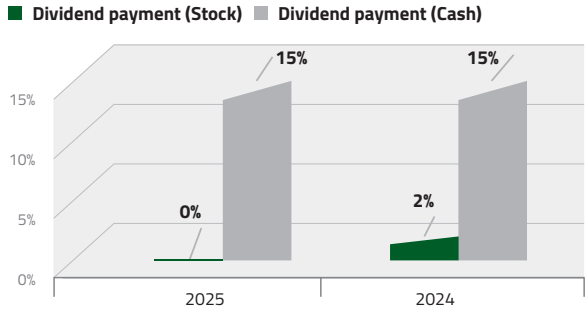
Amount in taka Year-wise EPS



Dividend

For the year ended 31 December 2025, the Board of Directors recommended a total dividend of 15%, comprising entirely of cash dividend. This compares with the 17% total dividend declared for 2024 (15% cash + 2% stock dividend). The continuation of a strong, entirely cash-based dividend reflects the Board's commitment to delivering tangible and immediate returns to shareholders while avoiding the dilution associated with stock dividends. The 15% cash dividend maintains the near-unbroken tradition of cash returns to shareholders that has persisted since 1999-2000, and reflects the Board's confidence in the Company's liquidity position and earnings sustainability.

Dividend Payment



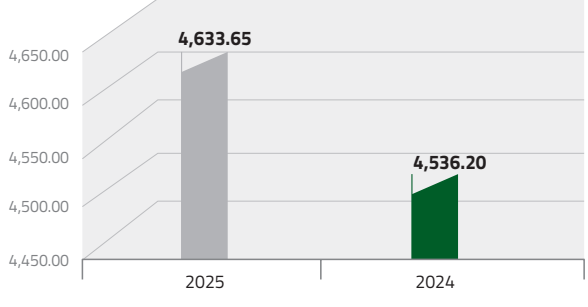
Deposit Mobilisation and Portfolio

DBH's core deposit portfolio reached BDT 4,633.65 Crore as of 31 December 2025, compared to BDT 4,536.20 Crore at the end of 2024 — growth of approximately 2.15%. The core deposit base comprises primarily retail and individual term deposits, and its continued expansion in a competitive, high-rate environment reflects DBH's strong brand reputation and the confidence depositors place in the institution's AAA-rated financial position.

Total deposits (including institutional) stood at BDT 4,673.65 Crore at year-end. The deliberate reduction in institutional and bank deposits as a proportion of the total funding mix — while growing the retail core — enhances the stability and cost-predictability of the funding base and reduces the Company's vulnerability to sudden liquidity shifts. A strong core deposit portfolio is also DBH's most important defence against the kind of funding-side stress that has challenged many NBFIs in recent years.

Core Deposit Portfolio

Amount in crore



DuPont Analysis

The DuPont analysis decomposes DBH's Return on Equity into its three constituent drivers — Profit Margin (net income / interest income), Asset Turnover (interest income / average assets), and Financial Leverage (average assets / average equity) — providing insight into the underlying dynamics of profitability and capital efficiency. In 2025, net profit after tax declined modestly to BDT 95.16 Crore from BDT 100.86 Crore in 2024. Average assets increased by 0.87% to BDT 6,795.3 Crore, while average equity grew by 7.60% to BDT 972.5 Crore, reflecting the continued accretion of retained earnings. Return on equity declined to 9.78% from 11.16% in 2024, primarily reflecting margin compression and higher provisioning, partially offset by improved asset turnover.

Amount in Crore BDT

Particulars	2020	2021	2022	2023	2024	2025
Interest Income	590.9	505.4	483.1	592.4	733.9	791.8
Profit After Tax	89.1	104.4	101.7	98.4	100.8	95.2
Average Assets	5,894.3	5,944.3	6,101.2	6,463.7	6,736.2	6,795.3
Average Equity	612.0	683.8	762.0	833.2	903.8	972.5
Profit Margin	15.08%	20.66%	21.05%	16.70%	13.73%	12.01%
Asset Turnover	10.02%	8.50%	7.92%	9.16%	10.89%	11.65%
Financial Leverage (×)	9.63×	8.69×	8.01×	7.76×	7.45×	6.99×
Return on Equity	14.56%	15.27%	13.35%	11.81%	11.16%	9.78%

The key DuPont trends for 2025 merit specific commentary:

Profit Margin declined to 12.01% from 13.73% in 2024, reflecting the combined impact of higher funding costs, increased provisioning (BDT 15.02 Crore vs BDT 2.93 Crore), and a modest decline in total operating income. The margin reflects the ongoing structural challenge of NIM compression in a high-rate environment, which management expects to reverse progressively as policy rates normalise.

Asset Turnover improved to 11.65% from 10.89% in 2024, driven by the continued growth in interest income (BDT 791.8 Crore, up 7.9%) relative to the modest growth in average assets. This reflects the higher-yielding nature of the 2025 loan book and the significantly higher income from government securities.

Financial Leverage declined further to 6.99× from 7.45× in 2024, reflecting the steady growth in equity through retained earnings — a natural consequence of DBH's conservative capital management philosophy. The declining leverage trend, while it mathematically dampens ROE, is a sign of institutional strength and the Company's capacity to absorb stress without recourse to external capital.

Return on Equity of 9.78% reflects the combined impact of margin compression and higher provisioning. As NIM recovers, provisioning normalises, and the growing asset base generates higher income, management expects ROE to improve toward the 11-12% range over the 2026-2027 planning horizon.

Cash Flow Analysis

DBH recorded a significant improvement in its overall cash flow position in 2025, with net cash and cash equivalents increasing by BDT 329.0 Crore — compared to a net decrease of BDT 615.8 Crore in 2024. Cash and cash equivalents at year-end 2025 stood at BDT 1,508.9 Crore, up from BDT 1,179.9 Crore at year-end 2024. This recovery in the liquidity position reflects a combination of improved operational cash generation, disciplined investment management, and continued prudent financing management.

Amount in crore BDT

Particulars	2020	2021	2022	2023	2024	2025
Net cash from operating activities	277.7	(0.8)	(383.1)	858.8	(7.6)	151.4
Net cash from investing activities	(1.6)	1.0	(167.4)	(256.4)	(501.0)	297.4
Net cash used in financing activities	(159.8)	48.8	438.4	(206.8)	(107.2)	(119.8)
Net increase/(decrease) in cash	116.3	49.0	(112.1)	395.6	(615.8)	329.0
Cash at beginning of year	1,346.9	1,463.2	1,512.2	1,400.1	1,795.7	1179.9
Cash at end of year	1,463.2	1,512.2	1,400.1	1,795.7	1179.9	1508.9

Cash Flow from Operating Activities

Net cash flow from operating activities turned strongly positive at BDT 151.4 Crore in 2025, a significant turnaround from the marginally negative BDT (7.6) Crore recorded in 2024. This improvement reflects a combination of factors: continued growth in interest income collections, improved deposit mobilisation from retail and individual customers, and disciplined management of working capital. The positive operating cash flow provides a healthy foundation for the Company's ongoing business operations and reduces its dependence on external funding for routine activities.

Cash Flow from Investing Activities

Net cash flow from investing activities was a substantial positive BDT 297.4 Crore in 2025, compared to a net outflow of BDT (501.0) Crore in 2024 — a swing of BDT 798.4 Crore. This dramatic improvement was primarily attributable to efficient investment portfolio management: as government securities

matured during the year and market conditions evolved, DBH optimised its securities portfolio, generating significant inflows. This is consistent with the Company's broader strategy of using its surplus liquidity buffer to generate investment income while maintaining the flexibility to redeploy capital into the loan portfolio as lending opportunities develop.

Cash Flow from Financing Activities

Net cash used in financing activities was BDT (119.8) Crore in 2025, compared to BDT (107.2) Crore in 2024. This reflects continued repayment of borrowed funds, dividend payments to shareholders, and management of the Company's borrowing obligations. The financing outflow is modest relative to the Company's scale and reflects the ongoing preference for retail deposit funding over wholesale institutional borrowing.

Overall Cash Position

The net increase of BDT 329.0 Crore in cash and cash equivalents during 2025 — against a decrease of BDT 615.8 Crore in 2024 — represents a significant and important recovery in DBH's liquidity position. The year-end balance of BDT 1,508.9 Crore is comfortably above the Company's regulatory liquidity requirements and provides the operational flexibility and market confidence that is essential for an institution whose primary business is intermediating long-tenor funds.

(f) Comparative Financial Performance with Peer Industry

The NBFI sector in Bangladesh comprises 35 institutions offering a diverse range of financial products. DBH occupies a unique position as the country's only NBFI exclusively focused on housing finance. A direct peer comparison must therefore be treated with appropriate caveats — DBH's operating model, risk profile, and balance-sheet structure are materially different from diversified NBFIs. Nevertheless, the comparison below with IPDC and IDLC — two of Bangladesh's most established NBFIs — illustrates DBH's relative strengths in asset quality, capital adequacy, and cost efficiency.

(Amount in crore BDT)

Particulars (BDT Crore)	IPDC	IDLC	DBH
Loans and Advances	7,462.2	12,198.6	4,557.7
Deposits	6,224.9	11,105.1	4,673.4
Home Loan Portfolio	1,011.8	2,916.6	4,543
NPL Ratio	5.97%	4.43%	0.84%
Return on Equity (ROE)	6.41%	11.63%	9.78%
Return on Assets (ROA)	0.49%	1.48%	1.40%
Capital Adequacy Ratio	17.14%	17.82%	30.73%
Earnings Per Share (BDT)	1.11	4.07	4.69
Cost-to-Income Ratio	46.81%	39.66%	30.53%

(g) Risk and Concerns, and Mitigation Plan

DBH Finance PLC maintains a comprehensive and proactive risk management framework to identify, assess, and mitigate various financial and non-financial risks arising from its operations. The Company continuously manages key risks including credit, market, liquidity, operational, compliance, reputational, strategic, environmental and social risks through well-structured policies, strong internal controls, regular monitoring, and adherence to regulatory guidelines issued by Bangladesh Bank and BFIU. In addition, robust governance practices, prudent asset-liability management, strict AML/CFT compliance measures, and continuous oversight by the Board and management committees help strengthen the Company's resilience against emerging risks and uncertainties. The Risk Management Committee of the Board, formed in compliance with Bangladesh Bank guidelines, regularly oversees the overall risk management framework, risk exposures, and related concerns of the Company. A detailed discussion on Risk and Concern has been incorporated in the Notes to the Financial Statements of this Annual Report.

(h) Future Plans for the Company's Operations, Performance, and Financial Position:

In 2026, the Board and management will pursue five concrete, measurable priorities to strengthen DBH's operations, performance and financial position: (1) scale the affordable-housing portfolio across underserved markets beyond Dhaka; (2) deepen DBH Islamic offerings and distribution, expanding capabilities and dedicated Islamic banking talent; (3) accelerate digital transformation and process automation, enabling end-to-end digitization of origination and servicing with faster turnaround and analytics; (4) expand branches to 25 nationwide by June 2027 and boost geographic reach with clear penetration metrics; and (5) embed ESG and climate-risk integration across governance, risk management and capital allocation. These priorities have explicit accountability metrics, branch rollout, geographic disbursement, portfolio quality, Shari'ah-compliance, capital adequacy, dividends, and digital velocity to deliver durable value for customers and shareholders.

Going Forward

Considering the current economic landscape—marked by inflationary pressures, elevated interest rates, and a cautious credit environment—DBH aims to achieve steady and sustainable earnings growth in the year ahead. While short-term challenges persist, we remain confident in accelerating our growth trajectory over the medium term by capitalising on the opportunities presented by Bangladesh's resilient and expanding economy.

With a proven track record, strong management capabilities, and longstanding relationships with developers and key stakeholders, DBH is strategically well positioned to navigate present headwinds. By maintaining focus on prudent risk management, operational efficiency, and targeted expansion—particularly in affordable housing and underserved non-metro areas—the Company is equipped to convert emerging market opportunities into long-term value for all stakeholders.



Nasimul Baten
Managing Director & CEO

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STRATEGIC DIRECTION

BUSINESS MODEL OF DBH

RESILIENT TODAY, READY FOR TOMORROW

Thirty years after our founding on a single proposition — that home ownership in Bangladesh should not remain the privilege of a few — DBH operates a focused business model purpose-built for long-tenor housing finance. In 2025, that model was tested by tight liquidity, elevated funding costs, and sector-wide credit stress, and emerged stronger across the three measures the Board watches most closely: capital, credit quality, and core-deposit funding. Our model now spans two complementary segments — a 30-year conventional core financing business and a fast-scaling Shari'ah-based Islamic Financing Wing launched in May 2023.

Conventional Financing

30-year core engine of the institution

- Disbursement (2025): BDT 919 Crore
- Home-loan portfolio: BDT 4,111 Crore
- Affordable Housing Loan disbursement: BDT 225 Crore (~25% of conventional)
- Tier-2 reach: Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, Rangpur

DBH Islamic Financing Wing

Launched May 2023-second full year of operations

- HPSM investment: BDT 436 Crore (+63% YoY)
- Mudaraba customer deposits: BDT 415 Crore (+84% YoY)
- Share of total home-loan portfolio: ~10%
- Affordable Housing disbursement: BDT 27.5 Crore in 2025

RESOURCES & INPUTS

- Financial Capital: Deposits BDT 4,674 Cr (core BDT 4,634 Cr); equity BDT 1,005 Cr; surplus statutory liquidity BDT 1,926 Cr
- Borrowed Funds: Bank/FI borrowings BDT 803 Cr; IFC-subscribed DBH Affordable Housing Bond USD 30M (BDT 294 Cr); Zero Coupon Bond BDT 26 Cr
- Human Capital: 431 employees; funded gratuity, PF and hospitalisation
- Intellectual Capital: CBS (Core Banking System); proprietary credit-underwriting framework; 30-year housing-finance expertise
- Social & Relationship Capital: Customers, depositors, IFC, regulators, Shari'ah Supervisory Committee
- Natural Capital: ESRM-screened lending; Scope 1, 2 & 3 GHG baseline established in 2025

KEY PARTNERSHIPS

- International Finance Corporation (IFC) — anchor investor in the USD 30M Affordable Housing Bond
- Bangladesh Bank — prudential oversight & policy framework
- BSEC, DSE & CSE — listing and disclosure framework
- Real-estate developers — origination network across Dhaka and Tier-2/3 cities
- Correspondent banks — for deposit, treasury & co-financing
- Development partners — for affordable-housing & sustainable-finance product design
- Sajida Foundation and other CSR partners — climate resilience and inclusion

REVENUE STREAMS

- Interest income on conventional home loans
- Profit share on HPSM (Hire Purchase under Shirkatul Meelk) financing
- Income from investments in government securities (+24.3% YoY to BDT 101 Cr in 2025)
- Fee, commission & other non-funded income
- Mudaraba investment income

COST STRUCTURE

- Interest expense on deposits and borrowings
- Profit-share distribution to Mudaraba depositors
- Personnel costs and staff development
- Branch operations and administrative expenses
- Technology, CBS and digital transformation investment
- Provisions for loans and investments
- Income tax and regulatory levies
- Shari'ah governance and ESG/climate-integration costs

CLIENTELE SEGMENTS

- Home buyers — middle income: Salaried professionals, business owners and dual-income households across Dhaka and major cities
- Home buyers — affordable segment: Middle- and lower-middle-income families as defined and served through the Affordable Housing Loan (AHL) programme
- Tier-2 / Tier-3 city customers: Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, Rangpur and growing district towns
- Shari'ah-conscious customers: Households seeking genuinely Shari'ah-compliant, asset-backed home financing
- Retail depositors: Individual savers entrusting DBH with conventional Fixed Deposits and Mudaraba deposits
- Institutional investors: Banks, FIs and development institutions investing in DBH bonds and instruments

KEY ACTIVITIES

- Disciplined credit appraisal & long-tenor home-loan origination
- Affordable Housing Loan disbursement under the IFC-supported programme
- Shari'ah-compliant HPSM financing under Shari'ah Supervisory Committee oversight
- Core deposit mobilisation — institutions and individual deposits
- Treasury, asset-liability management & investment in government securities
- Active recovery and portfolio quality management
- Geographic expansion — branch rollout toward 25 branches by June 2027
- Digital onboarding, straight-through processing and turnaround-time reduction
- ESRM screening, climate-risk integration and IFRS S1/S2 disclosure preparation
- CSR programme — ~0.5% of after-tax profit across education, health, climate and inclusion

VALUE PROPOSITION

- For families: Accessible, dignified home ownership through long-tenor, transparently priced financing — 62,869 families served since inception, 3,165 in 2025 alone
- For affordable-segment customers: Purpose-built AHL product designed with IFC, reaching middle and lower-middle-income households
- For Shari'ah-conscious customers: Operationally and financially separated Islamic Wing, with i-CBS and a dedicated Shari'ah Supervisory Committee
- For depositors: AAA-rated home for savings — retained AAA rating for the 20th consecutive year
- For shareholders: Patient compounding — near-unbroken cash dividend record since 1999-2000; 15% recommended for 2025
- For the country: A specialised housing-finance institution serving the structural national need — "one home at a time"

READY FOR TOMORROW — Strategic Priorities for 2026 and Beyond

The Board and management have set explicit, measurable accountabilities — not aspirational statements —against which DBH expects to be measured in its fourth decade.

01	02	03	04	05	06
Scaling Affordable Housing Targeted 20% growth in the affordable-housing portfolio; deeper distribution into Tier-2 and Tier-3 cities, supported by continued partnership with IFC.	Geographic Expansion 25 branches by June 2027 — structured rollout, phased hiring and branch-level disbursement reporting from 2026 onwards.	Deepening DBH Islamic Islamic financing assets to BDT 600 Crore by year-end 2026; new Shari'ah-compliant products; continued investment in Islamic-banking talent and governance.	Restoring NIM Trajectory Active asset-liability management as policy rates normalise; continued core-deposit growth to ease funding-cost volatility.	Digital Transformation End-to-end digitisation of loan origination and servicing; measurable targets for digital-onboarding share, STP, and turnaround time.	ESG & Climate Integration Portfolio-level climate exposure mapping in 2026; property-level adaptation scoring by 2027; progressive IFRS S1/S2 alignment.

2025 Resilience Snapshot — how the model performed under pressure

BDT 1,162 Cr	BDT 4,543 Cr	30.73%	0.84%	AAA ▪ 20 yrs	62,869
Total net disbursement 2025	Total home-loan portfolio	Capital Adequacy Ratio (min. 10%)	Classified loans (industry-leading)	Long-term credit rating	Families housed since inception

THE INTEGRATED VALUE CREATION MODEL

Building Sustainable Foundations for Homeowners, Communities and the Nation

For nearly three decades, DBH has operated at the intersection of financial rigour and human purpose. We hold a singular conviction: that a well-capitalised, well-governed housing finance institution does not merely allocate credit — it constructs the physical and social infrastructure upon which a prosperous Bangladesh is built. Our 2025 results — Total Assets of **BDT 6,872 Crore,** a Capital Adequacy Ratio of **30.73%** (against a regulatory minimum of 10%), and a Non-Performing Loan ratio of just **0.84%** — reflect the durability of this conviction, even in a year of system-wide stress in the Bangladesh financial sector.

This model is presented in alignment with the **International Integrated Reporting Framework** and our sustainability disclosures prepared under **IFRS S1** and **IFRS S2.** It should be read alongside the *Determination of Materiality* (page 100), the *Six Capitals chapters* (pages 120–131), and the *Stakeholder Engagement Table* (page 106), which together constitute our integrated disclosure ecosystem.

The model that follows is not a linear transaction chain. It is a mosaic — a dynamic, interconnected system in which every capital feeds every other, in which governance reinforces strategy, and in which the outcomes of today become the inputs of tomorrow. This circular philosophy of value creation, endorsed by the International Integrated Reporting Framework, defines how DBH thinks, plans, and acts.

Figure 1: DBH Finance PLC — Integrated Value Creation Architecture (FY 2025)

The following architecture illustrates the flow of value creation across DBH's six capitals, four strategic unlocks, and the outcomes preserved for each stakeholder group. The model is governed throughout by DBH's governance architecture and is refreshed through a managed feedback loop. Material topics referenced (M01–M14) correspond to the *Determination of Materiality,* page 100.

INPUTS	TRANSFORMATION	OUTPUTS	OUTCOMES
F Financial Capital *M01 M02 M03 M04 M05* **H Human Capital** *M09 M08* **I Intellectual Capital** M06 M07 M04 **S Social & Rel. Capital** *M08 M10 M11 M14* **M Manufactured Capital** *M06 M07* **N Natural Capital** *M12 M13*	→ **Strategic Value Unlocks** 1 Segment Specialisation 2 Digital Integration 3 Prudent ALM 4 Shari'ah Governance	→ **2025 Outputs** **Disbursements:** BDT 1,162 Cr **Loan Portfolio:** BDT 4,558 Cr **Profit After Tax:** BDT 95.16 Cr **NPL:** 0.84% **CAR:** 30.73% 62,000+ Families Housed	→ **Preserved Values** 1 Financial Value 2 Human Value 3 Intellectual Value 4 Social Value 5 Manufactured Value 6 Natural Value
GOVERNANCE FOUNDATION | Board Oversight | Risk Architecture | Shari'ah Governance | Digital & Data Governance | IFRS S1/S2 Compliance			
FEEDBACK LOOP Reputational Compounding | Knowledge Accumulation | Stakeholder Capital Growth | Climate Risk Discipline | Human Capital Deepening			

1. INPUTS — The Capitals of Confidence

The six capitals that DBH deploys in the service of housing finance and national development

Our value creation journey begins with the disciplined mobilisation of six distinct but deeply interconnected capitals. Each capital is carefully stewarded to ensure long-term availability, and each is deployed in a manner that multiplies — rather than depletes — the others. DBH's capital base is not a static warehouse of resources; it is a living, breathing foundation of institutional trust.

F

Financial Capital

Material Topics: M01 ▪ M02 ▪ M03 ▪ M04 ▪ M05 | **Full narrative:** Financial Capital, page 120.

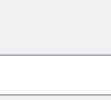
DBH's financial strength is anchored by a long-standing AAA credit safety record — a distinction that reflects the trust of our depositors and the confidence of international partners. As at 31 December 2025, total shareholders' equity stood at BDT 1,005 Crore, with a Capital Adequacy Ratio of 30.73% — more than three times the regulatory minimum of 10%. Our deposit base of BDT 4,674 Crore, complemented by the landmark IFC Affordable Housing Bond (BDT 294.4 Crore outstanding) and BDT 63.4 Crore in Bangladesh Bank refinance, enables us to extend housing finance at competitive rates to the middle-income segment that the formal banking sector has historically underserved. This headroom is what allows DBH to grow responsibly while remaining resilient against economic cycles.

I

Intellectual Capital

Material Topics: M06 ▪ M07 ▪ M04 | **Full narrative:** Intellectual Capital, page 126.

Our proprietary credit assessment models — refined over nearly three decades of Bangladesh-specific market data — represent an institutional asset that no competitor can quickly replicate. These models, embedded within our ISO/IEC 27001-certified information systems, translate complex risk signals into decisive, consistent lending judgements. In a high-inflation, high-volatility operating environment marked by the regulatory-mandated resolution of distressed banks in late 2025, this intellectual architecture enabled DBH to drive the NPL ratio down to 0.84% (from 0.97% in 2024) while continuing to grow the loan portfolio. Digital innovation continuously extends this intellectual edge into the operational layer.



H

Human Capital

Material Topics: M09 ▪ M08 | **Full narrative:** Human Capital, page 122.

Our 400+ specialist housing finance professionals across one Head Office and sixteen branches constitute DBH's most irreplaceable competitive resource. This is not a generalist banking workforce; these are individuals with deep expertise in mortgage underwriting, real estate valuation, legal documentation, and property markets across Bangladesh's diverse urban and semi-urban landscapes. Their collective knowledge is the primary reason DBH's NPL ratio stands at 0.84% — among the lowest in the industry — and why classified loans declined to BDT 38.3 Crore in 2025 from BDT 43.2 Crore in 2024. We invest in our people not merely as an HR principle, but as a strategic imperative, supported by funded contributory provident and gratuity schemes recognised by the National Board of Revenue. For DEI metrics, training investment, and attrition data, see the Human Capital chapter.



S

Social & Relationship Capital

Material Topics: M08 ▪ M10 ▪ M11 ▪ M14 | **Full narrative:** Social & Relationship Capital, page 128.

Nearly three decades of consistent delivery have built a reservoir of institutional trust that transcends any individual transaction. DBH's relationships with our 62,000+ homeowner families, our depositors, our regulatory partners, and international funding institutions — including the International Finance Corporation — constitute a form of capital as real, and as fragile, as any financial asset. We safeguard this capital through transparency in reporting, fairness in customer dealings, active CSR investment, and a formal Stakeholder Engagement process (see Stakeholder Engagement Table, page 106). The strength of this capital was evidenced in 2025 by a deposit base growing 2.1% to BDT 4,674 Crore in a year of acute system-wide volatility.



N

Natural Capital

Material Topics: M12 ▪ M13 | **Full narrative:** Natural Capital, page 130.

Bangladesh's vulnerability to climate change — floods, rising sea levels, extreme heat — is not an abstract environmental concern for a housing finance institution; it is a direct credit risk (M13). Properties financed by DBH must retain their collateral value and habitability over decade-long loan tenures. This reality drives our growing commitment to green housing finance (M12). Through our Environmental Risk Rating (EnvRR) framework, every new project undergoes evaluation of its environmental and social impact prior to lending approval. In line with IFRS S2 disclosure requirements, we have commenced formal climate scenario analysis and PCAF-aligned financed emissions measurement. By embedding environmental due diligence into our credit criteria and expanding our portfolio of climate-resilient, energy-efficient housing projects, we protect borrower assets, reduce portfolio risk, and contribute to Bangladesh's national climate commitments.



M

Manufactured Capital

Material Topics: M06 ▪ M07 | **Full narrative:** Manufactured Capital, page 124.

Our operational infrastructure — a 17-office branch network spanning Dhaka, Chattogram, Sylhet, Cumilla, Gazipur, Narayanganj, Khulna, Rajshahi, Rangpur, Mymensingh and Barishal, together with our digital platforms, processing systems, and the CBS core banking platform — is the engine room through which our capitals are transformed into housing solutions. Continuous investment in this manufactured capital reduces per-unit processing costs, accelerates disbursement timelines, and enables DBH to scale its social impact without a proportional increase in operational risk. Fixed assets including land, building and equipment grew to BDT 39.3 Crore in 2025, reflecting ongoing investment in this foundational layer. ISO/IEC 27001 certification underpins the security of our digital infrastructure.

2. TRANSFORMATION — Strategic Value Unlocks

Four distinctive organisational capabilities that determine how inputs are converted into superior outputs

Our capitals do not create value in isolation. They are channelled through four Strategic Value Unlocks — enterprise-wide disciplines that permeate every credit decision, every customer interaction, and every governance deliberation. These capabilities define DBH's competitive architecture and set the quality ceiling of our outputs.

01 Segment Specialisation

DBH's exclusive focus on real estate and housing finance is a deliberate and enduring strategic choice. Specialisation enables us to develop credit models, valuation expertise, and legal frameworks calibrated precisely to the Bangladesh property market — delivering decisions of a quality that a generalist lender cannot match. In 2025, housing loans of BDT 4,543 Crore represented over 99% of our portfolio. Linked to M01 Asset Quality Management and M02 Credit Risk Governance.

02 Digital Integration

Our CBS Core Banking platform (M06) has digitised the full customer journey — from initial application and document submission through credit appraisal, disbursement, and ongoing account management. This integration reduces processing time, minimises documentation errors, and creates a seamless experience for the homeowner families we serve. Our ISO/IEC 27001-certified information security framework (M07) underpins this digital foundation, protecting customer data and operational continuity.

03 Prudent Asset-Liability Management

DBH's ALM discipline ensures that the maturity profile of our liabilities is precisely matched to the long-duration nature of our mortgage assets. Our SLR maintained at BDT 1,926 Crore — a surplus of BDT 1,680 Crore over the regulatory requirement — demonstrates the strength of this discipline. By strategically deploying government securities (BDT 606.6 Crore) as liquidity buffers and optimising our deposit mix, we maintain a resilient, low-risk funding structure. Linked to M03 Capital & Liquidity Adequacy.

04 Shari'ah Governance

The expansion of DBH's Islamic Financing Wing is both values-driven and a strategic market response. Bangladesh's large Muslim-majority population represents significant and underserved demand for interest-free housing finance. In 2025, our Shari'ah-compliant HPSM portfolio grew 63% to BDT 436.9 Crore, with total Islamic Wing assets reaching BDT 602.1 Crore — governed by an independent Shari'ah Supervisory Committee. Linked to M04 Regulatory Compliance & Reporting Integrity and M11 Affordable Finance Expansion.

These four unlocks, working in concert, produced the following quantifiable performance milestones for FY 2025:

BDT 6,872 Crore Total Assets	**BDT 4,558 Crore** Total Loan Portfolio	**BDT 436.9 Crore** Islamic Finance Portfolio	**0.84%** Industry-Leading NPL Ratio	**30.73%** Capital Adequacy Ratio
BDT 95.16 Crore Profit After Tax	**BDT 4.69** Earnings Per Share	**BDT 49.55** Net Asset Value/ Share	**62,000+** Families in Own Homes	**17** Office Network

3. OUTPUTS & OUTCOMES — Impact Beyond the Balance Sheet

Six dimensions of preserved value — one for each capital — demonstrating that DBH creates without depleting

DBH's outputs are quantifiable: in 2025, BDT 1,162 Crore in fresh loan disbursements, BDT 970 Crore in deposits mobilised, and BDT 95.16 Crore in after-tax profit. But in the framework of integrated value creation, outputs are merely the immediate, observable results of our transformation activities. What matters most — to our long-term institutional health and to the nation we serve — are the Outcomes: the durable changes in the condition of people, communities, and the environment that our activities produce. We organise our outcomes across six dimensions of Preserved Value, one for each capital.



01 Financial Value Preserved

Full narrative: Financial Capital, page 120.

- AAA-equivalent credit safety record sustained — reflecting balance sheet strength, governance discipline, and 30.73% Capital Adequacy Ratio.
- Risk-adjusted returns delivered with ROA of 1.40% and ROE of 9.78%, underpinning a 15% cash dividend recommendation for FY 2025.
- Low-cost funding advantage secured through institutional trust, with average cost of funds at 10.60% (down from 10.89% in 2024).
- Capital adequacy maintained at over three times the regulatory minimum (30.73% vs 10% required), providing significant headroom for growth.
- Diversified revenue streams: investment income grew 24.3% to BDT 100.6 Crore, partially offsetting margin compression on interest income.



02 Human Value Preserved

Full narrative: Human Capital, page 122.

- A specialist workforce of 431 housing finance professionals whose depth of credit and market knowledge is DBH's primary competitive asset.
- Institutional expertise deepened through structured learning programmes and digital upskilling.
- Classified loans declined to BDT 38.3 Crore (from BDT 43.2 Crore in 2024) — a direct outcome of the judgement quality of our credit professionals.
- Employee well-being and retention maintained through competitive compensation, funded provident and gratuity schemes, and continuous career development.
- Human capital depth creates a talent pipeline for future growth without dependence on external recruitment for critical roles.



03 Intellectual Value Preserved

Full narrative: Intellectual Capital, page 126.

- Proprietary credit models — calibrated over 30 years of Bangladesh housing market data — maintained as a non-replicable competitive moat.
- NPL ratio improved to 0.84% from 0.97% in 2024, demonstrating the tangible financial return on accumulated credit intelligence.
- ISO/IEC 27001-certified information security management framework protecting operational integrity and customer data.
- CBS platform continuously extended — embedding institutional processes into scalable, auditable technology infrastructure.
- 20 consecutive years of AAA-equivalent credit safety record: the clearest expression of intellectual capital compounded into brand equity.

04 Social Value Preserved

Full narrative: Social & Relationship Capital, page 128.

- Over 62,000 families transitioned from tenancy to homeownership — the foundation of middle-class security and intergenerational wealth in Bangladesh.
- Financial inclusion deepened through BDT 1,162 Crore in fresh disbursements in 2025, primarily to the middle-income segment.
- Geographic reach expanded across 11 administrative regions, including stronger growth in Mymensingh, Barishal, and Khulna in 2025.
- Shari'ah-compliant housing solutions: HPSM portfolio grew 63% to BDT 436.9 Crore, expanding access for faith-aligned families.
- CSR programmes delivered across education, healthcare, disaster relief, and community infrastructure — linked to SDG 1, 3, 4, 11, and 13.

05 Manufactured Value Preserved

Full narrative: Manufactured Capital, page 124.

- A resilient, high-quality housing stock financed across Bangladesh's urban and semi-urban landscape, enhancing collateral durability.
- Contribution to the national urban development agenda and the government's affordable housing sector targets.
- Infrastructure quality uplift in supported developments, raising construction and liveability standards for surrounding communities.
- Long-term collateral value preservation through rigorous property due diligence and a 17-office field assessment network.
- Durable physical assets created — through the homes we finance and the branches we operate — that will serve families and staff across multiple generations.

06 Natural Value Preserved

Full narrative: Natural Capital, page 130.

- Climate-resilient construction standards embedded in DBH's Environmental Risk Rating (EnvRR) lending criteria, protecting long-term collateral value.
- Reduced embodied-carbon intensity in financed developments through green design requirements at point of loan sanction.
- PCAF-aligned financed emissions measurement commenced in 2025, establishing a credible baseline for portfolio decarbonisation planning.
- Alignment of DBH's investment strategy with Bangladesh's national climate commitments and the IFRS S2 climate disclosure framework.

4. THE GOVERNANCE FOUNDATION — The Architecture of Trust

The Board-led system that ensures integrity, accountability, and adaptive resilience across all six capitals

Underpinning every element of our value creation model is a governance architecture designed for integrity, accountability, and adaptive resilience. This is the feature of DBH's model that distinguishes it most sharply from a transactional mortgage company: our governance is not a compliance layer applied atop our operations — it is the foundational operating principle that shapes every strategic decision, every risk appetite, and every customer commitment. In 2025, the Board met with its Audit Committee alone no fewer than four times, with continuous review of internal compliance, statutory financial statements, and auditor appointment.

Board Oversight & Independence Independent Board representation including academic and industry leaders with deep financial sector and real estate expertise. Audit and Risk Management Committees provide continuous oversight; the Audit Committee held four meetings in 2025 reviewing internal compliance, quarterly and annual financials, and statutory auditor appointment. Climate and sustainability risks — material topics M12 and M13 — are now integrated into Board risk appetite under IFRS S2 disclosure commitments.	**Shari'ah Governance** An independent Shari'ah Supervisory Committee oversees compliance with Islamic principles across product structure, documentation, and operational practice. All Islamic finance products are reviewed and certified for Shari'ah compliance, with separate accounting and reporting for the Islamic Wing. The Wing's BDT 602.1 Crore asset base and 63% HPSM portfolio growth in 2025 reflects sustained commitment to ethical, faith-aligned finance.
Risk Management Architecture ALCO-driven ALM discipline ensures liquidity resilience across rate cycles, supported by an SLR surplus of BDT 1,680 Crore over the regulatory minimum. Our Internal Control & Compliance Department (ICCD) provides enterprise-wide oversight; proprietary credit models are continuously validated against portfolio performance. A dedicated Willful Defaulter Identification Unit, led by the Chief Risk Officer, established in 2024, is fully operational. Climate-adjusted credit risk scenarios (M02, M13) are integrated into our stress-testing framework.	**Digital & Data Governance** ISO/IEC 27001-certified information security management system (M07) protects customer data and operational continuity. The CBS platform provides end-to-end process integrity and full audit trail. A robust data quality framework ensures accuracy of credit and financial reporting, while cybersecurity protocols protect customer data and system continuity in line with Bangladesh Bank's evolving ICT Security Guidelines. IFRS S1 and S2 sustainability disclosures are reviewed by the Board prior to publication.

5. THE FEEDBACK LOOP — How Today's Outcomes Become Tomorrow's Inputs

The five reinforcing mechanisms through which value creation compounds across cycles

What distinguishes a truly integrated value creation model from a conventional input-output diagram is the presence of a deliberate, managed feedback loop — the mechanism by which the outcomes of one cycle of value creation are systematically channelled back into the capitals that power the next. At DBH, value is not consumed — it is compounded. This feedback loop operates through five reinforcing mechanisms, each mapped to the relevant material topics.



01

Reputational Compounding ■ M01, M02, M04

Each year of AAA-equivalent performance and each positive customer outcome reinforces DBH's brand equity — directly reducing cost of funds. The 30 basis-point reduction in cost of funds achieved in 2025 (from 10.89% to 10.60%) is a direct, quantifiable expression of this compounding trust. Financial Capital preserved this year becomes cheaper funding available next year.



02

Knowledge Accumulation ■ M02, M06, M07

Portfolio performance data from nearly three decades of lending continuously enriches our credit models (M02). The improvement in NPL ratio to 0.84% in 2025 from 0.97% in 2024 demonstrates how accumulated knowledge translates directly into superior risk discrimination. Each transaction cycle deepens the Intellectual Capital that drives the next. The CBS platform (M06) is the institutional memory that ensures this knowledge is accessible and auditable.



03

Stakeholder Capital Growth ■ M08, M11

Homeowning families become long-term depositors, ambassadors, and advocates (M08, M11). Individual deposits grew substantially expanding the Social Capital base that funds future growth. Each satisfied borrower is a future depositor; each satisfied depositor is a future referral source. This flywheel is the most powerful form of Social Capital return.



04

Climate Risk Discipline ■ M12, M13

DBH does not yet finance green housing — the certified green residential market in Bangladesh does not yet exist at meaningful scale. What DBH has built instead is the environmental risk infrastructure that will matter when it does. The EnvRR framework, embedded as a mandatory step in every credit appraisal, assessed 126 loan accounts across nine months of 2025 and recorded zero High Risk classifications — demonstrating that environmental due diligence is operational, not aspirational. The first full Scope 1, 2, and 3 GHG baseline published in 2025 establishes the measurement foundation from which portfolio-level climate exposure mapping will begin in 2026. Each year this infrastructure matures — each loan screened, each emission measured, each climate risk scenario modelled — strengthens the institution's capacity to price, manage, and eventually finance green housing at scale when Bangladesh's certification ecosystem, developer economics, and Bangladesh Bank's refinancing incentives align. The compounding logic holds even without current green volumes: climate risk discipline embedded in underwriting today progressively improves the long-term resilience of the portfolio, reducing future provisioning risk. Natural Capital stewardship today becomes lower credit risk tomorrow.

05

Human Capital Deepening ■ M09

Specialist expertise developed in each transaction cycle strengthens our Human Capital (M09), improving productivity, reducing credit losses, and enabling DBH to take on more complex financing challenges. Our 430+ professional cadre is the engine of this compounding institutional intelligence. Succession planning, and structured learning investment ensure this deepening is deliberate, measurable, and sustainable

Our Commitment

At DBH Finance PLC, we do not measure our success by the size of our balance sheet alone. We measure it by the number of families whose lives are more secure because we exist; by the resilience of our loan portfolio across economic cycles; by the integrity of our governance structures; and by the sustainability of the six capitals — financial, human, intellectual, social, manufactured, and natural — that will power our next decades of mission-driven growth.

The 2025 financial year, marked by industry-wide stress and the largest banking sector resolution in Bangladesh's history, reaffirmed that this multi-capital discipline is not an aspiration but a working model, compliant with the International Integrated Reporting Framework and our IFRS S1 and S2 sustainability disclosure commitments

This is our Value Creation Architecture. This is our commitment to Bangladesh.

HOW WE CREATE VALUE

Value creation at DBH Finance PLC is not a theory — it is the accumulated product of 30 years of doing one thing well: providing accessible, long-tenor housing finance to Bangladeshi families. The six mechanisms below describe how DBH creates value in practice.

01
SPECIALIZATION AS COMPETITIVE MOAT



DBH does not attempt to understand the housing-finance customer in the abstract — it has been exclusively serving that customer for 30 years. Every credit model, every product parameter, every branch-location decision, and every risk appetite threshold has been calibrated against nearly three decades of housing-specific lending data. That specialization produces outcomes no diversified competitor can easily replicate: a classified-loan ratio of 0.84% in a year when the industry average approached 20%, and a cost-to-income ratio of 30.5% against peers at 41–45%. The customer understanding is not the result of surveys — it is the accumulated institutional memory of 62,869 financing decisions.

NPL 2025:	Cost-to-Income:	Lending history:
0.84% vs ~40% industry	30.5% vs 41–45% peers	30 years, housing mainly

02
TWO-SEGMENT PRODUCT ARCHITECTURE



In 2025, DBH's product architecture evolved from a single-segment model into a deliberate dual-segment structure. The Conventional Financing Wing — 30 years of proven origination capability across 11 home-loan and 6 deposit products — continues to serve the mainstream market. The DBH Islamic Financing Wing, launched May 2023, adds a fully Shari'ah-compliant overlay serving customers whose faith requires asset-backed, interest-free financing. In its second full year, the Islamic Wing's HPSM portfolio grew 63% to BDT 436 Crore and Mudaraba deposits surged 84% to BDT 415 Crore — representing approximately 10% of the total home-loan book. The two segments share infrastructure but operate with segregated funds, accounting, and governance, each serving a distinct and previously underserved customer need.

HPSM portfolio:	Mudaraba deposits:	Islamic share of portfolio:
BDT 436 Crore (+63%)	BDT 415 Crore (+84%)	~10%

03
ACCESSIBLE FINANCE — NOT JUST AFFORDABLE



DBH's differentiation is not built on features, pricing, or brand advertising — it is built on reach. The institution's founding proposition was that home ownership should not be the privilege of the income-affluent, and that proposition sharpens rather than softens with age. The Affordable Housing Loan (AHL) programme — developed with IFC and backed by the USD 30 million IFC-subscribed Affordable Housing Bond — disbursed BDT 252 Crore in 2025 to middle- and lower-middle-income families for whom conventional home financing was out of reach. Geographic accessibility deepened through active AHL disbursement in Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, and Rangpur — cities where the housing-finance gap is most acute. The target of 25 branches by June 2027 is not a growth metric; it is a distribution-of-access commitment.

AHL disbursed 2025:	Tier-2/3 cities:	Branch target:
BDT 252 Crore (institution-wide)	6 cities actively served	25 by June 2027

04
CAPITAL DISCIPLINE AS VALUE ENGINE

Operational efficiency at DBH is not a cost-management exercise — it is the structural output of a single-product, specialist model that has refused to diversify simply because diversification was available. The cost-to-income ratio of 30.5% in 2025, achieved while simultaneously funding Islamic Wing expansion, digital transformation investment, and branch-level geographic growth, reflects this discipline. Capital efficiency is equally deliberate: the capital adequacy ratio of 30.73% — 3.07 times the regulatory minimum — is not excess caution but strategic optionality, providing the BDT 702 Crore surplus required to finance the next phase of growth without external dilution. A 15% cash dividend recommended for 2025 continues the near-unbroken tradition since 1999-2000, sustaining the shareholder trust that underpins the institution's AAA rating — now held for 20 consecutive years, unique in Bangladesh.

Cost-to-Income:	CAR:	AAA:
30.53%	30.73% (surplus BDT 702 Crore)	20th consecutive year

05
SUSTAINABILITY EMBEDDED, NOT APPENDED

The 2024 report expressed a hope that sustainability integration would enhance reputation. In 2025, DBH moves beyond hope to evidence. The first full Scope 1, 2, and 3 GHG baseline has been established — approximately 97.9% of measured emissions arise from the homes DBH finances, making portfolio-level intervention the primary decarbonisation lever. IFRS S1 and S2 aligned disclosures are published. The ESRM framework, mandatory at credit appraisal, assessed 126 loan accounts across nine months of 2025 with zero High Risk classifications — demonstrating that environmental governance is operational, not aspirational. DBH does not currently finance green housing because the certified residential market in Bangladesh does not yet exist at scale; it will not manufacture a claim ahead of market reality. What it has done is build the environmental risk infrastructure — EnvRR, ESRM, GHG measurement, IFRS alignment — that will matter when the market is ready.

EnvRR 2025:	GHG Scope 3:	Disclosure:
126 accounts rated; 0 High Risk in all 9 months	97.9% of total footprint (financed homes)	IFRS S1 & S2 aligned, published 2025

06
PEOPLE AND GOVERNANCE AS FOUNDATION

Sustainable financial performance is the outcome of institutional foundations, not the foundation itself. At DBH, those foundations are 431 professionals whose specialist knowledge has been accumulated over careers, not months; a Board that met 8 times in 2025 and whose committees — Audit, Executive, Risk Management, and Shari'ah Supervisory — met regularly throughout the year; and a governance framework that earned the ICSB Award for Excellence in Corporate Governance, ICMAB award for Good Corporate and SAFA BPA Awards. The gratuity fund, independently actuarially valued in 2025, returned a surplus of BDT 2.77 Crore — confirming the institution's ability to honour its obligations to its people. Against this foundation, the financial outcomes in 2025 — PAT BDT 95.16 Crore, EPS BDT 4.69, 15% cash dividend — are not the purpose of the institution. They are the proof that the foundation is working.

Employees:	PAT 2025:	Governance:
431	BDT 95.16 Crore; EPS BDT 4.69	ICSB Award; ICMAB Best Corporate Silver Award, SAFA BPA Merit Award, 20th AAA year

DETERMINATION OF MATERIALITY

In a rapidly shifting financial landscape, DBH Finance PLC employs a Double Materiality lens to identify the issues most significant to our ability to create long-term value. Our approach is aligned with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, under which we prepare our sustainability disclosures, and is consistent with the principles of the International Integrated Reporting Framework. The process of determining material topics specifically follows the requirements of GRI 3: Material Topics 2021, ensuring our materiality determination is transparent, replicable, and aligned with internationally recognised best practice. This ensures our Integrated Report is not only transparent regarding financial risks and opportunities, but also accountable for our societal and environmental footprint — going well beyond the boundaries of conventional financial disclosure.

Determining materiality is no longer a compliance exercise alone. It is a strategic discipline that shapes the narrative of our value creation story, anchors stakeholder trust, and guides the allocation of management attention toward the issues that matter most. In 2025, DBH identified 14 material topics through this process, each mapped to the relevant capital, IFRS sustainability disclosure, GRI Standard, and UN Sustainable Development Goal.

Understanding the Two Materiality Lenses

← Outside-In ← *How the world affects DBH Finance PLC*	→ Inside-Out → *How DBH Finance PLC affects the world*
Financial Materiality	**Impact Materiality**
Sustainability-related risks and opportunities — from climate volatility to regulatory shifts — that could affect our credit quality, capital adequacy, liquidity position, and long-term financial performance. Example: physical climate risk to mortgaged properties in flood-prone districts.	The positive and negative impacts our lending decisions, products, and operations have on people, communities, and the environment. Example: the developmental impact of our affordable housing finance on lower-income households.

Our Four-Step Assessment Process

DBH identifies and validates material topics through a rigorous, iterative process structured around four sequential steps. Each step draws from both internal data and external dialogue, ensuring our findings reflect a holistic picture of risk, opportunity, and impact.

01	02	03	04
Universe Identification	**Stakeholder Validation**	**Board Prioritisation**	**Annual Refresh**
We compile an initial list of potential material topics through peer benchmarking, IFRS S1/S2 guidance, the GRI 3 material topic universe, regulatory horizon scanning, and review of issues raised in stakeholder interactions during the year.	Topics are tested through structured engagement with shareholders, borrowers, depositors, employees, regulators, community partners, and suppliers. Each group ranks topics by importance.	Aggregated stakeholder input is overlaid with management's financial materiality assessment. The combined output is reviewed and ratified by the Board's Risk and Sustainability oversight.	Material topics are reviewed annually to reflect changes in business strategy, regulatory environment, and stakeholder expectations. Significant changes are disclosed in subsequent reports.

Prioritising Our Strategic Focus: The DBH Double Materiality Matrix

The outputs of our four-step assessment are plotted on the DBH Double Materiality Matrix, a proprietary framework that maps the 14 identified topics by their significance on both the financial (Outside-In) and societal (Inside-Out) dimensions. This produces a prioritised view of strategic focus across three clearly defined tiers.

Financial Impact (Outside-In) ↑

Very High			**M03 Capital & Liquidity** **M04 Regulatory Compliance**	**M01 Asset Quality** **M02 Credit Risk Gov.**
High	**M05 Shareholder Rights**	**M06 Digital Transformation** **M07 Cybersecurity**	**M08 Customer Experience**	**M11 Affordable Finance**
Medium		**M09 Human Capital**	**M12 Green Banking**	**M13 Climate & Env. Risk**
Lower		**M10 Supplier Governance**		**M14 CSR**
	Lower	**Medium**	**High**	**Very High**

Societal Impact (Inside-Out) →

TIER 1

- **Strategic Foundations**

High Financial & High Societal Impact. These form the backbone of our MDA and strategic focus areas — central to how we create and sustain long-term value.

TIER 2

- **Resilience Enablers**

Predominantly Financial Impact. Critical for operational continuity, capital strength, and data protection — ensuring our financial infrastructure remains robust in an evolving landscape.

TIER 3

- **Citizenship Commitments**

Predominantly Societal Impact. Initiatives that anchor our long-term environmental sustainability and stakeholder trust, driving positive impact beyond our balance sheet.

Key Material Factors of DBH Finance PLC

The 14 material factors below represent the issues that DBH Finance PLC has determined to be most significant — both in terms of their influence on our financial performance and resilience, and the impact our operations have on the people, communities, and environment in which we operate. Each factor has been assessed for scope, scale, and likelihood, and is subject to ongoing monitoring and Board-level oversight.

Financial & Governance Materiality

M01 Asset Quality Management: The quality of our mortgage and housing loan portfolio remains the primary driver of financial health. We monitor NPL ratios, collateral adequacy, and borrower-level credit risk on a continuous basis, with escalation protocols embedded in our Credit Risk Policy.

M02 Credit Risk Governance: Our three-lines-of-defence model ensures that credit underwriting, monitoring, and remediation are systematically governed. Climate-adjusted credit risk scenarios — including flood risk modelling for mortgaged properties — are integrated into our stress-testing framework in line with IFRS S2.

M03 Capital & Liquidity Adequacy: Maintaining capital buffers above regulatory minima and sustaining liquidity coverage ratios ensures DBH Finance PLC remains resilient to market shocks, depositor demands, and macro-level credit tightening.

M04 Regulatory Compliance & Reporting Integrity: Full adherence to Bangladesh Bank guidelines, BSEC disclosure requirements, and lender covenants under our funding agreements is non-negotiable. Our compliance function operates independently and reports directly to the Board Audit Committee.

M05 Shareholder Rights & Returns: Upholding shareholder rights through transparent disclosure, consistent dividend stewardship, and protection of long-term value creation remains central to our governance philosophy. Our Investor Relations function ensures equal access to material information for all shareholders.

Operational & Technological Materiality

M06 Digital Transformation: The shift to digital lending, e-KYC, and online customer onboarding is accelerating. DBH Finance PLC continues to invest in core banking modernisation and API-enabled service delivery to remain competitive and reduce operational risk.

M07 Cybersecurity Resilience: As our digital footprint expands, so does our exposure to cyber threats. We maintain a dedicated information security function, conduct annual penetration testing, and adhere to the Bangladesh Bank ICT Security Guidelines.

M08 Customer Experience & Service Quality: Customer trust is the foundation of our franchise. We measure service quality through complaint resolution turnaround, and relationship retention metrics, with results reviewed regularly at management level.

M09 Human Capital Development: Our people are the foundation of service quality. We invest in continuous learning, fair compensation benchmarking, succession planning, and women-in-leadership development to retain talent and build institutional capability.

M10 Supplier & Partner Governance: Our third-party ecosystem — technology vendors, valuation partners, legal counsel, and outsourced service providers — is governed through standardised onboarding, data security expectations, and periodic performance reviews to safeguard operational continuity and customer data.

Societal & Environmental Materiality

M11 Affordable Finance Expansion: Access to affordable housing finance for low-to-middle income households remains our core social mandate and primary driver of impact materiality. We actively monitor the affordability ratio of our disbursements against household income data and continue to scale our Amar Ghor and Amar Bari product range.

M12 Green Banking Activities: We are prepared for green banking activities when right opportunity comes in specially in green housing projects.

M13 Climate & Environmental Risk: The physical and transition risks of climate change — particularly flooding and heat-related disruption in Bangladesh — create both credit risk and humanitarian impact. In line with IFRS S2 and TCFD principles, we are integrating climate scenario analysis into our risk framework, with portfolio-level exposure mapping commencing in 2026.

M14 Corporate Social Responsibility: Our CSR programme is structured around education, healthcare, disaster relief, and community infrastructure — aligned with our Inside-Out materiality commitments and selected UN Sustainable Development Goals.

Topic-to-Capital, IFRS, GRI & SDG Mapping

Each of the 14 material topics has been mapped to the relevant capital under our integrated value creation model, the corresponding IFRS Sustainability Disclosure Standard, the most directly relevant UN Sustainable Development Goal, and the section of this Integrated Report where the topic is discussed in greater depth.

#	Material Topic	Capital Affected	IFRS S1/S2	SDG	GRI Standard	Discussed In
M01	**Asset Quality Management**	Financial	IFRS S1	SDG 8	GRI 201	Risk Management
M02	**Credit Risk Governance**	Financial ▪ Intellectual	IFRS S1, S2	SDG 8, 13	GRI 201, 305	Risk Management
M03	**Capital & Liquidity Adequacy**	Financial	IFRS S1	SDG 8	GRI 201	Financial Capital
M04	**Regulatory Compliance & Reporting Integrity**	Intellectual	IFRS S1	SDG 16	GRI 2-26	Corporate Governance
M05	**Shareholder Rights & Returns**	Financial ▪ Social & Relationship	IFRS S1	SDG 16	GRI 2-9	Corporate Governance
M06	**Digital Transformation**	Intellectual ▪ Manufactured	IFRS S1	SDG 9	GRI 2-6	Intellectual Capital
M07	**Cybersecurity Resilience**	Intellectual	IFRS S1	SDG 9, 16	GRI 2-23	Intellectual Capital
M08	**Customer Experience & Service Quality**	Social & Relationship	IFRS S1	SDG 8, 10	GRI 2-29	Social & Relationship Capital
M09	**Human Capital Development**	Human	IFRS S1	SDG 5, 8	GRI 401, 404, 405	Human Capital
M10	**Supplier & Partner Governance**	Social & Relationship	IFRS S1	SDG 8, 12	GRI 2-6	Social & Relationship Capital
M11	**Affordable Finance Expansion**	Social & Relationship ▪ Financial	IFRS S1	SDG 1, 10, 11	GRI 203, 413	Social & Relationship Capital
M12	**Green Banking Activities**	Natural ▪ Financial	IFRS S2	SDG 11, 13	GRI 302, 305	Natural Capital
M13	**Climate & Environmental Risk**	Natural	IFRS S2	SDG 13, 11	GRI 305	Risk Management
M14	**Corporate Social Responsibility**	Social & Relationship	IFRS S1	SDG 1, 3, 4, 13	GRI 413	Social & Relationship Capital

Compliance, Maintenance and Strategic Alignment

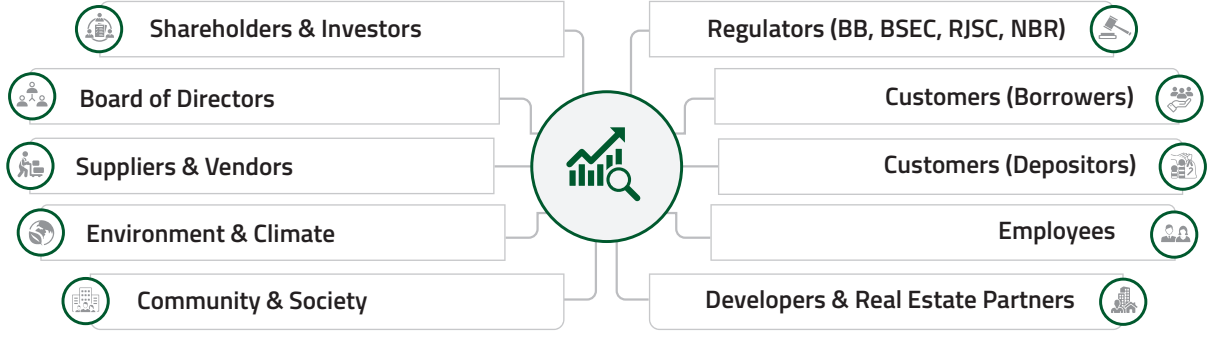
The findings of our Double Materiality Assessment inform the structure of this Integrated Report and are embedded throughout our Management Discussion & Analysis (MDA), Risk Governance disclosures, the Six Capitals chapters, and the Sustainability Reporting section. All material topics are reviewed annually and validated against the evolving expectations of our stakeholders and regulators, and the Board's Risk and Sustainability oversight reviews any changes prior to publication.

STAKEHOLDERS ANALYSIS

Effective stakeholder engagement is not a compliance exercise at DBH Finance PLC — it is the primary mechanism through which we understand the needs, concerns, and expectations of the people and institutions whose interests intersect with ours, and through which we hold ourselves accountable. In 2025, we deepened our engagement framework in two material ways: first, by adopting a formal Double Materiality methodology to determine which issues are most relevant to our integrated report; and second, by transitioning our stakeholder reporting from a descriptive format to a structured engagement table that records mode, frequency, concerns raised in 2025, and DBH's specific responses.

Our Stakeholder Universe

DBH identifies ten categories of stakeholders whose interests, actions, or decisions materially affect — or are materially affected by — the institution's activities. These are grouped by their nature of relationship and their level of influence over, and dependence on, DBH's business.



Double Materiality Methodology

In 2025, DBH Finance adopted a formal Double Materiality approach to identify the topics most relevant to this integrated report. This methodology — aligned with IFRS S1— evaluates each candidate topic against two distinct lenses.

Financial Materiality

The extent to which an ESG factor may affect DBH's financial performance, risk profile, capital position, or long-term value. Example: climate-related physical risk to mortgaged properties in flood-prone zones — a direct credit risk exposure.

Impact Materiality

The extent to which DBH's activities and financing decisions affect people, communities, or the environment. Example: the developmental impact of the Affordable Housing Loan programme on lower-income households — 62,869 families served since inception.

Our Four-Step Materiality Process

Step 01

Universe Identification

An expanded list of potential material topics compiled through industry benchmarking, GRI sector standards, IFRS S1/S2 guidance, regulatory horizon scanning, and review of stakeholder interactions during the year.

Step 02

Stakeholder Validation

Topics tested through a structured engagement process: shareholder meetings, customer surveys, employee town halls, regulator dialogues, and community partner consultations — each stakeholder group ranking topics by importance.

Step 03

Board Prioritisation

Aggregated stakeholder input overlaid with management's financial-materiality assessment. The combined score reviewed and ratified by the Board's Risk Management Committee.

Step 04

Annual Refresh

Material topics reviewed annually to reflect changes in business strategy, regulatory environment, and stakeholder expectations. Significant changes disclosed in the following year's report.

STAKEHOLDER IMPORTANCE —INFLUENCE & ENGAGEMENT FREQUENCY

Each stakeholder group is assessed across two axes — their influence on DBH's business outcomes, and DBH's influence on their interests and wellbeing — together with the frequency with which DBH engaged them during 2025.

Stakeholder Group	Why They Matter to DBH	Influence on DBH	DBH's Influence on Them	Engagement Frequency
Shareholders & Investors	Having invested capital, shareholders require continuous information on DBH's performance and strategic direction. The Board is accountable to shareholders for capital allocation, dividend policy, and long-term value creation. In 2025, total equity rose to BDT 1,005 Crore and a 15% cash dividend was recommended.	High	High	Annual/ Quarterly
Regulators (BB, BSEC, RJSC)	As a listed Non-Bank Financial Institution accepting public deposits, DBH operates under the oversight of Bangladesh Bank, the Bangladesh Securities and Exchange Commission, and the Registrar of Joint Stock Companies. Regulatory compliance, capital adequacy, and consumer-protection standards are non-negotiable. DBH maintained 100% regulatory compliance in 2025 and proactively engaged regulators on IFRS S1/S2 adoption.	High	High	Ongoing/ Continuous
Customers (Borrowers)	Home-loan customers are the primary source of DBH's business. Their repayment behaviour, satisfaction, and loyalty directly determine portfolio quality and growth. In 2025, DBH financed 3,165 families (62,869 cumulative), disbursed BDT 1,162 Crore, and continued expanding its affordable-housing product range with IFC support.	High	High	Continuous
Customers (Depositors)	Depositors are the cornerstone of DBH's funding model. The total deposit base stood at BDT 4,674 Crore at year-end 2025, of which core retail deposits were BDT 4,634 Crore. Retaining depositor confidence in a high-rate, volatile environment is a strategic priority — demonstrated by the institution's AAA credit rating for the 20th consecutive year.	High	High	Continuous
Employees	DBH's 431-strong team is the primary vehicle for every customer interaction, credit decision, and service delivery. The Board considers people the single most important capital deployed. Employee development, gender inclusion, and retention underpin sustainable performance.	High	High	Continuous/ Annual
Board of Directors	The Board provides strategic oversight, risk governance, and ESG accountability — the architecture on which every other claim the institution makes ultimately rests. In 2025 the Board met 8 times and its Audit, Executive, Risk, and Shari'ah Supervisory Committees met regularly throughout the year.	High	High	Regular (8× in 2025)
Developers & Real Estate Partners	Property developers are the primary origination channel for DBH's home-loan business. They connect DBH to prospective buyers at the point of purchase. As DBH expands into Tier-2 and Tier-3 cities, building new developer partnerships in those markets is a key distribution priority.	High	High	Ongoing
Community & Society	DBH's mission — accessible, dignified home ownership for Bangladeshi families — is fundamentally a social proposition. CSR activities (education, healthcare, climate resilience, financial literacy) are guided by a Bangladesh-Bank-aligned policy of ~0.5% of after-tax profit across four SDG-linked pillars.	Medium	High	Ongoing/ Programme-based
Environment & Climate	Approximately 97.9% of DBH's measured GHG emissions are Scope 3 — arising from the homes it finances. The Board has accepted direct accountability for climate risk governance. DBH completed its first full Scope 1/2/3 GHG baseline in 2025 and published IFRS S1 & S2 aligned disclosures.	Medium	High	Continuous
Suppliers & Vendors	Technology vendors, stationery and office-supply providers, and professional-services firms support DBH's operational infrastructure. As DBH's digital investment programme accelerates in 2026, technology-vendor governance becomes increasingly material.	Medium	Medium	Ongoing/ Annual

STAKEHOLDER ENGAGEMENT — 2025 STRUCTURED RECORD

The table below records, for each stakeholder group, how DBH engaged them in 2025, how often, what concerns they raised, and what specific actions DBH took in response.

Stakeholder Group	Mode of Engagement	Frequency	Concerns Raised in 2025	DBH's Response
Shareholders & Investors	Annual General Meeting (30th AGM to be held June 2026); quarterly financial disclosures; stock-exchange announcements; annual integrated report; dedicated investor communication channel; board letters accompanying results	**Annual AGM /Quarterly/ Continuous**	1. Earnings decline in a high-rate environment (PAT BDT 95 Crore vs BDT 101 Crore in 2024) 2. Dividend sustainability and EVA recovery 3. Growth outlook and strategy for Islamic wing and affordable housing 4. Capital allocation priorities given strong CAR of 30.73%	1. Board recommended 15% cash dividend (BDT 1.50/share) — maintaining near-unbroken tradition since 1999-2000 2. MD&A in this report provides transparent candid account of margin compression and recovery path 3. Six explicit strategic priorities disclosed with measurable 2026 targets 4. Capital surplus of BDT 702 Crore provides headroom; redeployment plan communicated
Regulators (BB, BSEC, RJSC)	Bangladesh Bank supervisory submissions and on-site inspections; BSEC-mandated disclosures and stock exchange filings; RJSC statutory filings; industry forums and advisory committees; proactive DFIM Circular compliance reporting	**Ongoing / Continuous**	1. Capital adequacy and balance-sheet resilience in a stressed financial-sector environment 2. Compliance with DFIM Circular on willful-defaulter identification and ESRM 3. Adoption of IFRS S1/ S2 and climate-risk disclosure standards 4. Consumer protection and transparency in deposit-taking	1. CAR maintained at 30.73% — 3.1× the regulatory minimum; zero regulatory breaches 2. Dedicated willful-defaulter identification unit under CRO oversight since April 2024 — fully compliant with DFIM Circular No. 4 of 2024 3. Published most detailed IFRS S1/S2 aligned Sustainability Disclosure in DBH's history; Scope 1/2/3 GHG baseline established 4. AAA credit rating maintained; transparent fee and product disclosure sustained
Customers (Borrowers)	Branch interactions across all locations; digital service channels; loan-processing updates; complaint resolution process; affordable-housing outreach events in Tier-2/3 cities	**Continuous**	1. EMI affordability during an extended high-interest-rate period 2. Faster loan processing and digital access 3. Availability of Shari'ah-compliant home financing 4. Expansion of affordable-housing products into Tier-2 and Tier-3 cities	1. Active customer engagement and disciplined re-pricing management; EMI flexibility assessed on a case-by-case basis 2. i-CBS fully operational for Islamic customers end-to-end; digital onboarding improvements delivered in 2025 3. DBH Islamic Financing Wing reached BDT 436 Crore HPSM portfolio — fully Shari'ah-compliant 4. AHL disbursed BDT 225 Crore (conventional) + BDT 27.5 Crore (Islamic) = BDT 252 Crore institution-wide; active in Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, Rangpur
Customers (Depositors)	Branch network and deposit relationship managers; call centre support; deposit account statements and digital access; retention surveys; personalised financial advice; Mudaraba deposit programme for Islamic customers	**Continuous**	1. Competitive deposit rates in a high-rate environment 2. Security of funds given sector-wide stress and bank mergers 3. Flexibility of deposit tenors and withdrawal options 4. Availability of Shari'ah-compliant (Mudaraba) deposit products	1. DBH's AAA credit rating — retained for 20th consecutive year — provides the strongest available signal of safety 2. Statutory liquidity maintained at BDT 1,926 Crore against a requirement of BDT 246 Crore — a 7.8× coverage 3. Core retail deposits grew to BDT 4,634 Crore; institutional and bank deposit reliance deliberately reduced 4. Mudaraba deposits surged 84% to BDT 415 Crore, validating the appeal of the Islamic deposit programme

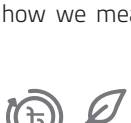
Stakeholder Group	Mode of Engagement	Frequency	Concerns Raised in 2025	DBH's Response
Employees	Annual employee engagement surveys; senior management town halls; structured performance reviews; internal communication platform; training and development programmes; grievance resolution channel; leadership and women-in-leadership initiatives	**Annual survey / Quarterly reviews / Continuous**	1. Career development and learning opportunities — particularly for staff supporting Islamic and affordable-housing expansion 2. Work-life balance and manageable workloads during a period of institutional growth 3. Gender inclusion and female progression in senior roles 4. Job security and institutional stability during sectoral turbulence	1. 431 employees at year-end 2025 (healthy increase); continued investment in structured training; Islamic-banking talent programme for Wing staff 2. DBH's sound capital position and conservative management culture provide employment stability; communicated transparently 3. Gender inclusion and women-in-leadership explicitly named as 2026 Board-level priority 4. Funded gratuity, contributory PF, hospitalisation cover, and defined-benefit gratuity scheme confirmed following independent actuarial review; BDT 2.77 Crore surplus
Board of Directors	Full Board meetings (8 held in 2025); Audit Committee; Executive Committee; Risk Management Committee; Shari'ah Supervisory Committee; NRC and other Board committees; strategy planning sessions	**8 full Board meetings in 2025 / Committee meetings throughout the year**	1. Asset quality and credit risk in a high-NPL sectoral environment 2. Capital sufficiency and dividend sustainability 3. ESG, climate, and sustainability governance accountability 4. Digital transformation readiness and cybersecurity risk	1. Classified-loan ratio improved to 0.84% (one of the lowest in the sector); provisioning materially increased 2. CAR at 30.73%; 15% dividend recommended; Board committed to patient compounding not cyclical opportunism 3. Board accepted ultimate accountability for climate risks; Risk Management Committee as primary oversight body; IFRS S1/S2 disclosure published 4. Board approved 2026 technology capex plan; dedicated cyber-resilience investment approved
Developers & Real Estate Partners	Developer conference events and networking forums; partnership review meetings; joint disbursement processes; project-level credit discussions; affordable-housing programme workshops; Tier-2/3 market development outreach	**Ongoing / Event-based**	1. Timely loan processing and disbursement to support project cash flows 2. DBH's expansion into Tier-2 and Tier-3 markets where developer partnerships need to be built 3. Affordable-housing pricing and product parameters for lower-income segments 4. Communication and collaboration channels for project-specific queries	1. Credit-underwriting and disbursement turnaround improvements underway; digital processing being accelerated for 2026 2. Active presence in Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, Rangpur in 2025; 25-branch rollout to further deepen developer networks 3. AHL product parameters (IFC-supported) designed in consultation with developers serving affordable segments 4. Dedicated relationship management maintained for key developer partnerships
Community & Society	CSR programme partnerships (education, health, climate, inclusion); financial-literacy outreach sessions; beneficiary feedback from programme partners (e.g., Sajida Foundation, Sports for Hope); community development project interactions	**Ongoing / Programme cycle**	1. Access to home financing for underserved lower- and middle-income families 2. Climate resilience support for vulnerable communities 3. Education access and school dropout prevention in underserved areas 4. Corporate engagement with human rights and social equity principles	1. BDT 252 Crore AHL disbursed institution-wide in 2025; IFC partnership supports continued scale-up in 2026 2. BDT 11.81 lac solar-powered irrigation climate-resilience project in Pratapnagar Union (Satkhira) benefitting 100 climate-vulnerable families (Sajida Foundation) 3. 'Highway of Hope' project with Sports for Hope & Independence in Sreemangal tea-garden community — integrating education, sport, and income generation to reduce school dropout 4. Human rights principles embedded in lending policy; financial-literacy sessions delivered to underprivileged communities

Stakeholder Group	Mode of Engagement	Frequency	Concerns Raised in 2025	DBH's Response
Environment & Climate	ESRM screening in credit appraisal; Sustainable Finance Unit oversight; IFRS S1/S2 disclosure process; annual GHG measurement (Scope 1, 2 & 3); Board Risk Management Committee oversight; IFC green-finance partnership	**Continuous / Annual reporting cycle**	1. DBH's financed emissions from its mortgage portfolio (97.9% of total measured emissions) 2. Climate physical risk — flood-zone exposure of collateral properties in Dhaka and coastal areas 3. Transition risk — regulatory and market changes affecting energy-inefficient properties 4. Alignment of lending policy with sustainable-building standards	1. First full Scope 1/2/3 GHG baseline established 2025; PCAF methodology applied; portfolio-level climate exposure mapping planned for 2026 2. ESRM environmental risk rating applied in credit appraisal for all new projects; climate-risk integration into ICAAP commenced 3. Sector-level climate scenario analysis begun (orderly, disorderly, hot-house scenarios per IFRS S2) 4. Green-building criteria and energy-efficient financing product development underway with IFC partnership support
Suppliers & Vendors	Vendor governance framework; procurement process and contract management; technology-vendor performance reviews; data-security and compliance assessments; supplier relationship management platform	**Ongoing / Annual contract review**	1. Payment terms clarity and adherence to schedule 2. Data security expectations as DBH accelerates digital investment 3. Long-term partnership and volume predictability as branch network grows 4. Clarity of scope and deliverables for technology and professional-services engagements	1. Payment terms standardised and strictly followed; no material disputes in 2025 2. Data-sharing protocols and cybersecurity requirements incorporated into vendor agreements; cyber-resilience investment approved for 2026 3. Branch rollout to 25 by June 2027 creates increased long-term demand from office-supply and IT vendors; partners informed 4. Vendor governance framework strengthened; scope documentation improved for technology engagements

STRATEGIC INDICATORS FOR SUSTAINABILITY

Measurable commitments across four pillars — updated with 2025 actuals, 2026 targets, and 2030 ambitions

At DBH Finance PLC, sustainability is not a separate agenda — it is embedded in how we finance homes, how we govern the institution, how we engage our people, and how we measure progress. The framework below organises DBH's strategic sustainability commitments into four mutually reinforcing pillars, each with explicit 2025 actuals, 2026 targets, and 2030 ambitions. This structured approach moves beyond the descriptive indicators of earlier reports and provides the measurable, accountable sustainability architecture that modern integrated reporting demands.



01 Financial Sustainability

Capital strength that endures beyond the cycle

Capital: Financial Capital
Capital Adequacy Ratio: 30.73%
→ ≥30% (2026) [SDG 8]
Classified Loan Ratio: 0.84%
→ ≤1.0% (2026) [SDG 8]
AAA Credit Rating: 20th consecutive year
→ Maintain AAA [SDG 17]
Cash Dividend: 15% (BDT 1.50/share)
→ ≥15% sustained [SDG 8]
Net Profit After Tax: BDT 95 Crore
→ EVA+ by 2026 [SDG 8]
Total Home-Loan Portfolio: BDT 4,543 Crore
→ +15% (2026) [SDG 11]

2026 ACTION
Restore positive EVA through NIM recovery as interest rates normalise; grow non-interest income; maintain capital surplus of BDT 702 Crore as strategic buffer for growth.



02 Environmental Stewardship

Financed emissions are the lever — and we are pulling it

Capital: Natural Capital
Scope 1 (Direct): Baseline established 2025
→ Reduce intensity annually [SDG 13]
Scope 2 (Purchased electricity): -2.9% YoY
→ LED + efficiency measures [SDG 7]
Scope 3 (Financed emissions): 97.9% of total footprint
→ Portfolio mapping 2026 [SDG 13]
Flat-purchase share of Scope 3: ~86.7%
→ Green criteria in lending [SDG 11]
ESRM in credit appraisal: All new projects screened
→ Climate scoring by 2027 [SDG 13]
IFRS S1 & S2 Disclosure: Published 2025 → Full scope by 2027 [SDG 13]

2026 ACTION
Portfolio-level climate exposure mapping in 2026; property-level adaptation scoring by 2027; progressive IFRS S1/S2 alignment; green-building criteria in lending policy; IFC green-finance partnership expansion.



03 Social Impact & Inclusive Finance

Home ownership is dignity — and 62,869 families prove it

Capital: Social & Relationship Capital
Families financed (2025): 3,165
→ ~3,500+ (2026) [SDG 11]
Cumulative families since 1996: 62,869
→ 65,000+ (2026) [SDG 1]
AHL disbursement (institution-wide): BDT 252 Crore
→ +20% (2026) [SDG 1, 11]
Islamic financing (HPSM): BDT 436 Crore (+63%)
→ BDT 600 Crore [SDG 10]
Mudaraba deposits: BDT 415 Crore (+84%)
→ BDT 600 Crore [SDG 10]
CSR spend (est.): ~0.5% of after-tax profit
→ Maintain + SDG mapping [SDG 1,3,4,13]

2026 ACTION
Scale AHL +20% in 2026; deepen Tier-2/3 city presence; 25 branches by June 2027; publish SDG-linked CSR impact table with quantified beneficiary metrics; financial literacy sessions for underprivileged communities.



04 Governance, People & Ethics

Accountability is not a box to tick — it is a culture to build

Capital: Human Capital / Intellectual Capital
Board meetings held: 8 in 2025
→ 4 + committee cadence [SDG 16]
Regulatory compliance: 100% maintained
→ Zero breaches [SDG 16]
ICSB Corporate Gov. Award Award 2024
→ Maintain recognition [SDG 16]
Employees: 431 (year-end 2025) → Branch-level hiring 2026 [SDG 8]
Gratuity fund surplus: BDT 2.77 Crore
→ Actuarially sound annually [SDG 8]
Gender inclusion target: Programme launched
→ 30% women in senior mgmt by 2027 [SDG 5]

2026 ACTION
Board skills matrix and effectiveness evaluation; succession planning for critical roles; strengthen Islamic governance under Shari'ah Supervisory Committee; zero-tolerance AML/fraud culture; DFIM willful-defaulter unit under CRO.

Sustainability Scorecard — 2025 Actuals, 2026 Targets & 2030 Ambitions

Each indicator is tracked annually. Status legend: ✓ Achieved = met or exceeded target | ↗ In Progress = on track, not yet met | ◎ Initiated = framework in place, measurement in progress | ■ 2026 Start = committed for 2026

Pillar	KPI / Indicator	2024	2025 Actual	Status	2026 Target	2030 Ambition
Financial Sustainability	Capital Adequacy Ratio	30.46%	30.73%	✓ Achieved	≥ 30%	≥ 20% (Basel III)
	Classified Loan Ratio	0.97%	0.84%	✓ Achieved	≤ 1.0%	≤ 1.0%
	AAA Credit Rating	20 yrs	20th yr	✓ Achieved	Maintain	Maintain
	Cash Dividend per share	BDT 1.50	BDT 1.50	✓ Achieved	Maintain	Maintain
	Total home-loan portfolio	BDT 4,375 Cr	BDT 4,543 Cr	✓ Achieved	BDT 4,800+ Cr	BDT 6,000+ Cr
	EVA	–BDT 19.7 Cr	-BDT 12.13 Cr	↗ In Progress	Positive EVA	Positive EVA
Environmental Stewardship	GHG Scope 1 & 2 Baseline	Not published	Established	✓ Achieved	Reduce intensity	–25% by 2030
	GHG Scope 3 (financed)	Not published	Baseline est.	✓ Achieved	Portfolio mapping	Decarbonisation path
	Scope 2 YoY change	—	–2.9%	✓ Achieved	–5% annually	–25% by 2030
	IFRS S1 & S2 Disclosure	Limited	Published	✓ Achieved	Expanded scope	Full scope 2027
	ESRM in all new projects	Yes	Yes	✓ Achieved	+ Climate scoring	Portfolio-level 2026
	Climate Scenario Analysis	Not done	Initiated	◎ Initiated	Qualitative 3-scenario	Quantitative by 2027
Social Impact	Families financed (annual)	~3,000	3,165	✓ Achieved	~3,500+	~4,000+
	AHL disbursement	~BDT 200 Cr	BDT 252 Cr	✓ Achieved	BDT 300+ Cr	BDT 400+ Cr
	DBH Islamic HPSM portfolio	BDT 267 Cr	BDT 436 Cr	✓ Achieved	BDT 600 Cr	BDT 1,000 Cr
	Mudaraba deposits	BDT 226 Cr	BDT 415 Cr	✓ Achieved	BDT 600 Cr	BDT 1,200 Cr
	CSR spend alignment	~0.5% PAT	~0.5% PAT	✓ Achieved	SDG-mapped table	Standalone report
	Tier-2/3 city active presence	5 cities	6 cities	✓ Achieved	8+ cities	National coverage
Governance People & Ethics	Board meetings held	8	8	✓ Achieved	6+	6+
	Regulatory compliance	100%	100%	✓ Achieved	100%	100%
	Employees (year-end)	~380	431	✓ Achieved	~450+	~500+
	Women in senior management	Baseline	Programme launched	◎ Initiated	10%	15% by 2027
	Gratuity fund status	Adequate	Surplus BDT 2.77 Cr	✓ Achieved	Actuarially sound	Actuarially sound

GHG Emissions Profile 2025 — Scope 1, 2 & 3 Breakdown

Scope 1 — Direct Emissions
Baseline established 2025

Share of total: ~0.1% of total
Fuel consumption, refrigerants, and owned-vehicle emissions from DBH's operational facilities. First measurement completed in 2025 establishing a credible institutional baseline for annual tracking and reduction planning.

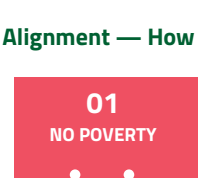
Scope 2 — Purchased Electricity
–2.9% year-on-year

Share of total: ~2.0% of total
Indirect emissions from electricity purchased for DBH's offices and branches. Despite higher absolute electricity consumption driven by business growth, Scope 2 emissions declined 2.9% year-on-year — reflecting efficiency measures and methodological refinements.

Scope 3 — Financed Emissions
97.9% of total footprint

Share of total: ~97.9% of total
Emissions from the homes and properties DBH finances (PCAF methodology). Flat-purchase financing accounts for ~86.7% of Scope 3 alone. This is the primary decarbonisation lever: portfolio-level climate mapping (2026), green-building criteria in lending policy, and energy-efficient product development with IFC.

SDG Alignment — How DBH's Core Activities Map to the UN Sustainable Development Goals



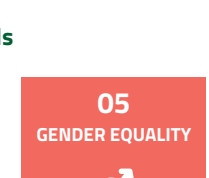
SDG 1
No Poverty
AHL: BDT 252 Cr to lower/ middle-income families



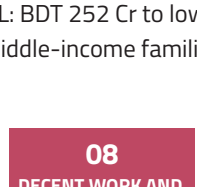
SDG 3
Good Health
CSR: Healthcare & midwifery education support



SDG 4
Quality Education
CSR: Scholarships; financial literacy; Highway of Hope



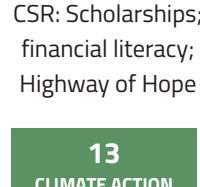
SDG 5
Gender Equality
Women-in-leadership programme; 30% target by 2027



SDG 8
Decent Work & Growth
431 staff; 15% dividend; EVA recovery; economic value



SDG 11
Sustainable Cities
62,869 homes financed; Tier-2/3 expansion; 25 branches



SDG 13
Climate Action
IFRS S1&S2; GHG 3-scope baseline; PCAF; ESRM lending

BUSINESS ENVIRONMENT ANALYSIS

SWOT Analysis — 2025

Strengths and weaknesses reflect DBH's actual 2025 operating results; opportunities and threats reflect current Bangladesh macroeconomic, regulatory and competitive conditions.

S STRENGTHS

- **Sole specialist:** Bangladesh's big Finance Company exclusively focused on housing finance — 30 years of undivided expertise, credit models, and institutional knowledge
- **Unmatched asset quality:** NPL ratio 0.84% in 2025, approximately 47x better than the sector average of ~40%; sustained since inception
- **Capital fortress:** CAR 30.73% (3.07x the regulatory minimum); total eligible capital BDT 1,041 Crore; surplus BDT 702 Crore
- **20x AAA:** Only financial institution in Bangladesh to hold AAA for 20 consecutive years — bank or NBFI
- **Islamic Wing momentum:** HPSM +63% to BDT 436 Crore; Mudaraba +84% to BDT 415 Crore in just its second full year
- **IFC partnership:** USD 30M Affordable Housing Bond — international validation by the world's premier development finance institution
- **Cost efficiency:** C/I ratio 30.53% vs sector average of 41-45% — structural advantage of a lean, single-product model

W WEAKNESSES

- **Single product dependency:** Exclusive home-loan focus limits revenue diversification; non-interest income remains modest
- **NIM under pressure:** Net interest margin compressed by high-rate funding environment; NII declined 15.2% in 2025; EVA negative
- **Geographic concentration:** Portfolio still heavily weighted toward Dhaka; Tier-2/3 expansion underway but not yet at scale
- **Funding cost disadvantage:** NBFIs cannot access CASA deposits — DBH's cost of funds is structurally higher than commercial banks offering equivalent products
- **Digital maturity gap:** Digital onboarding and STP still maturing; turnaround time improvement remains a work in progress
- **Scale constraints:** 25-branch target by June 2027 is ambitious but current footprint is smaller than major commercial banks

O OPPORTUNITIES

- **Structural housing deficit:** Bangladesh needs USD 2.52 billion in annual housing loan disbursements to meet demand; mortgage penetration at only 3% of GDP vs 10% in India and 40-70% in developed markets
- **Urbanisation tailwind:** Urban population growing at ~4.4% per annum; Tier-2 and Tier-3 cities expanding rapidly — large untapped markets in Mymensingh, Cumilla, Khulna, Rajshahi
- **Interest rate normalisation:** Bangladesh Bank policy rate at 10%; as inflation declines toward target (5-6% by FY27 per IMF), lower rates will ease affordability and stimulate demand
- **Islamic finance gap:** Growing Shari'ah-conscious middle class with no comparable NBFI-based home-financing alternative; DBH Islamic Wing is uniquely positioned
- **IFC and green finance pipeline:** World Bank Group feasibility study on a mortgage refinancing company could unlock long-tenor funding; green housing segment when BEEER certification scales
- **Digital acquisition:** Bangladesh's 170M population and rising smartphone penetration create opportunity for digital-first loan origination reaching customers outside Dhaka

T THREATS

- **Bank competition intensifying:** Commercial banks aggressively expanding home-loan products with CASA-funded lower rates and digital origination — the level playing field does not exist for NBFIs
- **Sector-wide NPL contagion risk:** Industry NPL at ~40%; systemic borrower stress — DBH must sustain portfolio discipline while pressure on depositors and borrowers mounts
- **Macroeconomic headwinds:** GDP growth decelerated to 3.7% in FY25 (IMF); inflation above 9%; political transition uncertainty — all suppress housing demand and repayment capacity
- **Regulatory tightening:** Finance Company Act 2023, DFIM Circular No. 4, progressive BSEC/BB compliance requirements increase operational cost and Board accountability
- **Funding cost volatility:** Without access to CASA, DBH's cost of funds moves with market deposit rates — NIM compression in a prolonged high-rate environment is structural, not cyclical
- **Climate physical risk:** 97.9% of DBH's Scope 3 emissions come from financed properties; flood-zone collateral exposure in coastal and low-lying Dhaka districts is a growing long-term credit risk

PESTEL ANALYSIS

Six-factor analysis of the external environment facing DBH Finance PLC in 2025 and through the medium term — each factor updated with current Bangladesh-specific data, verified sources, and DBH's specific response.

Factor	Influencing Factors — Bangladesh 2025	Impact on DBH	DBH's Response
P Political	■ Post-July 2024 political transition: interim government navigating economic stabilisation ahead of national elections ■ IMF programme implementation (ECF/EFF/RSF) imposing fiscal discipline and banking sector reforms ■ DFIM Circular No. 4 of 2024: willful-defaulter identification mandatory; new Board-level compliance obligations ■ Finance Company Act 2023: new regulatory framework strengthening Bangladesh Bank oversight of NBFIs	Political uncertainty suppresses private investment and housing demand; regulatory tightening raises compliance costs. However, the post-transition reform agenda — stronger governance, central bank autonomy, anti-corruption — is directionally positive for disciplined institutions like DBH.	DBH maintained 100% regulatory compliance in 2025, including full implementation of DFIM Circular No. 4 through a dedicated willful-defaulter unit under CRO oversight. Board engagement with regulatory developments is ongoing; DBH participated in industry forums supporting the Finance Company Act 2023 framework.
E Economic	■ GDP growth decelerated to 3.7% in FY25 (IMF) — slowest in a decade; projected recovery to ~4.7% in FY26 ■ Headline inflation 9-10% through most of 2025; Bangladesh Bank policy rate held at 10%; inflation target 5-6% ■ Foreign exchange reserves rebuilding after exchange rate reform (May 2024); private credit growth at ~6.3% ■ Banking sector NPL at ~40%; undercapitalisation widespread; 11 banks restructured by interim government	Elevated rates compress NIM and reduce borrower affordability; economic slowdown suppresses housing demand. Simultaneously, financial sector stress creates a strong reputational premium for DBH's AAA rating and conservative balance sheet — demonstrated by 0.84% NPL vs 40% industry.	DBH managed NIM compression through strategic redeployment into government securities (investment income +24.3%); maintained NPL at 0.84% despite industry-wide deterioration; continued 15% cash dividend from a position of genuine institutional strength. NIM recovery is the primary financial priority for 2026 as rates normalise.
S Social	■ Urbanisation at ~4.4% per annum; Bangladesh to reach 50% urban by 2047; housing deficit estimated at 6-8 million units ■ Growing middle class and aspiration of homeownership — formal housing finance demand expanding beyond Dhaka ■ Rising Shari'ah-consciousness: growing segment requiring genuinely Islamic, asset-backed home financing ■ Affordability crisis: inflation above 9%, rising construction costs, and elevated mortgage rates pricing out lower-income households	Structural long-term demand for housing finance remains among the strongest in Asia. The affordable-housing gap is the defining unmet social need DBH exists to address. However, the short-term affordability squeeze is dampening near-term disbursement volumes.	DBH disbursed BDT 252 Crore under the Affordable Housing Loan programme in 2025. DBH Islamic Financing Wing (HPSM +63%, Mudaraba +84%) directly serves the Shari'ah-conscious segment. Geographic expansion toward 25 branches by June 2027 deepens reach into underserved Tier-2 and Tier-3 cities.

Factor	Influencing Factors — Bangladesh 2025	Impact on DBH	DBH's Response
T Technological	■ Digital loan origination and e-KYC rapidly becoming standard expectation; banks deploying AI-based credit scoring ■ Fintech and bank digital platforms raising the customer-experience bar for home loan processing ■ Islamic Core Banking System (i-CBS) becoming a minimum requirement for credible Shari'ah-compliant operations ■ Cybersecurity risk rising with increased digital footprint; data governance becoming a regulatory and reputational concern	DBH must accelerate digital investment or risk losing customer-acquisition competitiveness, particularly for younger, mobile-first borrowers. The risk is more acute in Tier-2/3 markets where physical branch presence is limited.	DBH's i-CBS is fully operational end-to-end for the Islamic Wing. Digital onboarding and straight-through processing are Board-approved 2026 capex priorities with measurable turnaround-time reduction targets. Cybersecurity investment explicitly approved in the 2026 programme.
E Environmental	■ Bangladesh among the world's most climate-vulnerable countries; flood risk and sea-level rise directly affect collateral values ■ BEEER building sustainability rating system approved March 2024; voluntary now, targeting mandatory by 2026 ■ Bangladesh Bank green refinancing scheme exists for certified housing but remains virtually unutilised due to absence of residential certifications ■ IFRS S1 and S2 sustainability disclosure standards gaining regulatory traction among listed companies	Physical climate risk to mortgaged properties — particularly in coastal and flood-prone zones — represents a growing long-term credit risk (97.9% of DBH's measured GHG emissions are Scope 3 financed emissions). Transition risk will intensify as building regulations tighten.	DBH published its first IFRS S1 and S2 aligned sustainability disclosure and established a full Scope 1, 2 and 3 GHG baseline in 2025. ESRM screening is mandatory in credit appraisal. Portfolio-level climate exposure mapping planned for 2026. Green housing finance will be pursued when certified residential supply exists at meaningful scale.
L Legal	■ Finance Company Act 2023: replaced the Financial Institutions Act 1993; broadens Bangladesh Bank's supervisory powers over NBFIs ■ BSEC corporate governance requirements: enhanced disclosure and audit independence standards for listed companies ■ AML/CFT framework reforms: IMF and FATF pressure driving stricter customer due diligence and transaction monitoring ■ Willful-defaulter legal framework: DFIM Circular No. 4 of 2024 creates new obligations and Board-level accountability	Compliance cost and Board accountability requirements are increasing. However, DBH's long-standing culture of regulatory discipline means strengthened rules benefit well-governed institutions and disadvantage those that previously operated with leniency.	DBH's legal and compliance team operates within the Finance Company Act 2023 framework; Board Audit Committee oversees BSEC compliance; the ICSB Award for Excellence in Corporate Governance affirms governance quality. AML/CFT framework aligned with Bangladesh Financial Intelligence Unit standards.

DBH

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PORTER'S FIVE FORCES ANALYSIS

Competitive intensity assessment for DBH Finance PLC in the Bangladesh housing finance market — 2025, with DBH's specific competitive position stated against each force.

Force Intensity Overview

HIGH	LOW-MODERATE	LOW	MODERATE	MODERATE
Competitive Rivalry	Threat of New Entrants	Threat of Substitutes	Buyer Power	Supplier Power



HIGH
Competitive Rivalry

- 35 NBFIs plus all major commercial banks active in housing finance; BRAC Bank, Dutch-Bangla, City Bank among the most aggressive
- Banks offer home loans with CASA-funded lower cost of funds — structural pricing disadvantage for NBFIs
- Industry-wide credit stress (NPL ~40%) creates pressure to chase volume over quality — DBH resists but faces this pressure
- Competitors with multi-product mandates can cross-sell and bundle; DBH's single-product focus limits bundling capability

DBH's Competitive Position

DBH's response is differentiation rather than price competition — specialisation, service depth, 30 years of housing-specific expertise, AAA rating, and IFC partnership create a quality moat. NPL of 0.84% vs ~40% industry proves the quality premium is real and defensible.



LOW–MODERATE
Threat of New Entrants

- Bangladesh Bank licensing requirements for new NBFIs are stringent; new pure-play housing finance licences are rare
- Capital requirements, compliance costs, and 3-5 year portfolio seasoning create high barriers to entry
- Fintech entrants face significant KYC, property valuation, and long-tenor risk management challenges in housing finance
- The primary competitive risk is from existing commercial banks deepening home-loan capabilities rather than new entrants

DBH's Competitive Position

DBH's 30-year institutional knowledge, BDT 4,674 Crore depositor base, and established developer relationships are not replicable by new entrants. The IFC bond relationship and AAA rating are durable competitive advantages. New NBFI entrants face the same funding cost disadvantage DBH has managed for three decades.



LOW
Threat of Substitutes

- No meaningful substitute for long-tenor housing finance exists in Bangladesh — equity financing of property is limited to the affluent
- Microfinance housing products serve the very low-income segment but cannot compete on loan size or tenor
- Rental market is a partial substitute for ownership but Bangladesh's deep homeownership aspiration limits this
- Informal/family financing supplements but does not substitute formal housing loans for mid-sized property purchases

DBH's Competitive Position

The housing loan product has very low substitute risk. DBH operates in a segment with genuine, persistent, unmet demand rather than one vulnerable to technological disruption. The housing finance market itself is structurally underserved — mortgage penetration at 3% of GDP vs 10% in India is the defining statistic.



MODERATE
Bargaining Power of Buyers

- Individual home buyers have increasing access to rate comparison information via online channels and bank promotions
- Rising competition from banks has given borrowers more choices — switching carries documentation and property valuation costs
- DBH's 62,869-family customer base creates strong loyalty; repeat customers and referrals are a significant acquisition channel
- Affordable-housing borrowers (AHL programme) have fewer alternatives — DBH's IFC-supported product is not widely replicated

DBH's Competitive Position

DBH manages buyer power through service quality, relationship depth, and product differentiation rather than rate competition. The AAA rating creates depositor loyalty that does not transfer easily to higher-rate but less secure alternatives. The Islamic Wing further reduces substitutability for Shari'ah-conscious customers.



MODERATE
Bargaining Power of Suppliers

- Key suppliers are depositors (funding), Bangladesh Bank (regulatory framework), IFC (development capital), and technology vendors
- Depositor competition intensified in 2025 as banks raised rates — retail deposit retention required active relationship management
- IFC partnership is a strategic advantage but also a dependency; relationship maintained through AHL programme delivery performance
- Technology vendors have moderate switching costs; cybersecurity vendor concentration is a growing risk

DBH's Competitive Position

DBH reduced institutional deposit dependence while growing retail core deposits to BDT 4,634 Crore (+2.58%) — reducing supplier concentration risk in funding. The IFC bond relationship is actively managed and its renewal depends on AHL programme delivery. Long-term funding access remains the sector's most important unresolved structural constraint. In house developer team reduces dependencies on technology vendor to a great extent.

STRATEGIC FOCUS AREA

Seven pillars driving DBH's fourth decade — drawn from Board and management commitments for 2025 and beyond

DBH Finance PLC enters its fourth decade with a clear and deliberate strategic architecture. The seven focus areas below derived directly from the explicit strategic commitments set by the Board of Directors and the Managing Director & CEO for 2025 and beyond, and each carries measurable accountabilities rather than aspirational language. Taken together, they reflect a dual mandate — resilience today, through discipline in capital, credit quality, and funding — and readiness for tomorrow, through deliberate expansion, innovation, and integration of sustainability into the core of how DBH operates.

01 Affordable Home Ownership | 02 Geographic Expansion | 03 DBH Islamic Finance | 04 Digital Transformation | 05 Capital & Value Creation | 06 ESG & Climate | 07 People & Culture

01 Accessible & Affordable Home Ownership

The non-negotiable centre of everything DBH does

Thirty years after our founding, the mission remains unchanged: making home ownership accessible to every Bangladeshi family. In 2025, DBH financed 3,165 families — bringing the cumulative total to 62,869 households since inception. The Affordable Housing Loan (AHL) programme, developed with IFC and backed by the USD 30 million IFC-subscribed bond, disbursed BDT 225 Crore (conventional) and BDT 27.5 Crore (Islamic) — combined institution-wide AHL disbursement of approximately BDT 252 Crore in 2025. The Board considers this pillar the non-negotiable centre of strategy, with a targeted 20% AHL portfolio growth in 2026, continued deepening into Tier-2 and Tier-3 cities, and continued partnership with IFC on product design and credit-risk methodology.

KEY METRICS & 2026 TARGETS

- **Families financed (2025):** 3,165
- **Cumulative families since inception:** 62,869
- **AHL disbursement (2025):** BDT 252 Crore (institution-wide)
- **2026 affordable-housing portfolio target:** +20% growth

02 Geographic Expansion & Distribution

25 branches by June 2027- a statement of institutional intent

The Board has made a structured commitment to extending DBH's physical presence across Bangladesh, with a target of 25 branches by June 2027. Brick-and-mortar presence in Tier-2 and Tier-3 markets is not only a distribution strategy — it is a statement of institutional intent. In 2025, AHL disbursements established DBH's active presence in Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, and Rangpur. The 2026 rollout plan includes phased hiring and training of branch-level teams, deliberate city sequencing based on housing-demand density, affordability profile, and competitive landscape, and branch-level disbursement and portfolio reporting as a direct accountability measure from 2026 onwards.

KEY METRICS & 2026 TARGETS

- **Branch target:** 25 by June 2027
- **Tier-2 cities active in 2025:** Mymensingh, Barishal, Cumilla, Khulna, Rajshahi, Rangpur
- **New reporting from 2026:** Branch-level disbursement & portfolio metrics

03 Deepening DBH Islamic Finance

From a promising idea to a meaningful business—in two years

Launched in May 2023, DBH Islamic Financing Wing completed its second full year of operations in 2025 with results that exceeded all internal expectations. HPSM investment grew 63% to BDT 436 Crore — approximately 10% of the Company's total home-loan portfolio. Mudaraba customer deposits grew 84% to BDT 415 Crore. The governance architecture — a dedicated Shari'ah Supervisory Committee, a fully separate Islamic Core Banking System (i-CBS), and operationally segregated funds and reporting — underpins the Wing's growth ambitions. For 2026, the Board has set an explicit target of BDT 600 Crore in Islamic financing assets, alongside new Shari'ah-compliant products and continued investment in dedicated Islamic-banking talent.

KEY METRICS & 2026 TARGETS

- **HPSM investment (2025):** BDT 436 Crore (+63% YoY)
- **Mudaraba deposits (2025):** BDT 415 Crore (+84% YoY)
- **Share of total home-loan portfolio:** ~10%
- **2026 Islamic assets target:** BDT 600 Crore

04 Digital Transformation & Operational Modernisation

Technology as a means to expand reach, reduce cost, and improve experience

DBH views technology not as an end in itself but as the primary means to expand reach, reduce cost-to-serve, and improve the customer experience — particularly for borrowers beyond Dhaka. In 2025, the i-CBS platform matured to support the full Shari'ah-compliant customer journey end-to-end; analytics were deepened in affordable-housing credit underwriting; and customer-facing digital channels were upgraded. The Board-approved 2026 capital-expenditure programme targets customer-onboarding automation, document-workflow digitisation, straight-through loan processing, enhanced cyber-resilience, and smarter risk analytics — with measurable targets set for digital-onboarding share, STP rate, and turnaround-time reduction.

KEY METRICS & 2026 TARGETS

- **2025 milestone:** i-CBS fully operational end-to-end for Islamic wing
- **2025 milestone:** Analytics deepened for affordable-housing underwriting
- **2026 targets:** Digital-onboarding share, STP rate, turnaround-time reduction
- **2026 investment:** Onboarding automation, workflow digitisation, cyber-resilience

The three pillars presented on this page address the institutional foundations that underpin the growth agenda: a capital and dividend discipline that protects long-term balance-sheet integrity; a climate and sustainability integration programme that the Board treats as a standing governance accountability; and the people and culture investments that make everything else possible. Together, the seven pillars form a coherent, mutually reinforcing strategic framework — one the Board and management have committed to prioritize these.

05 Capital Discipline & Long-Term Value Creation

Patient compounding — not cyclical opportunism — is DBH's path to durable value

DBH's capital position remains among the most robust in the Bangladesh financial sector. Total eligible capital closed 2025 at BDT 1,041 Crore; the capital adequacy ratio rose to 30.73% against a regulatory minimum of 10%, providing a surplus of BDT 702 Crore. The classified-loan ratio improved further to 0.84% — industry-leading — in a year when sector-wide NPLs rose substantially. DBH retained its AAA long-term credit rating for the 20th consecutive year, a distinction no other financial institution in Bangladesh has matched. The Board's approach is deliberate: maintain capital materially above regulatory minimums, resist short-term strategies that compromise long-term integrity, and sustain the near-unbroken cash dividend tradition. A 15% cash dividend (BDT 1.50 per share) has been recommended for 2025.

KEY METRICS & 2026 TARGETS

- **Capital Adequacy Ratio:** 30.73% (regulatory minimum: 10%)
- **Classified-loan ratio:** 0.84% (industry-leading)
- **Long-term credit rating:** AAA — 20th consecutive year
- **Recommended dividend (2025):** 15% cash (BDT 1.50 per share)

06 ESG, Climate & Sustainability Integration

A standing governance accountability, not a time-bound commitment

The Board accepts ultimate responsibility for oversight of climate-related risks and opportunities, with the Risk Management Committee in the primary role. In 2025, DBH published its most detailed Sustainability and Climate-Related Financial Disclosure, aligned with IFRS S1 and S2 and the PCAF methodology, and completed its first full Scope 1, 2, and 3 GHG measurement — establishing a credible baseline. Approximately 97.9% of measured emissions arise from Scope 3 (financed properties), pointing directly to the institutional decarbonisation lever: portfolio-level interventions, green-building criteria in lending policy, and energy-efficient financing products. For 2026, DBH will begin portfolio-level climate exposure mapping, with property-level adaptation scoring targeted for 2027 and progressive IFRS S1/S2 alignment across the 2026–2027 reporting cycle.

KEY METRICS & 2026 TARGETS

- **2025 milestone:** First full Scope 1, 2 & 3 GHG baseline established
- **2025 milestone:** IFRS S1 & S2 aligned disclosure published
- **2026 target:** Portfolio-level climate exposure mapping
- **2027 ambition:** Property-level adaptation scoring

07 People, Talent & Inclusive Culture

Our people remain the single most important capital we deploy

At year-end 2025, DBH employed 431 staff — a healthy increase over the prior year. The Board has consistently emphasised investment in training, well-being, gender inclusion, and the leadership pipeline as foundations for sustainable performance. During 2025, the gratuity fund was independently actuarially valued and returned a surplus of approximately BDT 2.77 Crore; funded gratuity, contributory PF, and hospitalisation cover remain in place for all staff. The 2026 people priorities include: Islamic-banking talent to support the Wing's growth, branch-level hiring and training as geographic expansion accelerates, and progressive strengthening of gender inclusion. The CSR programme allocates ~0.5% of after-tax profit across education, healthcare, climate resilience, and inclusive development.

KEY METRICS & 2026 TARGETS

- **Staff at year-end 2025:** 431
- **Gratuity fund surplus (2025):** BDT 2.77 Crore
- **CSR allocation:** ~0.5% of after-tax profit
- **2026 focus:** Islamic banking talent; branch-level hiring; gender inclusion

SIX CAPITALS
FINANCIAL CAPITAL

Material Topics Addressed M01 Asset Quality
- M02 Credit Risk Governance
- M03 Capital & Liquidity
- M04 Regulatory Compliance
- M05 Shareholder Rights



SDG Alignment
- **SDG 8** — Decent Work & Economic Growth
- **SDG 16** — Strong Institutions

Overview. Financial capital represents the foundation upon which all other capitals rest. DBH Finance PLC's ability to mobilise deposits, deploy funds prudently, generate sustainable returns, and maintain regulatory capital adequacy is what makes our social and environmental commitments possible. Our financial capital strategy is anchored in three principles: quality before growth, cost discipline over volume, and capital preservation as a strategic moat. DBH's AAA credit rating — maintained for 20 consecutive years — and an NPL ratio consistently below 1% are the most tangible expressions of this philosophy.

In 2025, DBH navigated a challenging operating environment characterised by elevated funding costs, a compressed net interest margin, and subdued capital market returns. Despite these headwinds, the Company maintained its trajectory of measured growth, expanded its core deposit base, and continued to deliver stable returns to shareholders. Profit after tax for the year was BDT 95.16 Crore (FY 2024: BDT 100.86 Crore), supported by disciplined cost management — our cost-to-income ratio stood at 30.5% remaining among the lowest in Bangladesh's NBFI sector.

Key Performance Indicator	FY 2024	FY 2025	Movement
Net Profit After Tax (BDT Crore)	100.86	95.16	↓ -5.7%
Net Operating Income (BDT Crore)	182.30	173.97	↓ -4.6%
Return on Equity (ROE) %	11.16%	9.78%	↓ -1.39pp
Return on Assets (ROA) %	1.50%	1.40%	↓ -0.10pp
Cost-to-Income Ratio %	28.12%	30.53%	↑ +2.41pp
Capital Adequacy Ratio %	30.46%	30.73%	↑ +0.27pp
Gross NPL Ratio %	0.97%	0.84%	↓ Improved
Total Deposit Portfolio (BDT Crore)	4,578	4,674	↑ +2.1%
Core Deposit Portfolio (BDT Crore)	4,536	4,634	↑ +2.2%
Net Asset Value per Share (BDT)	46.33*	49.55	↑ +6.9%
Economic Value Added (BDT Crore)	-20	-12	↑ Recovering

* FY 2024 NAV per share restated.

Deposit Mobilisation & Funding Mix

A defining feature of DBH's financial resilience in 2025 was the strategic rebalancing of our funding base away from higher-cost institutional deposits toward retail term deposits. Core deposits — comprising individual and retail placements — grew 2.2% to BDT 4,634 Crore, while total deposits settled at BDT 4,674 Crore reflecting the deliberate reduction in institutional placements. This shift strengthens liquidity stability, reduces concentration risk, and improves our cost of funds over the medium term. In 2026, we expect core deposit will grow by 10%, supported by the launch of our Islamic Deposit products and expanded branch reach.

Capital Adequacy & Balance Sheet Resilience

DBH's Capital Adequacy Ratio stood at 30.73% as at 31 December 2025 — nearly triple the Bangladesh Bank minimum — providing substantial headroom to absorb credit losses, support disbursement growth, and pursue opportunistic liability management. Our Tier 1 capital position remains wholly equity-funded, with no reliance on hybrid instruments.

Economic Value Added (EVA) — Recovery Trajectory

DBH recorded a negative EVA in 2024 and 2025, primarily reflecting the elevated cost of equity in a high-interest-rate environment and the compressed net interest spread. This is acknowledged transparently. Our recovery plan is structured around three levers: (i) spread expansion as the interest rate cycle normalises and deposit repricing opportunities emerge; (ii) growth in non-interest income through fee-based and advisory services; and (iii) continued operating leverage improvements. We project a return to positive EVA territory by 2026.

Challenges	Our Response
Net interest margin compression from an elevated rate environment reduced spread income and pressured profitability against a growing equity base.	Accelerated the repricing of fixed-rate deposits at maturity; diversified investment book toward higher-yielding government securities; optimised liquidity deployment to capture overnight money market returns.
Asset quality stress in rate-sensitive borrower segments created elevated credit risk monitoring requirements.	Tightened underwriting criteria in higher-risk segments; deepened collateral coverage monitoring; integrated climate-adjusted flood-risk flags into property-level credit assessments.
Capital market volatility (DSEX declined 7% in 2025) reduced investment income and created mark-to-market pressure on equity portfolio.	Rebalanced investment portfolio towards government securities offering risk-free returns; reduced equity market concentration in new acquisitions.
Rising interest rates reduced housing affordability, impacting loan demand and client retention in higher-ticket segments.	Expanded Amar Ghor and Amar Bari affordable housing products; targeted outreach in Tier 2 and Tier 3 cities.

Way Forward →

Target positive EVA by 2026 through spread expansion, fee income growth, and operating leverage improvements.	Grow core deposit base by 10% and reduce average cost of funds by 75 basis points through deposit product innovation.	Sustain Capital Adequacy Ratio above 25% while supporting 15% disbursement growth in conventional housing and DBH Islamic segments.	Maintain NPL ratio below 1% through climate-adjusted underwriting and proactive borrower engagement.	Expand non-interest income streams — processing fees, advisory income, and wealth management referrals — to 7% of total income by 2026.	Publish an explicit EVA recovery milestone report in the 2026 Integrated Report.

Capital Interdependencies

Financial Capital is the primary output of disciplined Human Capital (M09) deployment and Intellectual Capital investments (M06 — digital transformation). Conversely, the quality of our loan portfolio is directly influenced by our Natural Capital risk management (M13 — climate-adjusted underwriting). Our Social & Relationship Capital (M11 — affordable finance expansion) both draws on and strengthens our financial franchise, broadening our market and improving long-term asset quality through access to regulated, formal housing ownership.

HUMAN CAPITAL

Material Topics Addressed
- M09 Human Capital Development
- M08 Customer Experience

05 GENDER EQUALITY

08 DECENT WORK AND ECONOMIC GROWTH

SDG Alignment
- **SDG 5** — Gender Equality
- **SDG 8** — Decent Work & Economic

Overview. DBH Finance's sustained competitive advantage rests on the calibre, commitment, and continuity of our people. At an institution built around trust — where each customer relationship may span a 15-to-20-year mortgage lifecycle — our employees are not simply a resource; they are the primary interface through which DBH's promise of resilient, responsible housing finance is delivered. Our human capital strategy in 2025 focused on three interconnected priorities: building depth in technical and credit expertise; advancing gender diversity and leadership development; and sustaining the engagement and well-being of our workforce through a period of economic transition.

As of 31 December 2025, DBH Finance employed 431 full-time staff across 16 branches and our Head Office in Dhaka. Average employee tenure stood at 5.43 years. Voluntary attrition improved to 14% in 2025, from 16% in 2024 — a meaningful gain in a competitive financial sector labour market.

Key Performance Indicator	FY 2024	FY 2025	Trend
Total Employees (full-time)	371	431	↑ +16%
Female Employees (%)	14%	14%	→ Stable
Female in Senior Management (%)	8%	8%	→ Stable
Voluntary Attrition Rate (%)	16%	14%	↓ Improved
Total Training Hours	4,979	5,247	↑ +5%
Average Training Hours / Employee	13.4	12.2	↑ Note
Internal Promotions	84	85	→ Stable
External Certification	5	18	↑ Improved
Training Investment (BDT Crore)	0.15	0.18	↑ +20%

Note: The marginal decline in average training hours per employee reflects the significant 16% increase in headcount during the year — total training investment and absolute hours both increased year-on-year.

Workforce Composition & Diversity

Our workforce pyramid reflects the broadening base of talent we are investing in across junior and mid-level roles, while actively addressing the underrepresentation of women at senior levels. As of year-end 2025, 14% of our workforce was female, consistent with the prior year. We recognise that sustained progress on gender representation requires targeted action beyond recruitment. Our target is to achieve 15% female representation in senior management by 2030.

Learning, Development & the DBH E-Learning Module

In 2025, DBH Finance invested BDT 0.18 Crore in employee learning and development, delivering 5,247 structured training hours — an average of 12.2 hours per employee across the year. The DBH E-Learning Module hosted 41 programmes spanning a comprehensive curriculum designed to equip staff at all levels with the expertise our business demands.

Training Curriculum — 41 Programmes covering:

- Housing finance fundamentals and mortgage lifecycle management
- Islamic banking and Shari'ah compliance
- Deposit sales and customer acquisition
- Affordable housing finance—policy context and product knowledge
- Credit underwriting and portfolio risk
- Risk management frameworks
- Legal issues in housing finance
- Information Technology & Cybersecurity
- RTGS payment system operations
- AML/CFT compliance
- Leadership development for managers
- Customer experience excellence

In direct response to our digital transformation agenda, we introduced a structured digital upskilling curriculum in 2025: all customer-facing staff received training on our new digital onboarding platform, equipping front-line teams to deliver a seamless customer experience across both physical and digital channels.

Challenges	Our Response
Voluntary attrition in specialised credit and technology roles creates institutional knowledge risk as demand for NBFI talent intensifies in Bangladesh.	Launched structured career pathing for credit analysts and technology staff; introduced retention-linked performance bonuses for top quartile performers; expanded internal promotion pipeline to 50% of senior vacancies from within.
Rapid digital transformation requires continuous upskilling; existing staff face a learning curve on new platforms and workflows.	Deployed dedicated digital literacy curriculum through DBH Learning Academy; embedded technology coaches in branch operations; introduced a 'digital champion' peer-learning model across all offices.
Employee engagement and wellbeing risks during a period of high-rate macroeconomic stress — particularly for customer-facing staff managing borrower hardship conversations.	Enhanced employee assistance programme; conducted mental health awareness sessions; provided specialised training on empathetic customer communication for credit and collections staff.

Way Forward →

Launch a structured succession planning framework covering 2 critical roles in credit, risk, technology, and branch management.

Increase average training hours per employee to 15, with a particular focus on digital, Islamic banking, and climate risk modules.

Deploy a refreshed performance management system embedding values-based behavioural competencies alongside financial KPIs.

Capital Interdependencies

Human Capital is the primary enabler of Intellectual Capital (M06, M07): it is our trained people who deploy, operate, and improve our digital infrastructure and cybersecurity controls. Conversely, investment in Manufactured Capital (branch network, technology platforms) directly affects the working environment and productivity of our people. The Customer Experience capital (M08) is an output of Human Capital quality — well-trained, engaged staff are the single most powerful driver of Net Promoter Score in a relationship-intensive business like housing finance.

MANUFACTURED CAPITAL

Material Topics Addressed
- M06 Digital Transformation
- M07 Cybersecurity Resilience

09 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG Alignment
- **SDG 9** — Industry, Innovation & Infrastructure

Overview. Manufactured capital encompasses DBH's physical and digital infrastructure — the branch network, technology platforms, operational systems, and physical assets that underpin our ability to originate, process, and service housing loans and deposits at scale. In 2025, our manufactured capital strategy was defined by a deliberate shift from physical expansion to digital deepening: investing in the quality, reliability, and security of our technology backbone, rather than simply adding physical touchpoints. This reflects both the changing preferences of our customers and the operational efficiency imperative identified under material topic M06.

Key Performance Indicators	FY 2024 (Actual)	FY 2025 (Reported)
Number of Branches & Service Points	16 & 1 service point	17 & 1 Service Point
Head Office Area (sq. ft.)	24,800	27,900
IT & Digital Investment (BDT Crore)	0.42	2.86
Digital Customer Onboarding (e-KYC) %	100%	100%
System Uptime %	100%	100%
Cybersecurity Incidents (number)	0	0

Branch Network & Physical Reach

As at 31 December 2025, DBH Finance operated 17 branches and 1 service point across 13 districts of Bangladesh, anchored by our Head Office in Dhaka. Our branch expansion strategy in 2025 prioritised Tier 2 cities — including Bogra — where mortgage demand is growing fastest and formal housing finance penetration remains low. Each new branch is built to our revised sustainability specification, incorporating LED lighting, energy-metered systems, and water-efficient fixtures as part of our operational environmental footprint reduction programme.

Digital Lending & e-KYC

In 2025, our e-KYC platform, integrated with the National Identity Verification system, now processes 100% of new customer onboarding without physical document submission. Digital repayment channels — internet banking, mobile apps, and partner payment gateways — processed 88% of EMI collections by value, reducing branch queue pressure and improving customer experience metrics.

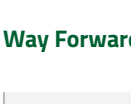
Cybersecurity & Information Security

Cyber risk is directly linked to material topic M07. In 2025, our information security function completed penetration testing, resolved all critical vulnerabilities identified during third-party audits, and maintained full compliance with Bangladesh Bank's ICT Security Guidelines issued under BRPD Circular 10 dated June 2023. All new employees completed mandatory cybersecurity awareness training, and existing employees were periodically notified through awareness communications. To further strengthen security in the loan disbursement process, Customer Fingerprint

Verification was introduced — enhancing customer authentication and reducing fraud risk. The RTGS (Pacs.008) Bank/ NBFI to Customer Payment module was also successfully implemented in compliance with Bangladesh Bank guidelines. We recorded zero cybersecurity incidents during 2025.

Challenges	Our Response
Legacy system fragmentation created data quality risks, manual reconciliation bottlenecks, and delays in regulatory reporting.	Accelerated CBS rollout with dedicated project team; completed all modules in 2025. Initiated development of the DBH WEB System to migrate the existing platform to a modern web-based architecture, improving data quality and reporting efficiency.
Rising cyber threat landscape, including phishing, social engineering, and third-party vendor risk in Bangladesh's financial sector.	Deployed next-generation endpoint protection; conducted quarterly phishing simulation exercises for all staff; introduced mandatory vendor data security assessments before contract execution; redeveloped the VIVR (Visual Interactive Voice Response) system internally after discontinuing third-party management; implemented Customer Fingerprint Verification for loan disbursement authentication.
Physical branch operating costs — rent, utilities, personnel — represent a growing proportion of overhead as digital shifts reduce branch transaction volumes.	Introduced hybrid branch model with self-service kiosks for routine transactions; rationalised branch operating hours based on footfall analytics; Central operations based in HQ for most of the critical tasks and controls.
Ensuring equitable digital access for customers in lower-income segments with limited smartphone penetration or data connectivity.	Maintained USSD-based account inquiry and EMI reminder service; retained cash EMI acceptance at all branches; introduced self statement generation by clients.

Way Forward →



Complete development and full deployment of the DBH WEB System, migrating all legacy modules to the new web-based platform to eliminate reconciliation bottlenecks and enable real-time regulatory reporting.

Achieve ISO 27001 information security management certification by 2026, building on the VIVR redevelopment, fingerprint authentication, and RTGS compliance milestones achieved in 2025.

Launch a mobile-first customer portal integrating loan account management, EMI scheduling, and digital document submission, extending the DBH REACH mobile application ecosystem already deployed for field operations.

Capital Interdependencies

Manufactured Capital investment is the physical enabler of Intellectual Capital (M06, M07). Our i-CBS platform and digital infrastructure directly determine the quality and speed of our financial product delivery, which in turn drives Customer Experience outcomes (M08). Investment in secure, modern infrastructure also protects Human Capital productivity — well-functioning systems reduce staff frustration, processing errors, and overtime burden. The energy efficiency of our branches and data infrastructure is directly tracked under Natural Capital (M12, M13), creating a direct link between facility investment decisions and our environmental footprint.

INTELLECTUAL CAPITAL

Material Topics Addressed

- M06 Digital Transformation
- M07 Cybersecurity Resilience
- M04 Regulatory Compliance





SDG Alignment

- **SDG 9** — Industry, Innovation & Infrastructure
- **SDG 16** — Strong Institutions

Overview. Intellectual capital represents DBH Finance's accumulated knowledge assets, institutional processes, proprietary systems, regulatory expertise, and brand equity — the intangible foundations of competitive advantage that are difficult to replicate and slow to erode. Three dimensions define our intellectual capital in 2025: our credit and risk knowledge — refined over 30 years of housing finance specialisation; our digital and data infrastructure — the i-CBS ecosystem and data analytics capabilities being built; and our regulatory and compliance track record — embodied in 20 consecutive years of AAA credit rating and near-zero NPL performance, which is the most powerful brand asset in Bangladesh's NBFI sector.

Key Performance Indicators	FY 2024 (Actual)	FY 2025 (Reported)
AAA Credit Rating (consecutive years)	19 years	20 years
Gross NPL Ratio %	0.97%	0.84%
Number of Proprietary Process Innovations	2	5
IT Investment (BDT Crore)	0.42	2.86
Regulatory Compliance Rate %	100%	100%
Data Analytics Capability (maturity score)	3/5	5/5
Knowledge Management Platform Users	100	250
Internal Process Automation Initiatives	2	6

Credit Knowledge & Institutional Memory

DBH's most irreplaceable intellectual asset is its 30-year accumulated credit knowledge base in Bangladesh's housing and real estate finance market. Our credit models — developed and refined through multiple interest rate cycles, real estate corrections, and macroeconomic dislocations — are the primary reason our NPL ratio has remained below 1% while peer NBFIs have faced significantly higher impairment. In 2025, we enhanced our credit scoring model by integrating 21 additional behavioural variables and commencing the build of a climate-adjusted underwriting module that incorporates Bangladesh Meteorological Department flood-risk data for mortgaged property postcodes.

Data Analytics & Decision Intelligence

During 2025, DBH significantly deepened its data and digital intelligence capabilities. We developed dedicated Data Analytics and BI Dashboard solutions enabling real-time analysis and visualisation of business and operational data for management decision-making. Building on this foundation, the department undertook AI and Machine Learning initiatives for Loan Approval Prediction — making credit assessment more efficient and analytics-driven. We also recruited 2 data analysts and commenced development of a customer lifetime value model. These tools are enabling more granular pricing decisions, early warning signals for portfolio stress, and more targeted product development — particularly for our Amar Ghor and Amar Bari affordable segments.

Regulatory Intellectual Capital — AAA & Compliance

DBH's AAA credit rating for 20 consecutive years — is simultaneously a financial achievement and an intellectual capital asset. It reflects the depth of our institutional processes: independently reviewed credit policies, three-lines-of-defence governance, stress-tested capital planning, and comprehensive IFRS S1/S2 sustainability disclosures. In 2025, we maintained 100% compliance with all Bangladesh Bank and BSEC regulatory requirements and proactively prepared for the adoption timeline under Bangladesh Bank's IFRS S2 transition guidance.

Challenges	Our Response
Knowledge concentration risk in long-tenured staff — loss of senior credit and risk professionals could erode institutional memory embedded in people rather than systems.	Launched formal knowledge documentation programme: all critical credit decision frameworks now codified in CBS policy modules; structured mentorship matching senior credit staff with successors for 3 key roles.
The pace of technological change requires continuous investment in emerging capabilities (AI, machine learning, advanced analytics) that exceed current internal expertise.	Developed in-house AI/ML models for Loan Approval Prediction, making the credit assessment process more analytics-driven; deployed Data Analytics and BI Dashboards for real-time management decision support; recruited 2 data analysts and enrolled staff in data analytics certification programmes.
Regulatory complexity is increasing, with IFRS S2 climate disclosures, PCAF financed emissions measurement, and Bangladesh Bank cybersecurity guidelines all requiring new competencies.	Designated a Sustainability Reporting Lead; engaged external advisors for IFRS S2 transition; commenced PCAF-methodology financed emissions baseline measurement.
Competitors — particularly newer digital-first NBFIs — are replicating DBH's processes using superior technology, potentially eroding our process advantage.	Accelerated proprietary CBS development to create technology-embedded process lock-in; focused differentiation on service quality and trust rather than process speed alone.

Way Forward →



Complete IFRS S2 climate disclosure adoption and publish the first standalone TCFD-aligned narrative in the 2026 Integrated Report.

Formalise the DBH Credit Knowledge Base — a structured repository of underwriting guidelines, case studies, and market intelligence — accessible to all credit staff and integrated with the BI Dashboard for continuous model refinement.

Expand the AI and machine learning programme — scaling the Loan Approval Prediction model into production and extending ML-based early warning capabilities across the full loan portfolio for proactive credit risk management.

Capital Interdependencies

Intellectual Capital is the primary differentiator that allows DBH to extract superior risk-adjusted returns from its Financial Capital. The credit models, compliance frameworks, and institutional processes embodied in our intellectual capital directly protect the quality of the loan portfolio (M01, M02). Our digital and data capabilities (M06, M07) are the bridge between intellectual and manufactured capital — knowledge is only valuable if it is embedded in the systems that people use every day. Human Capital investment (M09) is the regeneration mechanism for intellectual capital: when people develop, the institution's intellectual capital deepens.

SOCIAL & RELATIONSHIP CAPITAL

Material Topics Addressed

- M08 Customer Experience
- M10 Supplier & Partner Governance
- M11 Affordable Finance
- M14 CSR

SDG Alignment

- **SDG 1** — No Poverty
- **SDG 3** — Good Health
- **SDG 4** — Quality Education
- **SDG 10** — Reduced Inequalities
- **SDG 11** — Sustainable Cities



Overview. Social and relationship capital is the bedrock of DBH Finance's franchise. In a business founded on trust — where the average borrower relationship spans 15 or more years and our depositors entrust their life savings to our stewardship — the quality of our relationships with customers, communities, suppliers, and partners is not a peripheral consideration; it is the primary source of competitive moat. Our social capital strategy in 2025 operated across four dimensions: delivering excellent customer experience across all touchpoints; expanding affordable housing access for underserved households; governing our supply chain with integrity; and investing meaningfully in the communities where we operate through a structured, SDG-linked CSR programme.

Key Performance Indicators	FY 2024 (Actual)	FY 2025 (Reported)
Total Borrower Accounts (number)	17,596	17,649
Total Depositor Accounts (number)	17,119	19,018
Customer Complaint Resolution Rate % (within SLA)	100%	100%
Loan Client Retention Rate %	82.2%	82.4%
Affordable Housing Disbursement (BDT Crore)	60	252
Amar Ghor & Amar Bari Portfolio (BDT Crore)	60	309
CSR Investment (BDT Crore)	0.29	0.34
CSR Beneficiaries (estimated, number)	300+	2,300+

Affordable Finance Expansion (M11)

Access to affordable housing finance for low-to-middle income households is our most significant Inside-Out impact materiality driver (M11). Our Amar Ghor and Amar Bari products — designed specifically for households with monthly incomes of BDT 1.00 Lac–1.50 Lac and targeting Tier 2 and Tier 3 cities — disbursed BDT 252 Crore in 2025, a 320% increase from 2024. Cumulative Amar Ghor & Amar Bari portfolio stood at BDT 309 Crore, enabling thousands of families to access formal home ownership for the first time.

The affordability ratio of our total disbursements — the share of loans where the EMI-to-income ratio is at or below 35% — was maintained within our internal benchmark for responsible affordability management in 2025, consistent with our commitment to long-term borrower financial health.

CSR Programme & SDG Impact (M14)

Our CSR programme is structured around four SDG-linked pillars: Education, Healthcare, Climate Resilience, and Sports & Income-Generating Activities. In 2025, total CSR investment was BDT 0.34 Crore (BDT 34.05 lac), reaching over 1,100 direct beneficiaries across Bangladesh.

CSR Programme	Investment (BDT Crore)	Beneficiaries	Outcome	SDG
Education – Scholarships & Financial Literacy (BRAC University, Shohojpath School, Utsho Bangladesh)	0.05	Meritorious students & community participants	University scholarships for deserving students; financial literacy sessions and rewards for underprivileged communities	SDG 4, 10
Healthcare – Midwifery Program (BRAC JPGSPH)	0.07	Rural midwives & maternal care recipients	Midwives trained to improve maternal healthcare and safe childbirth practices in rural Bangladesh (ongoing since 2022)	SDG 3
Healthcare – Eye Care (VisionSpring Clear Vision Workplace)	0.05	~1,000 formal sector workers	Prescribed eyewear (full prescription, reading or progressive lenses) provided to manufacturing workers	SDG 3
Climate Resilience – Solar-Powered Irrigation (Sajida Foundation)	0.12	100 climate-vulnerable families, Pratapnagar Union, Satkhira	Two solar-powered irrigation systems installed; climate-resilient agriculture enabled for vulnerable farming communities	SDG 13, 15
Sports & Income-Generating Activities – Highway of Hope (Sports for Hope & Independence)	0.05	Youth in tea garden communities, Sreemangal, Moulvibazar	Reduced school dropout; integration of sports, education, and family poultry farming; community tree planting	SDG 1, 4
Total CSR Investment (FY2025)	0.34	Over 1,100 direct beneficiaries	Education ▪ Healthcare ▪ Climate Resilience ▪ Income Generation	SDG 1, 3, 4, 10, 13, 15

Supplier & Partner Governance (M10)

DBH's third-party ecosystem — comprising technology vendors, property valuers, legal panel firms, insurance partners, and facility management contractors — is governed through a standardised procurement and vendor management framework introduced in 2025. All new vendor engagements require a structured onboarding assessment covering financial stability, data security posture, ethical compliance, and environmental practices.

Challenges	Our Response
Customer satisfaction and retention were pressured by high interest rates, slower loan processing times during i-CBS migration, and deposit rate competition from banks.	Introduced digital status-tracking for loan applications; resolved all logged customer complaints through rapid resolution task force; launched Platinum Deposit product with competitive rates.
Affordable housing demand significantly exceeds DBH's current disbursement capacity in Tier 2/3 cities, creating a gap between our mission and our reach.	Opened new service points in underserved areas; partnered with selected real estate developers for pre-approved project financing to reduce per-unit processing cost; expanded Amar Ghor ticket size ceiling.
CSR programme impact was difficult to quantify credibly, limiting our ability to demonstrate SDG contribution to external stakeholders.	Introduced the new SDG-linked CSR impact measurement framework in 2025; engaged an independent partner for beneficiary surveys; published quantified outcomes for the first time in this Integrated Report.
Supply chain transparency gaps — particularly in property valuation and construction quality — created occasional collateral assessment risks.	Tightened property valuer panel criteria; introduced quarterly calibration audits for valuers; deployed electronic collateral file management to reduce documentation gaps.

Way Forward →

- Grow Amar Ghor & Amar Bari affordable housing disbursements to BDT 400 Crore by 2026, serving additional families across Tier 2 and Tier 3 cities.
- Expand CSR investment to BDT 0.50 Crore and increase quantified beneficiary reporting coverage to 100% of programme activities.
- Achieve loan client retention rate of 84% by deploying personalised EMI reminder and refinancing advisory services.
- Complete supplier governance framework rollout to all active vendor relationships by Q2 2026.

Capital Interdependencies

Social & Relationship Capital is inseparable from Financial Capital: the quality of our borrower relationships directly determines long-term asset quality (M01). Our affordable housing mandate (M11) expands the addressable market for Financial Capital deployment while simultaneously delivering our most significant Inside-Out impact. Human Capital (M09) is the delivery mechanism — engaged, skilled staff produce the customer experiences that build lasting social capital. Natural Capital decisions (M12, M13) affect the communities we serve; climate-resilient homes financed through our green products simultaneously generate social impact and reduce long-term credit risk

NATURAL CAPITAL

Material Topics Addressed
M13 Climate & Environmental Risk

11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION
15 LIFE ON LAND

SDG Alignment
- **SDG 11** —Sustainable Cities
- **SDG 13** —Climate Action
- **SDG 15** —Life on Land

Overview. Bangladesh is among the world's most climate-vulnerable countries, with an estimated 40% of the population exposed to flood risk and the entire country vulnerable to intensifying cyclone, salinity intrusion, and extreme heat events. For DBH Finance — whose primary asset class is residential mortgage loans secured against properties across Bangladesh's urban and peri-urban landscape — climate risk is not a distant ESG consideration; it is a direct credit and financial risk (M13). Our natural capital strategy in 2025 is structured around three interdependent pillars: managing our own operational environmental footprint; expanding green finance products aligned with Bangladesh Bank's Green Finance Policy; and commencing the formal integration of climate risk into our credit underwriting framework under IFRS S2 and TCFD principles.

Key Performance Indicators	FY 2024 (Actual)	FY 2025 (Reported)
Scope 1 Emissions (tCO_2e)	156.12	159.54
Scope 2 Emissions — Location Based (tCO_2e)	395.12	383.66
Total Scope 1+2 Emissions (tCO_2e)	554.24	543.2
Energy Consumption (kWh)	548,774	618,812
Energy Consumption (kWh) per Employee	1,479	1,436
Paper Consumption (reams)	1,940	2,000
Paper Consumption (reams) per Employee	5.22	4,64
Water Consumption (cubic metres)	14,267 m^3	15,516 m^3
Water Consumption (cubic metres) per Employee	38.45 m^3	36 m^3
Financed Emissions Intensity (tCO_2e/BDT Crore)	24,914	25,202
Number of Employee	371	431

Operational Footprint — Scope 1 & 2 Emissions

Our 2025 operational greenhouse gas emissions totalled 543.20 tCO_2e (Scope 1: 159.54 tCO_2e from company vehicles and backup generators; Scope 2 location-based: 383.66 tCO_2e from purchased electricity). This represents a 2.0% reduction from our 2024 baseline of 554.24 tCO_2e. Key decarbonisation actions taken in 2025 included: LED lighting retrofit completed at multiple branches; installation of rooftop solar capacity at our Head Office; smart cooling load management reducing HVAC energy consumption; and fleet policy revision prioritising hybrid vehicles for new acquisitions. Paper consumption per employee fell to 4.64 reams (from 5.22 in 2024) through continued digitalisation of customer onboarding and document management workflows. Our 2030 target is a 25% absolute reduction in Scope 1+2 emissions against our 2023 baseline.

Climate Risk Integration & Financed Emissions (M13)

In line with IFRS S2 disclosure requirements and TCFD recommendations, DBH commenced formal climate risk integration into our credit framework in 2025. At portfolio level, we commenced mapping our mortgage collateral

portfolio against Bangladesh Meteorological Department 100-year flood inundation maps, identifying properties in high or very-high flood risk zones. This analysis forms the first quantitative input into our climate-adjusted credit provisioning model, which is targeted for full integration into the credit underwriting process by 2027.

Financed emissions measurement. DBH commenced PCAF-methodology (Partnership for Carbon Accounting Financials) aligned measurement of Scope 3 Category 15 financed emissions in 2025. Our residential mortgage portfolio of BDT 4,557.65 Crore carries an estimated financed emission intensity of 25,202 tCO_2e per BDT Crore of outstanding balance (2024: 24,914), based on PCAF portfolio-level proxy data. This baseline will inform our portfolio-level decarbonisation pathway and green product development priorities for 2026 and beyond.

Challenges	Our Response
Physical climate risk — particularly recurring flood events in Dhaka, Sylhet, and Chattogram — threatens collateral value of mortgaged properties and borrower repayment capacity.	Commenced portfolio-level flood zone mapping; introduced flood risk flag in new loan origination checklist; developing climate-adjusted property valuation guidance for our panel valuers by 2030.
Transition risk — tightening environmental regulations and shifting building codes — may render some older collateral properties less financeable or less liquid in future resale markets.	Commenced IFRS S2 transition risk scenario analysis (orderly and disorderly); monitoring Bangladesh National Building Code updates; developing a future-proofing advisory note for borrowers.
Measuring and reporting financed emissions (Scope 3, Category 15) requires property-level energy data that is currently unavailable for most Bangladeshi residential properties.	Using PCAF portfolio-level estimation methodology with available proxy data; investing in data quality improvement through developer partnerships and energy audit pilots; targeting PCAF Score improvement by 2027.

Way Forward →

Achieve a 25% absolute reduction in Scope 1+2 emissions by 2030 against our 2023 baseline.

Complete 100% flood zone mapping of the mortgage portfolio and integrate climate risk flags into the standard credit approval workflow by Q4 2030.

Improve PCAF data quality score by 2027 through developer energy data partnerships and energy audit pilots.

Capital Interdependencies

Natural Capital is a risk overlay on Financial Capital: the physical and transition risks of climate change directly affect the quality of our loan portfolio (M01, M02, M13), the value of our collateral, and the repayment capacity of borrowers in flood-exposed locations. Investment in green finance products (M12) generates simultaneously Natural Capital outcomes (reduced embodied carbon in financed properties), Social Capital outcomes (better living conditions for affordable housing beneficiaries), and Financial Capital resilience (lower physical risk exposure). Operational emissions reduction requires Manufactured Capital investment (energy-efficient branches) and Human Capital engagement (environmental awareness and behaviour change).

ডিবিএইচ ইসলামিক
শরিয়াহভিত্তিক ফাইন্যান্সিং উইং

DBH | DBH Islamic

মুদারাবা টার্ম ডিপোজিট

শরিয়াহ মেনে সঞ্চয় করি, পরিশুদ্ধ জীবন গড়ি



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5 RISKS & OUR CONTROLS

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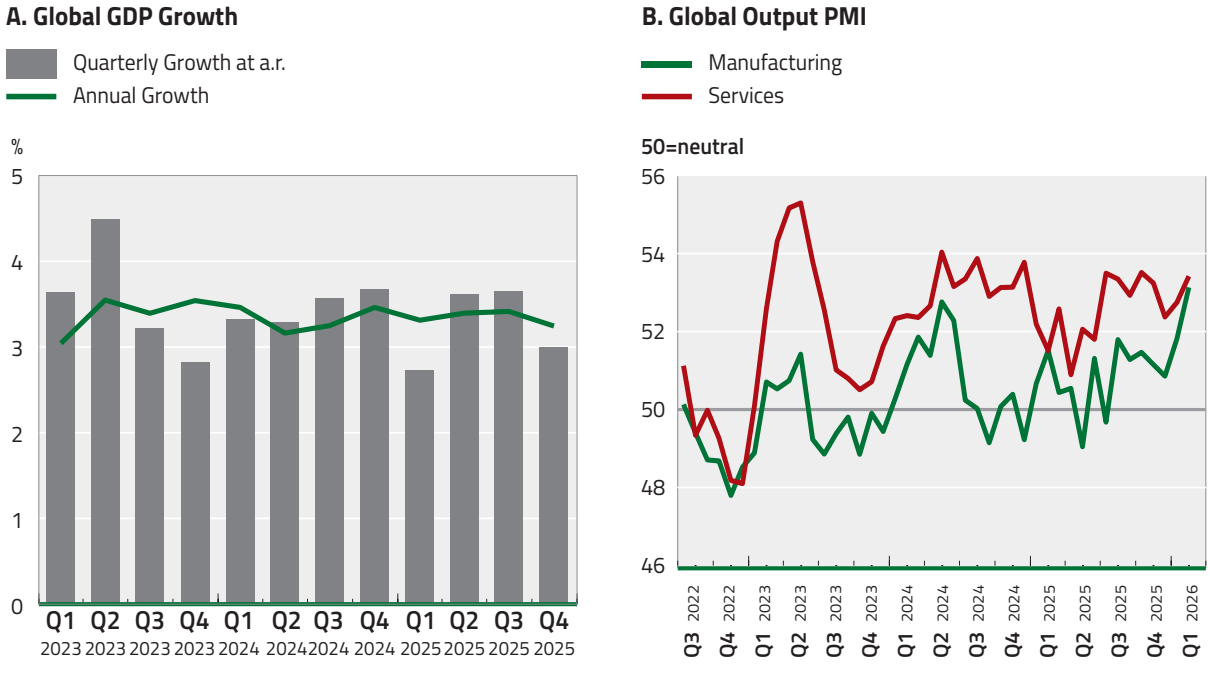
ECONOMIC REVIEW

World Economy

The global economic environment in 2026 reflects a combination of resilience and rising uncertainty amid evolving geopolitical and financial conditions. Global economic conditions have continued to demonstrate notable resilience, although this strength is increasingly being tested by heightened geopolitical tensions and renewed supply-side shocks. In the period leading into 2026, economic activity remained broadly stable, supported by steady private consumption, relatively accommodative financial conditions, and a strong wave of investment linked to the rapid expansion of artificial intelligence technologies. However, the escalation of conflict in the Middle East has introduced a new layer of uncertainty, particularly through its disruptive impact on energy markets and global supply chains.

Prior to these recent disruptions, global growth had been sustained at a moderate pace, with both advanced and emerging economies benefiting from improved demand conditions. Industrial production expanded steadily, particularly in technology-related sectors, while global trade maintained a gradual recovery. These dynamics provided a supportive foundation for continued economic activity.

Figure 1. Global growth remained resilient prior to the conflict



Note: In Panel A, annual growth denotes the change over the year to the quarter shown. Quarterly growth at a.r. denotes quarter-on-quarter growth at an annualised rate. The global aggregates are PPP-weighted measures. In Panel B, data are shown up to February.

Source: OECD Economic Outlook, Interim Report, March 2026

Despite this momentum, the outlook has become more cautious. Global GDP growth is projected to moderate to approximately 2.9 percent in 2026, before edging up slightly to around 3.0 percent in 2027. This moderation reflects the combined effects of higher energy prices, tighter financial conditions, and rising geopolitical risks, which are expected to offset the positive contributions from technological investment and trade recovery.

Table 1. Global growth is expected to moderate

	2025	2026		2027	
		Interim EO projections	Difference from December EO	Interim EO projections	Difference from December EO
World	3.3	2.9	0.0	3.0	-0.1
G20[1]	3.3	3.0	0.1	3.0	-0.1
Australia	2.0	2.3	0.0	2.4	0.1
Canada	1.7	1.2	-0.1	1.7	0.0
Euro Area	1.4	0.8	-0.4	1.2	-0.2
Germany	0.4	0.8	-0.2	1.5	0.0
France	0.9	0.8	-0.2	1.0	0.0
Italy	0.5	0.4	-0.2	0.6	-0.1
Spain[2]	2.8	2.1	-0.1	1.7	-0.1
Japan	1.2	0.9	0.0	0.9	0.0
Korea	0.9	1.7	-0.4	2.1	0.0
Mexico	0.6	1.3	0.1	1.7	0.0
Turkiye	3.6	3.3	-0.1	3.8	-0.2
United Kingdom	1.3	0.7	-0.5	1.3	0.0
United States	2.1	2.0	0.3	1.7	-0.2
Argentina	4.4	2.8	-0.2	3.5	-0.4
Brazil	2.3	1.5	-0.2	2.1	-0.1
China	5.0	4.4	0.0	4.3	0.0
India[3]	7.6	6.1	-0.1	6.4	0.0
Indonesia	5.1	4.8	-0.2	5.0	-0.1
Russia	1.0	0.6	0.1	0.8	0.2
Saudi Arabia	4.5	4.0	0.0	3.6	-0.3
South Africa	1.1	1.2	-0.1	1.7	0.2

Note: Difference from December 2025 OECD Economic Outlook in percentage points, based on rounded figures. World and G20 aggregates use moving nominal GDP weights at purchasing power parities (PPPs). Revisions to PPP estimates affect the differences in the aggregates. Based on data available up to 23 March 2026.

1. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right.
2. Spain is a permanent invitee to the G20.
3. Fiscal years, starting in April.

Source: OECD Interim Economic Outlook 119 database; and OECD Economic Outlook 118 database.

Source: OECD Economic Outlook, Interim Report, March 2026

Among major economies, growth in the United States is expected to soften gradually as consumer demand moderates, while the euro area is likely to experience subdued expansion due to elevated energy costs. China's growth is projected to slow modestly amid structural adjustments, whereas several emerging market economies are expected to maintain relatively stronger, though slightly moderated, growth trajectories.

Inflation dynamics have also shifted in response to recent developments. While inflation had begun stabilizing in many economies, the surge in global energy prices has led to renewed upward pressure on headline inflation. As a result, inflation across the G20 economies is expected to rise in 2026 before gradually easing in 2027, assuming that energy market pressures begin to subside.

Table 2. Headline inflation is projected to rise in 2026

	2025	2026		2027	
		Interim EO projections	Difference from December EO	Interim EO projections	Difference from December EO
G20[1]	3.4	4.0	1.2	2.7	0.2
Australia	2.8	4.1	1.4	2.5	0.0
Canada	2.1	2.4	0.3	2.0	0.0
Euro Area	2.1	2.6	0.7	2.1	0.1
Germany	2.3	2.9	0.8	2.6	0.2
France	0.9	1.8	0.5	1.5	-0.1
Italy	1.6	2.4	0.7	1.8	0.0
Spain[2]	2.7	3.0	0.7	2.2	0.4
Japan	3.2	2.4	0.2	1.9	-0.2
Korea	2.1	2.7	0.9	2.0	0.0
Mexico	3.8	3.8	0.5	3.2	0.3
Turkiye	34.9	26.7	5.9	16.9	5.2
United Kingdom	3.4	4.0	1.5	2.6	0.5
United States	2.6	4.2	1.2	1.6	-0.7
Argentina	41.9	31.3	13.7	14.1	4.1
Brazil	5.0	4.1	-0.1	3.8	0.0
China	-0.1	1.3	1.0	1.1	0.3
India[3]	2.0	5.1	1.7	4.1	0.1
Indonesia	1.9	3.4	0.3	2.6	-0.6
Russia	8.7	6.4	1.0	4.5	0.2
Saudi Arabia	2.0	1.9	-0.3	2.2	0.2
South Africa	3.2	3.9	0.3	3.3	0.1
Memorandum item					
G20 countries excluding Argentina and Turkiye	2.2	3.1	0.9	2.2	0.0

Note: Difference from December 2025 OECD Economic Outlook in percentage points, based on rounded figures. The G20 aggregate uses moving nominal GDP weights at purchasing power parities (PPPs). Revisions to PPP estimates affect the differences in the aggregate. Based on data available up to 23 March 2026.

1. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right.
2. Spain is a permanent invitee to the G20.
3. Fiscal years, starting in April.

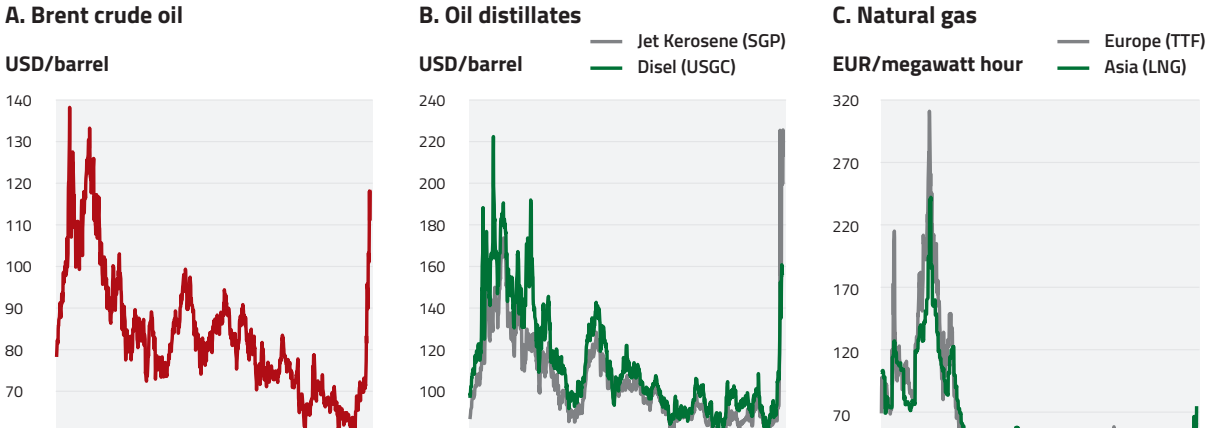
Source: OECD Interim Economic Outlook 119 database; and OECD Economic Outlook 118 database.

Source: OECD Economic Outlook, Interim Report, March 2026

Although core inflation remains relatively contained, it continues to exceed target levels in several economies, reflecting persistent underlying price pressures. The rise in energy and commodity prices has also contributed to a rebound in inflation expectations, posing ongoing challenges for monetary authorities.

The escalation of conflict in the Middle East has emerged a defining factor in the current global outlook. Disruptions to major energy supply routes and infrastructure have led to a sharp increase in oil and gas prices, accompanied by heightened market volatility. Given the region's central role in global energy supply, these developments have increased production costs, reduced household purchasing power, and added to inflationary pressures worldwide.

Figure 2. Energy prices have surged



Note: The figure shows data up to 20 March 2026.

Source: OECD Economic Outlook, Interim Report, March 2026

The impact of these developments is uneven across countries. Energy-importing economies, particularly in Asia, remain more exposed to external shocks, while rising input costs are also affecting global supply chains and food price dynamics.

In addition to energy-related risks, financial conditions have tightened amid rising uncertainty. Equity markets have experienced volatility, bond yields have increased across several economies, and exchange rate movements have become more pronounced, particularly in emerging markets.

Figure 3. Financial conditions have tightened but remain mildly accommodative



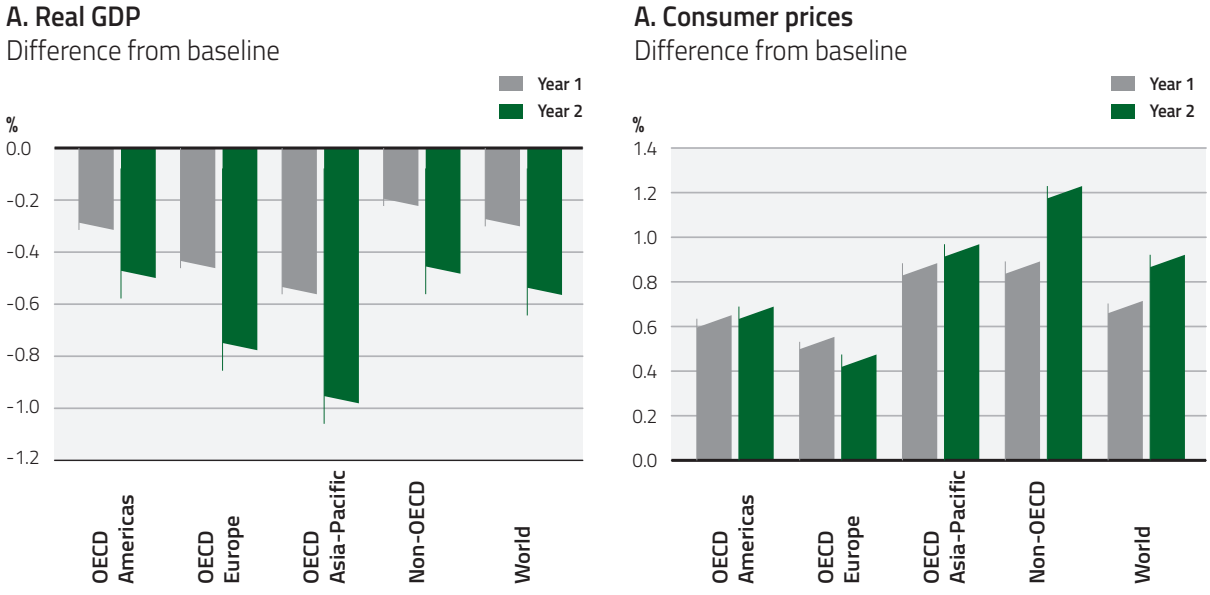
Note: In Panel A, the monthly Financial Conditions Indices (FCI) for advanced and emerging economies are computed as the medians of individual country standardised FCIs. National FCIs are standardised around a long-term average and obtained as the first principal component of a wide range of country-specific and global financial data series (15 country-specific indicators and 12 global indicators) including equities, interest rates, measures of volatility, sovereign spreads and exchange rates. Higher (lower) values of the FCI point to tighter (easier) financial conditions. The latest values refer to March 2026 and have been estimated with data available up to 20 March 2026.

Source: OECD Economic Outlook, Interim Report, March 2026

Global trade, however, has remained relatively resilient, supported by continued demand for technology-related goods and services. Nevertheless, the evolving geopolitical landscape and higher trade costs may weigh on future trade expansion.

Looking ahead, the balance of risks to the global economic environment remains tilted to the downside. A prolonged escalation of geopolitical tensions could further disrupt energy markets and global supply chains, leading to weaker growth and higher inflation.

Figure 4. Further sharp rises in energy prices would impact growth and inflation prospects



Note: See text for explanation of the shocks applied. The panels show the impact on the level of real GDP and consumer prices.
Source: OECD Economic Outlook, Interim Report (March 2026); calculations based on the NiGEM macroeconomic model.

At the same time, uncertainties surrounding the pace and economic impact of technological transformation, particularly in artificial intelligence, continue to shape the medium-term outlook. While early evidence suggests potential productivity gains, the extent and distribution of these benefits remain uncertain.

In this complex environment, policymakers face a delicate balancing act. Central banks must continue to address inflationary pressures while avoiding undue constraints on economic growth. Fiscal policy should remain targeted and prudent, ensuring support for vulnerable groups while maintaining long-term sustainability. Structural reforms aimed at enhancing energy security, improving supply chain resilience, and fostering innovation will be critical in strengthening economic stability.

In conclusion, while the economic outlook remains resilient, it is entering a period of increased uncertainty and adjustment. The interplay between geopolitical developments, energy market dynamics, and technological progress will play a decisive role in shaping the global economic trajectory in the coming years. Continued policy coordination, prudent macroeconomic management, and sustained reform efforts will be essential to support stable, inclusive, and resilient global growth.

Bangladesh Economic Review 2026

Stabilization Under Pressure, Recovery on the Horizon

The macroeconomic environment of Bangladesh in FY26 reflects a period of stabilization under continued domestic and external pressures. Recent assessments by Bangladesh Bank suggest that while economic activity has moderated, overall conditions remain broadly stable, supported by resilience in key sectors and ongoing policy interventions. The economy is navigating a complex interplay of subdued growth, elevated inflation, and tight financial conditions within a challenging global environment.

Economic activity has softened primarily due to a slowdown in industrial output, although agriculture and

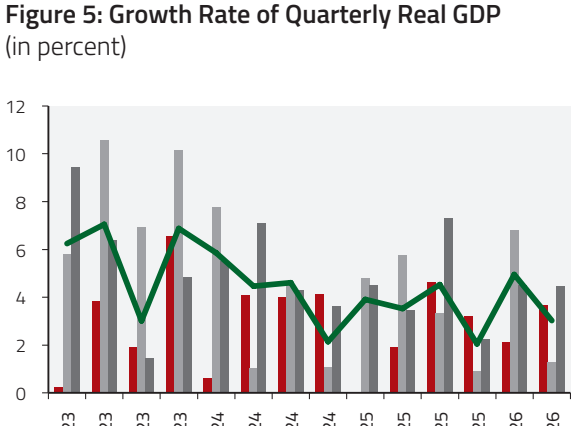
services have continued to provide support. Inflation remains elevated, constraining real incomes despite moderate wage growth, while tight monetary conditions have dampened credit expansion and investment. At the same time, the external sector has improved, supported by strong remittance inflows and moderated imports, contributing to a balance of payments surplus and strengthening foreign exchange reserves.

Despite these improvements, structural vulnerabilities persist in the financial and capital markets. The outlook remains cautiously optimistic, contingent upon sustained policy discipline, continued reforms, and a stable global environment.

Real Economy: Growth Moderation Amid Sectoral Divergence

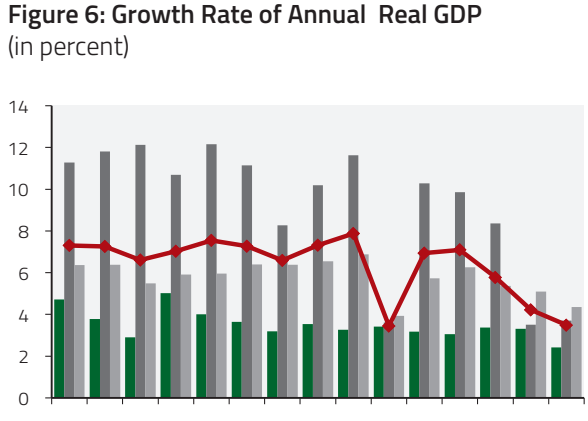
Economic growth has moderated in recent periods, reflecting both domestic constraints and external headwinds. Quarterly real GDP growth declined to 3.03 percent in Q2FY26 from 4.96 percent in the previous quarter, while annual growth slowed to 3.49 percent in FY25, as illustrated in **Figure 5 and Figure 6.**

Figure 5: Growth Rate of Quarterly Real GDP
(in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

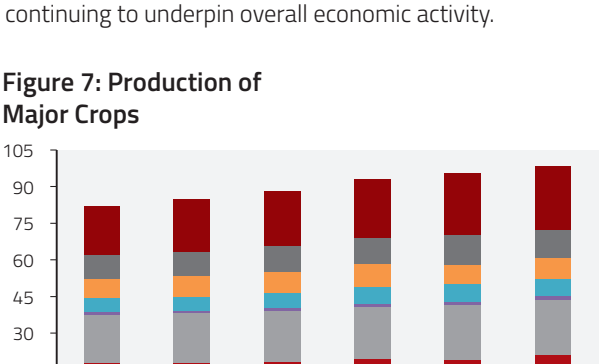
Figure 6: Growth Rate of Annual Real GDP
(in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

Sectoral performance remains uneven. Agriculture has shown improvement, supported by favourable weather and policy support, as reflected in **Figure 7.** In contrast, industrial growth has weakened significantly due to subdued manufacturing activity, as highlighted in **Figure 8.** The services sector, however, has remained relatively stable, continuing to underpin overall economic activity.

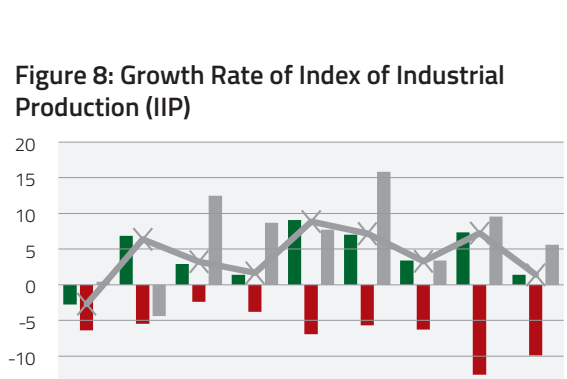
Figure 7: Production of Major Crops



*Production Target

Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

Figure 8: Growth Rate of Index of Industrial Production (IIP)

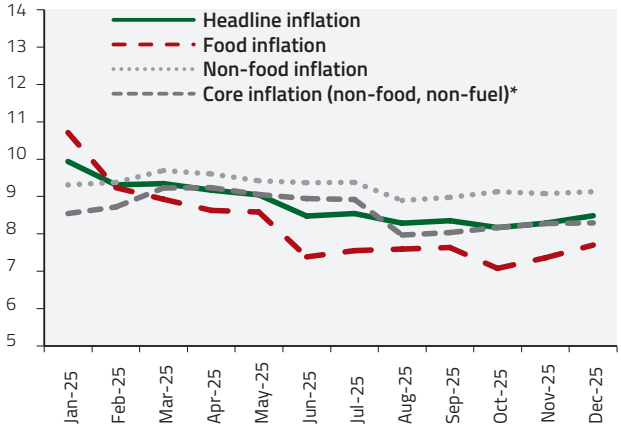


Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

Inflation and Monetary Conditions: Persistent Pressures

Inflation has remained elevated, with headline inflation rising to 8.49 percent in December 2025, as shown in **Figure 9,** while the 12-month average moderated slightly to 8.77 percent **(Figure 10).** Price pressures have been driven by higher costs of food items, energy, and transport, with non-food inflation remaining comparatively high.

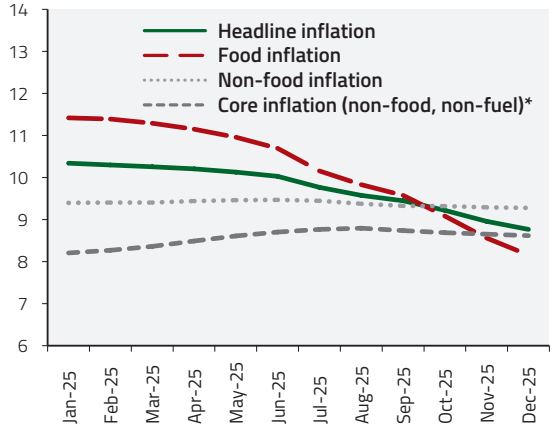
Figure 9: Point-to-Point CPI Inflation
(in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

*Core inflation is calculated by the Research Department of Bangladesh Bank excluding food and fuel based on BBS data.

Figure 10: 12-Month Average CPI Inflation
(in percent)

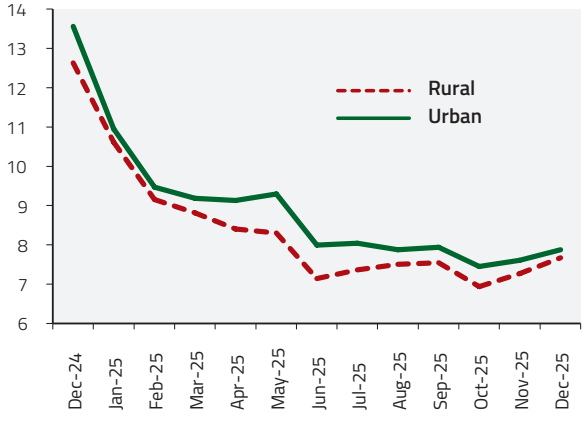


Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

*Core inflation is calculated by the Research Department of Bangladesh Bank excluding food and fuel based on BBS data.

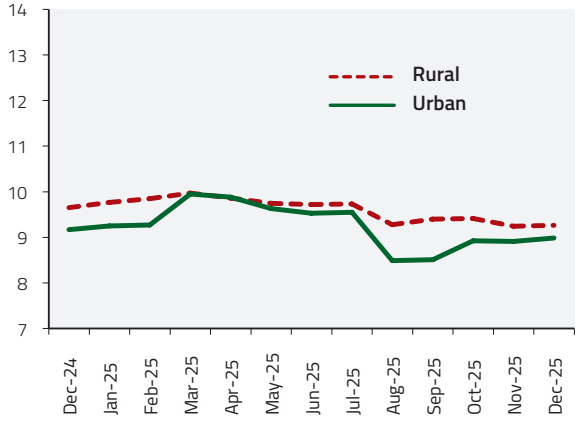
Although some relief has emerged from declining prices of key food items such as vegetables and rice, overall inflationary pressures persist due to supply-side constraints and exchange rate pass-through effects. Rural and urban inflation trends, presented in **Figure 11 and Figure 12,** indicate uneven impacts across population segments.

Figure 11: Food Inflation
(in percent, p–t-p)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

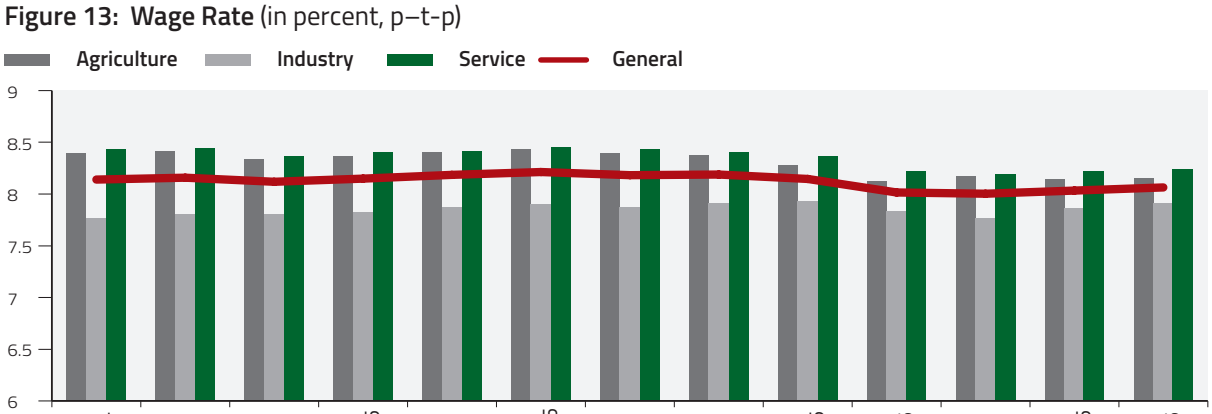
Figure 12: Non-food Inflation
(in percent, p–t-p)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

Despite nominal wage growth **(Figure 13),** real wages remain negative, reflecting the continued erosion of purchasing power.

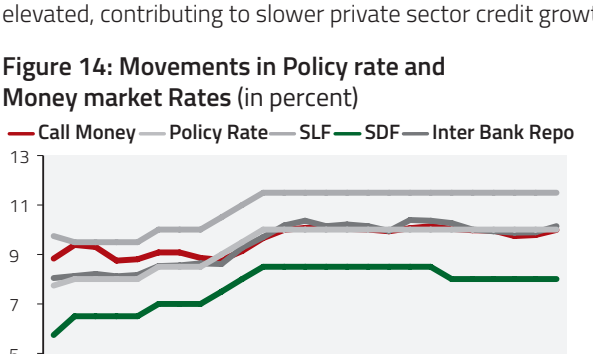
Figure 13: Wage Rate (in percent, p–t-p)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

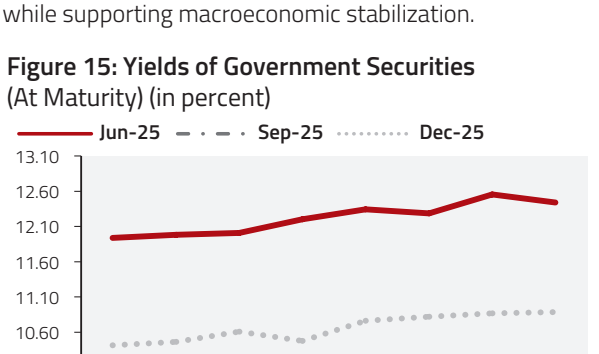
In response, the central bank has maintained a contractionary monetary policy stance, keeping the policy rate at 10.00 percent. As shown in **Figure 14 and Figure 15,** market interest rates and government security yields have remained elevated, contributing to slower private sector credit growth while supporting macroeconomic stabilization.

Figure 14: Movements in Policy rate and Money market Rates (in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2.

Figure 15: Yields of Government Securities (At Maturity) (in percent)

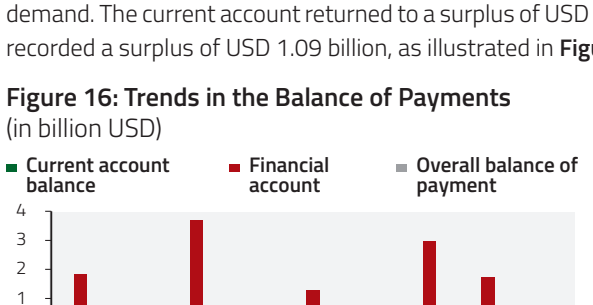


Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2

External Sector: Strengthened Position Amid Global Uncertainty

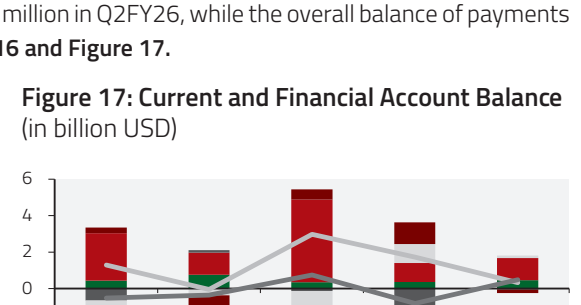
The external sector has demonstrated resilience, supported by strong remittance inflows and moderated import demand. The current account returned to a surplus of USD 476 million in Q2FY26, while the overall balance of payments recorded a surplus of USD 1.09 billion, as illustrated in **Figure 16 and Figure 17.**

Figure 16: Trends in the Balance of Payments (in billion USD)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2

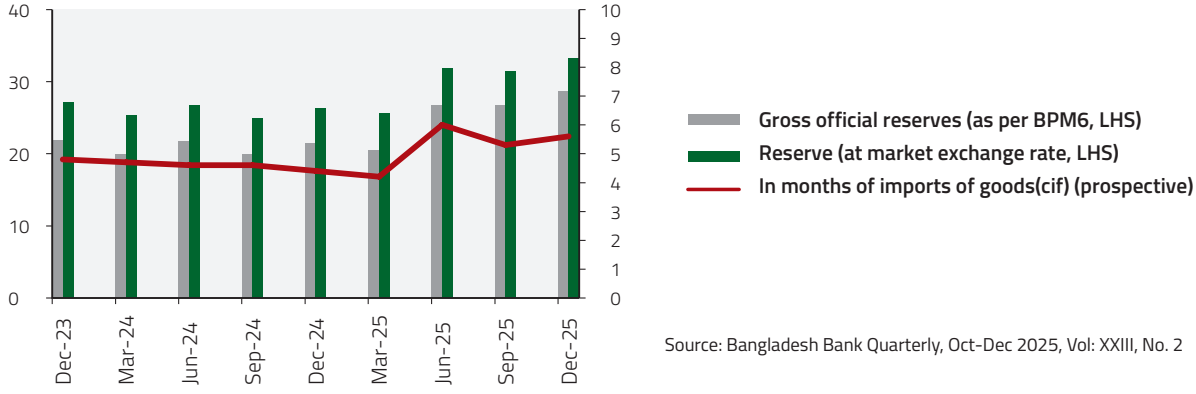
Figure 17: Current and Financial Account Balance (in billion USD)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2

Foreign exchange reserves increased to USD 33.19 billion **(Figure 18),** enhancing external stability. However, export performance has shown signs of weakness, particularly in the ready-made garments sector, reflecting subdued global demand.

Figure 18: International Reserve
(in billion USD)

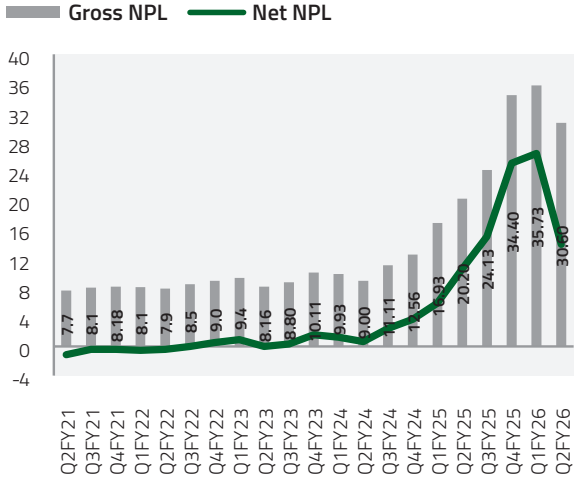


Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2

Banking and Capital Markets: Fragility Persists

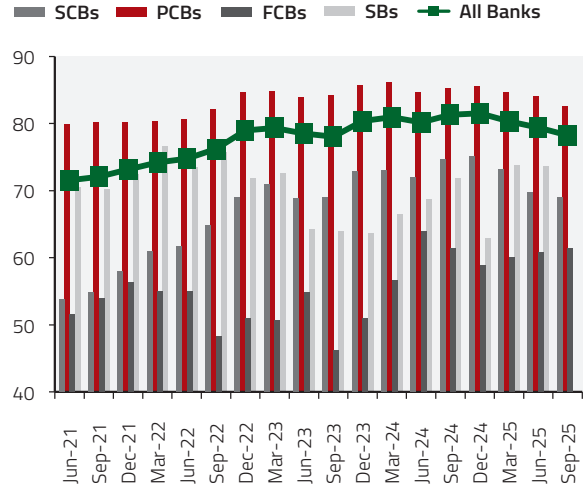
The banking sector continues to face structural challenges. Although the gross non-performing loan ratio declined to 30.60 percent **(Figure 19)**, this improvement largely reflects regulatory adjustments rather than fundamental strengthening. Profitability indicators have weakened, while liquidity conditions remain adequate **(Figure 20)**.

Figure 19: Ratio of Gross NPLs and Net NPLs to Total Loans in the Banking Industry (in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2

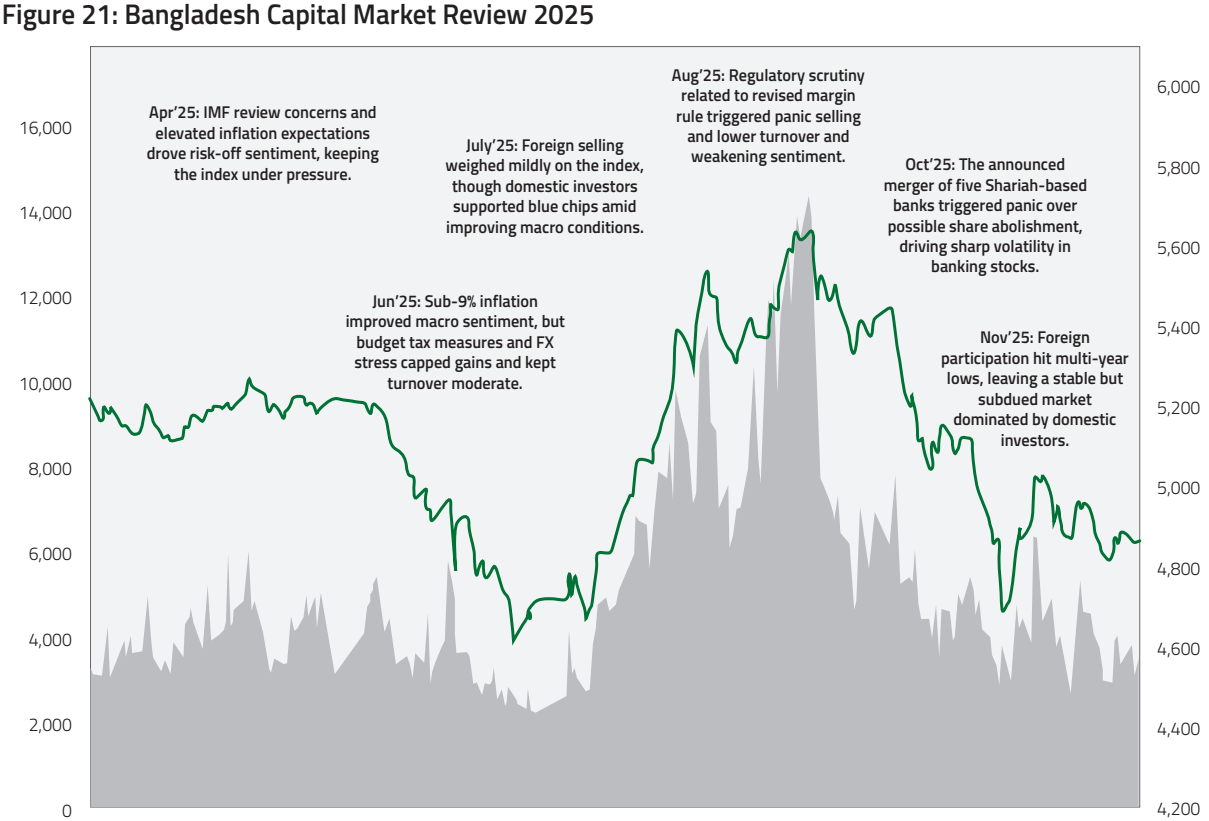
Figure 20: Advance Deposit Ratio
(in percent)



Source: Bangladesh Bank Quarterly, Oct-Dec 2025, Vol: XXIII, No. 2

The capital market has also experienced renewed weakness, with the DSEX index declining during Q2FY26. This reflects subdued investor confidence amid macroeconomic uncertainty and governance concerns. Ongoing regulatory reforms are expected to support gradual stabilization.

Figure 21: Bangladesh Capital Market Review 2025



Source: LBS PLC Yearly Capital Market Review 2025

Global Risks and Outlook

The global economic environment continues to face heightened uncertainty, driven by persistent geopolitical tensions and volatility in commodity markets, which pose notable risks to Bangladesh's macroeconomic stability. As highlighted in the Bangladesh Bank Quarterly (October–December 2025, Volume XXIII, No. 2), external shocks, particularly ongoing Middle East conflicts involving the US, Israel, and Iran, have increased the risk of supply disruptions and energy price spikes. A sustained rise in global oil prices, combined with continued exchange rate pressures, could significantly elevate domestic inflationary trends and exert further strain on foreign exchange reserves.

Conclusion

Bangladesh's economy in FY26 is undergoing a transitional phase marked by stabilization efforts amid persistent challenges. While growth has moderated and inflation remains elevated, resilience in the external and services sectors provides a foundation for recovery.

Sustained progress will depend on continued policy discipline, financial sector reforms, and improvements in industrial performance. With supportive global conditions and effective policy implementation, Bangladesh remains well-positioned to move toward a more stable and growth-oriented trajectory in the medium term.

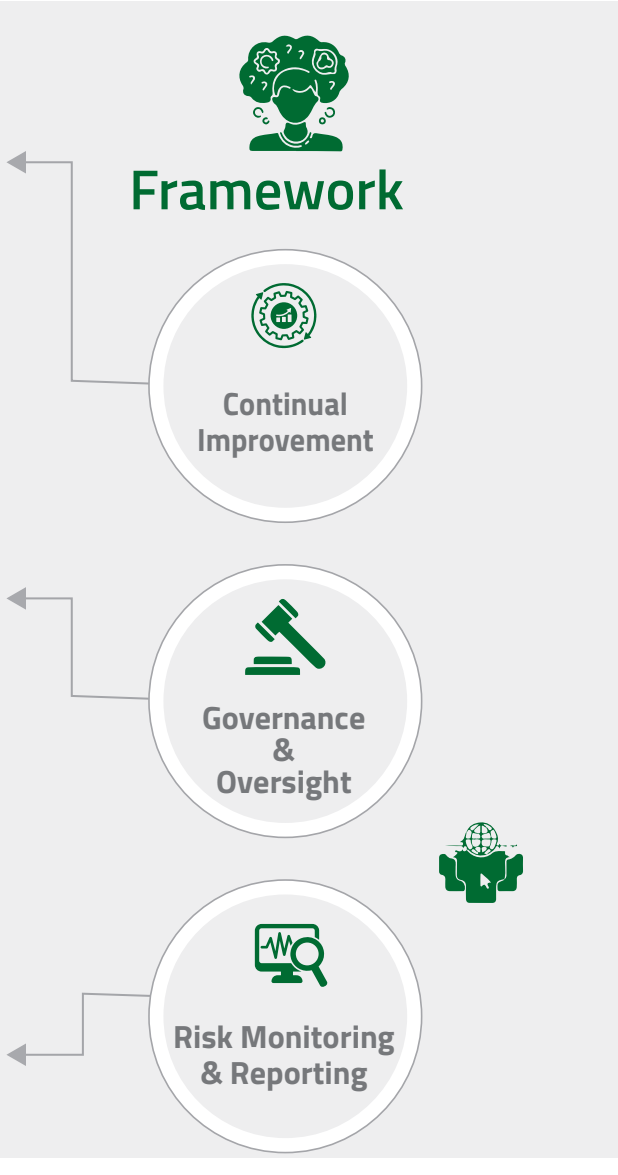
RISK MANAGEMENT FRAMEWORK

In the progressive financial sector, resilience and sustainable growth are largely dependent on efficient risk management. We understand that in order to successfully complete our operations, strong risk management techniques are essential. With an unwavering dedication to protecting the interests of its stakeholders and guaranteeing financial stability we have created an extensive risk management framework. In this case, risk management is not only required by law but also deeply embedded in the organizational culture as a strategic objective. Through proactive risk identification, assessment, mitigation, and monitoring, the organization aims to maximize

1. Encouraging a culture of ongoing development by getting input from relevant parties and applying the knowledge gained from previous risk experiences.
2. Keeping up with the latest changes in risk management regulations and best practices.
3. Regularly reviewing and updating the risk management framework to adapt to changes in the business environment and emerging risks.

1. Defining clear roles and responsibilities for individuals and committees involved in risk management.
2. Establishing an independent risk management function with adequate authority and resources to oversee the implementation of the risk management framework.
3. Reviewing and assessing the risk management framework's efficacy on a regular basis. This should involve both internal and external assessments.
4. Ensuring alignment of risk management practices with the institution's overall business strategy and objectives.
5. Fostering a culture of risk awareness and accountability throughout the organization.

1. Implementing a robust monitoring system to track key risk indicators (KRIs) and early warning signals.
2. Ensuring transparency and accountability in risk reporting processes.
3. Conducting periodic stress tests and scenario analyses to evaluate the resilience of the institution's risk management framework under adverse conditions.



possibilities while taking appropriate measures to manage potential hazards. DBH Finance is a forward-thinking company that strives to create sustainable value for its clients, shareholders, and the wider financial ecosystem by keeping risk and reward in check. Our framework for managing risks, explaining its main elements, governance, and the proactive steps taken to handle a variety of hazards common in the NBFI industry. As we continue this investigation, it becomes clear that our dedication to excellence goes beyond financial performance and includes risk management in a responsible manner, supporting our company's standing as a reliable partner in the financial services industry.



1. Undertaking a comprehensive evaluation of all possible hazards, encompassing credit, market, liquidity, operational, compliance, and strategy risks, among others.
2. Examining macroeconomic conditions, industry developments, and regulatory changes on a regular basis to spot new hazards.
3. Providing staff with clear methods to report any potential hazards they may come across.



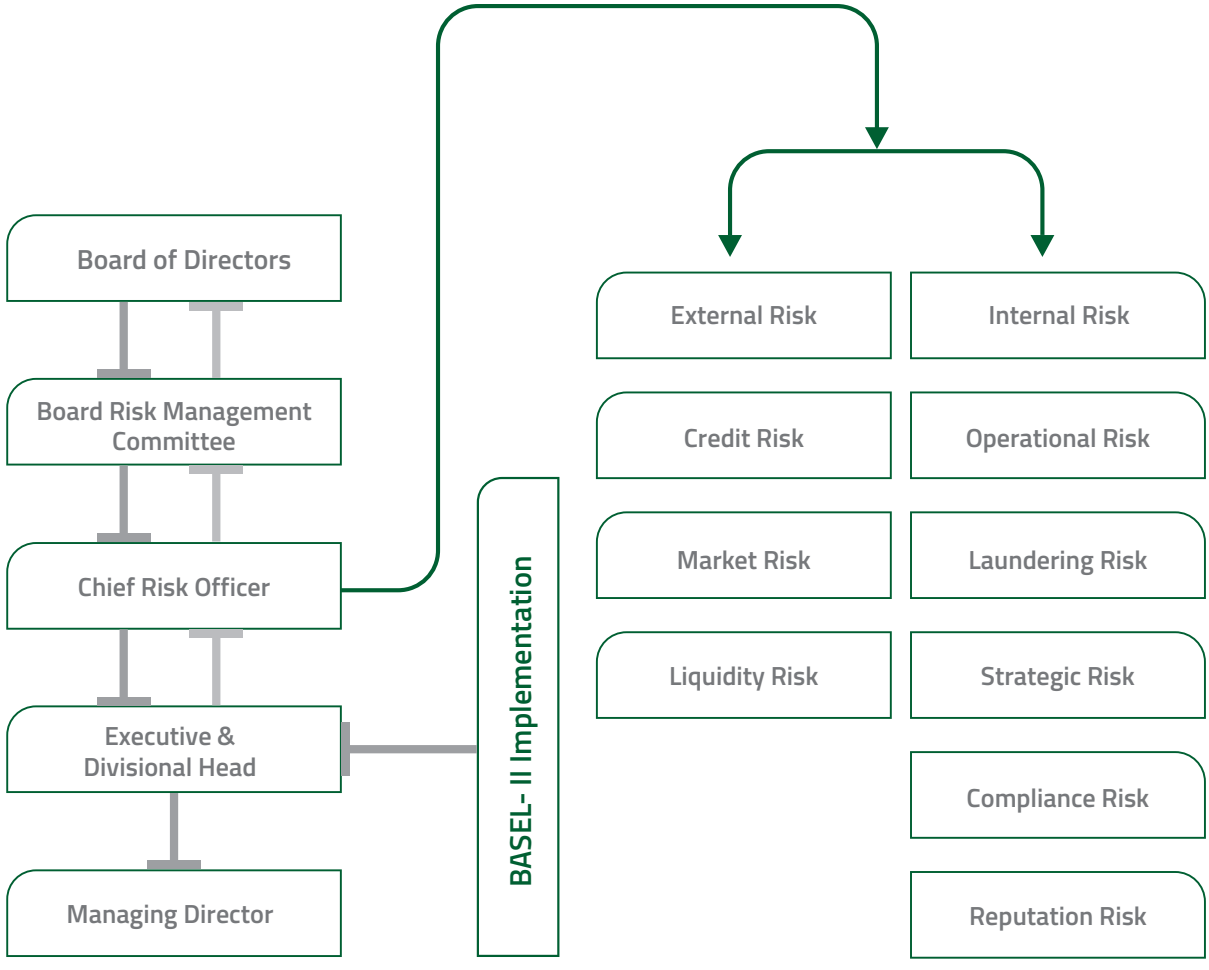
1. After risks have been identified, ranking them according to likelihood and potential impact.
2. Analyzing each risk using both qualitative and quantitative methods, taking into account variables including past performance, professional opinion, stress testing, and scenario analysis.
3. Determining the institution's risk appetite and tolerance levels for each type of risk.



1. Diversification of investment portfolios to reduce concentration risk.
2. Establishing robust credit assessment and monitoring processes to mitigate credit risk
3. Building adequate liquidity buffers to mitigate liquidity risk.
4. Enhancing cybersecurity measures to reduce operational risk related to data breaches or system failures.
5. Implementing robust compliance procedures to ensure adherence to regulatory requirements.
6. Conducting regular training programs to enhance risk awareness among employees.



RISK MANAGEMENT STRUCTURE



Basel-II Implementation:

DBH Finance strides boldly into the realm of financial resilience with the implementation of Basel II, marking a pivotal moment in its journey toward fortified risk management. We support the framework's pillars as the regulatory environment changes, strengthening capital sufficiency, improving transparency, and improving risk assessment techniques. With Basel II, we create a tapestry of innovation and caution that goes beyond simple compliance. By using sophisticated risk quantification methods and strong internal models, we carefully measure our risk tolerance to maintain a healthy ratio of reward to risk. With effect from January 1, 2012, Bangladesh Bank established the "Risk Based Capital Adequacy for FI's" regulatory capital framework. We are aware about guideline of Bangladesh Bank and implemented Capital Adequacy requirement according to BASEL-II. BASEL-II implementation committee is headed by Managing Director & CEO.

Different Types of Risk and Our Response:

We are aware that risk is a complex concept with many facets that necessitates thoughtful solutions rather than being a single, monolithic entity. With a wide range of risk management techniques at its disposal, we take on all threats to its operations, including the dangers of credit default, market volatility, and the constant threat of operational errors.

Risk Mitigation Methodology

Credit Risk		Risk Severity: High
Risk	**Response**	**Way Forward**
Default Risk: This risk arises when borrowers fail to meet their obligations, resulting in non-payment or delayed payments. **Underwriting Risk:** Poor credit underwriting practices can lead to misjudgments in assessing borrower creditworthiness, resulting in higher default rates. **Concentration Risk:** Concentration risk occurs when a significant portion of our loan portfolio is exposed to a single borrower, industry, or geographic region.	1. We respond to counterparty default risk by conducting thorough credit assessments and due diligence before extending credit. 2. We employ robust underwriting standards, leveraging data analytics and predictive modeling to evaluate the creditworthiness of borrowers accurately. 3. We diversifiy our lending activities across various sectors and geographies, setting limits on exposure to any single counterparty or sector.	1. The company may diversify its loan portfolio to mitigate concentration risk and implement stringent monitoring mechanisms to detect early signs of financial distress. 2. The company invests in ongoing training and development programs for its underwriting team to enhance their skills and adapt to evolving market conditions. 3. The company regularly evaluates its portfolio composition to identify and mitigate concentration risk proactively.

Market Risk		Risk Severity: High
Risk	**Response**	**Way Forward**
Interest Rate Risk: Fluctuations in interest rates can impact DBH Finance's profitability, as they affect the cost of funds and the interest income earned on loans and investments. **Market Price Risk:** It arises from fluctuations in the prices of financial assets held by DBH Finance, such as equities, bonds, and derivatives. These price movements can impact the value of the company's investment portfolio and trading positions.	1. We employ interest rate hedging instruments such as interest rate swaps or options to mitigate the impact of adverse rate movements. 2. We employ robust risk management frameworks, including regular monitoring of market exposures, stress testing, and scenario analysis, to assess and mitigate market price risk.	1. The company may adjust its loan and investment portfolios' duration to align with its interest rate outlook, optimizing the balance between risk and return. 2. The company may diversify its investment portfolio across asset classes and geographic regions to reduce concentration risk and enhance risk-adjusted returns.

Liquidity Risk		Risk Severity: High
Risk	**Response**	**Way Forward**
Funding Liquidity Risk: It arises when we face challenges in raising funds to meet its financing needs, either due to disruptions in the funding markets or a mismatch between our assets and liabilities. **Asset Liquidity Risk:** It refers to the difficulty of selling or liquidating assets quickly without causing a significant loss in value. **Market Liquidity Risk:** It arises when we encounter challenges in executing transactions in the financial markets at favorable prices due to insufficient trading activity or depth.	1. We maintain diverse funding sources, including lines of credit, short-term borrowings, and deposits from institutional and retail investors. 2. We manage the risk by diversifying investment portfolio comprising liquid and marketable assets, such as government securities, high-quality corporate bonds, and highly liquid money market instruments 3. We focus on investing in assets with sufficient liquidity and actively monitors market conditions to identify potential liquidity disruptions.	1. The company should establishes contingency funding plans and liquidity buffers to ensure access to funding during periods of market stress. 2. The company should conduct regular stress testing and scenario analysis to assess the impact of adverse market conditions on asset liquidity and adjust its investment strategy accordingly. 3. The company should also employ hedging strategies and derivatives instruments to manage market liquidity risk effectively.

Operational Risk		Risk Severity: High
Risk	**Response**	**Way Forward**
Technology and Cybersecurity Risks: NBFI companies face the risk of disruptions or data breaches due to technological failures or cyberattacks. **Business Continuity and Disaster Recovery Risks:** Operational disruptions caused by natural disasters, pandemics, or other unforeseen events can impair our ability to serve to its customers. **Compliance and Regulatory Risks:** Non-compliance with regulatory requirements and industry standards can expose DBH Finance to legal and reputational risks.	1. We invest in cybersecurity measures, including firewalls, encryption, and intrusion detection systems. We conduct regular security audits and employee training to enhance awareness of cybersecurity threats. 2. We develop business continuity plans and recovery strategies. These plans outline protocols for maintaining essential operations, and restoring systems and services 3. We maintain compliance framework, encompassing policies, procedures, and controls designed to ensure adherence to relevant laws and regulations.	1. We should continuously monitor emerging cyber threats and adopt advanced technologies to strengthen its cyber defenses proactively. 2. The company should conduct regular drills and simulations to test the effectiveness of its plans and enhance preparedness for potential emergencies. 3. We should stay abreast of regulatory developments and proactively adjusts our practices to align with evolving regulatory expectations.

Laundering Risk		Risk Severity: Medium
Risk	**Response**	**Way Forward**
Customer Due Diligence (CDD) Risks: Its processes can enable money launderers to use NBFI services to disguise the origins of illicit funds. **Transaction Monitoring Risks:** Money laundering activities often involve complex transaction patterns designed to evade detection. **Compliance and Reporting Risks:** Non-compliance with anti-money laundering (AML) regulations and reporting requirements can expose us to regulatory sanctions and reputational damage.	1. We respond CDD risks by implementing Know Your Customer (KYC) procedures, including verification of customer identities, screening for politically exposed persons (PEPs) and high-risk entities, and ongoing monitoring of customer transactions. 2. We deploy sophisticated transaction monitoring systems that leverage data analytics and machine learning algorithms to identify potentially suspicious activities. 3. The company maintains AML compliance program that includes policies, procedures, and controls designed to detect and prevent money laundering activities.	1. The company should also conduct enhanced due diligence for higher-risk customers and transactions, such as large cash transactions or those involving jurisdictions with weak anti-money laundering controls. 2. The company should maintain a team of trained analysts responsible for reviewing alerts generated by the monitoring systems. 3. We should demonstrate our commitment to upholding the highest standards of integrity and ethical conduct in its operations.

Strategic Risk		Risk Severity: Medium
Risk	**Response**	**Way Forward**
Market Disruption Risk: Rapid technological advancements, changing consumer preferences, and disruptive market forces can pose threats to our traditional business model and market positioning. **Regulatory and Compliance Risk:** Regulatory changes and evolving compliance requirements can impact our operations, necessitating adjustments to our business practices and strategies. **Strategic Planning and Execution Risk:** Ineffective strategic planning limits our ability to achieve long-term objectives.	1. The company adopts a proactive approach to innovation, investing in emerging technologies, and exploring new business opportunities. 2. The company maintains a robust regulatory intelligence program, staying abreast of regulatory developments and engaging with regulators to understand and comply with new requirements. 3. The company adopts a structured approach to strategic planning, involving key stakeholders in the formulation of strategic objectives and initiatives.	1. Conducting regular market analysis and scenario planning to anticipate and adapt to changes in the competitive landscape, ensuring our continued relevance and competitiveness in the market. 2. Conducting regular compliance assessments and internal audits to identify and address potential compliance gaps, ensuring adherence to regulatory standards and safeguarding its reputation and license to operate. 3. Fostering a culture of innovation and agility, encouraging experimentation and learning from both successes and failures for improvement and adaptation.

Compliance Risk		Risk Severity: Low
Risk	**Response**	**Way Forward**
Regulatory Compliance Risk: Non-compliance with laws and regulations governing the financial services industry can expose us to regulatory sanctions, fines, and reputational damage. **Data Privacy and Information Security Risk:** Inadequate protection of customer data and information security breaches can result in regulatory penalties, lawsuits, and damage to our reputation.	1. To address regulatory compliance risk, the company maintains a robust compliance management framework, comprising policies, procedures, and controls designed to ensure adherence to applicable laws and regulations. 2. The company implements robust data protection measures, including encryption, access controls, and regular security assessments. DBH Finance also maintains compliance with data privacy requirements under Bangladesh Bank's ICT Security Guidelines and relevant Bangladesh regulatory frameworks.	We remain committed to enhance our compliance risk management capabilities by investing in technology, talent, and processes. The company continues to monitor regulatory developments, adapt its compliance programs accordingly, and foster a culture of compliance and ethical conduct across the organization. By embracing a proactive approach to compliance risk management and demonstrating a commitment to regulatory compliance and integrity, we aim to maintain the trust and confidence of its stakeholders and sustain its long-term success in the financial services industry.

Reputation Risk		Risk Severity: Low
Risk	**Response**	**Way Forward**
Misconduct and Ethical Breaches: Instances of misconduct, unethical behavior, or fraudulent activities by employees or senior management can tarnish our reputation and erode stakeholder trust. **Customer Complaints and Dissatisfaction:** Poor customer service, product quality issues, or failure to meet customer expectations can lead to negative reviews, complaints, and reputational damage for us.	1. We maintain a strong ethical culture, emphasizing integrity, transparency, and accountability throughout the organization. The company implements robust internal controls, whistleblowing mechanisms, and ethical guidelines to prevent and detect unethical behavior, ensuring alignment with its values and ethical standards. 2. The company prioritizes customer-centricity, investing in training and development programs to enhance the customer experience.	We remain committed to safeguarding its reputation by fostering a culture of integrity, transparency, and accountability. The company continues to invest in stakeholder engagement, brand management, and crisis preparedness to effectively manage reputation risks and maintain stakeholder trust. By demonstrating a steadfast commitment to ethical conduct, superior customer service, and responsible corporate citizenship, DBH Finance aims to uphold its reputation as a trusted and reputable financial institution in the eyes of its stakeholders and the broader community.

BASEL II FRAMEWORK ▪ PILLAR III

DISCLOSURE ON CAPITAL ADEQUACY & MARKET DISCIPLINE

DBH Finance PLC

BDT 1,041 Crore	**30.73%**	**0.84%**	**4,558 Crore**
Total Eligible Capital	Capital Adequacy Ratio	NPA Ratio	Total Credit Exposure

In compliance with the Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions issued by Bangladesh Bank on December 28, 2011, the following qualitative and quantitative disclosures are presented under the **Basel II framework.** These disclosures fulfil obligations under **Pillar III – Market Discipline,** reinforcing transparency across risk management, capital structure, and financial soundness — particularly relevant amid Bangladesh's tightening monetary environment in Q1 2026.

PILLAR I
Minimum Capital Requirement
Sets quantitative floors for credit, market, and operational risk.

PILLAR II
Supervisory Review Process
Ensures institutions maintain adequate capital relative to their full risk profile.

PILLAR III ← This Report
Market Discipline & Disclosure
Empowers market participants with transparent, standardised risk and capital data.

A. Scope of Application

QUALITATIVE

Applicable Entity
These guidelines apply exclusively to **DBH Finance PLC,** a Finance Company licensed and supervised by Bangladesh Bank under Finance Company Act 2023.

Subsidiary Structure
DBH has **no subsidiary companies.** All data reflects the standalone financial position of DBH Finance PLC. Consolidated disclosures are not required.

B Capital Structure

QUALITATIVE

Tier 1 — Core Capital
Composed of fully paid-up share capital, non-repayable share premium, statutory reserves, general reserves, retained earnings, and the dividend equalisation account — representing the highest-quality, loss-absorbing capital base.

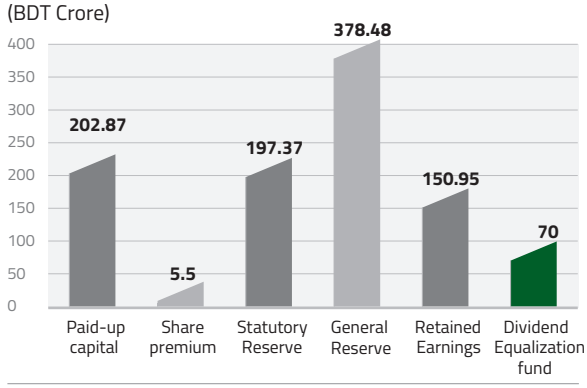
Tier 2 — Supplementary Capital
Includes general provisions capped at 1.25% of credit-risk RWA. Total Tier 2 capital is limited to 100% of Tier 1 capital under Bangladesh Bank regulations.

QUALITATIVE

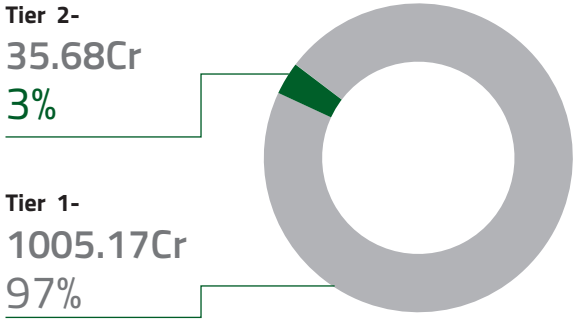
1,005 Cr Tier 1 Capital	**35.7 Cr** Tier 2 Capital	**1,041 Cr** Total Eligible Capital	**96.6%** Tier 1 / Total Capital

Tier 1 Capital Composition

(BDT Crore)



Capital Tier Distribution



Particulars	Amount (Crore BDT)
Paid-up Capital	202.87
Non-repayable Share Premium	5.50
Statutory Reserve	197.37
General Reserve & Other Reserves	378.48
Retained Earnings	150.95
Dividend Equalisation Account	70.00
Total Tier 1 Capital	**1,005.17**
Total Tier 2 Capital	**35.68**
Other Deductions from Capital	—
Total Eligible Capital	**1,040.84**

C. Capital Adequacy

QUALITATIVE

DBH applies the **Standardised Approach** for credit and market risk capital charges, and the **Basic Indicator Approach** for operational risk. Total Risk-Weighted Assets (RWA) are derived by summing credit-risk RWA with market and operational risk capital charges (each divided by the minimum CAR), establishing the denominator against which eligible capital is measured.

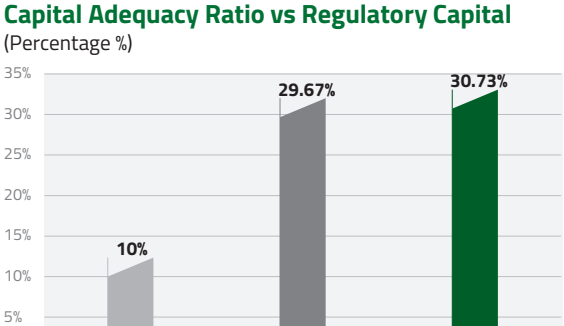
Strategy: DBH maintains capital adequacy through rigorous overdue-loan monitoring, quality borrower selection, eligible collateral utilisation, targeted spread improvement on housing loans, and the option to raise fresh capital via bonus or rights issues.

- Rigorous monitoring of overdue loans to ensure exposures stay within 90-day delinquency thresholds
- Selective client financing — only borrowers meeting the Company's internal credit rating standards
- Active use of eligible collateral to optimise credit risk mitigation benefits
- Focus on widening spreads on housing loans to grow retained earnings organically
- Capital market access preserved through potential bonus or rights-issue mechanisms

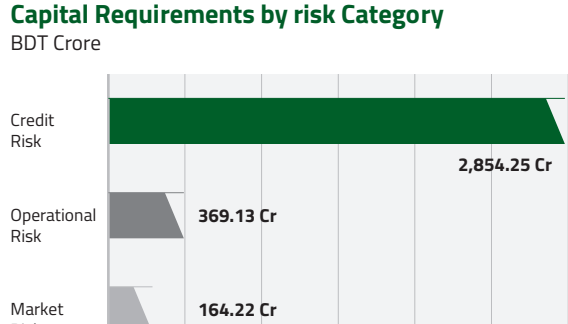
QUANTITATIVE

30.73% CAR (Total Capital)	**29.67%** CAR (Tier 1 Only)	**10%** Regulatory Minimum	**+20.73pp** Buffer Above Minimum

Capital Adequacy Ratio vs Regulatory Capital
(Percentage %)



Capital Requirements by risk Category
BDT Crore



Capital Requirement Category	Amount (Crore BDT)
(a) Credit Risk	2,854.25
(b) Market Risk	164.22
(c) Operational Risk	369.13
CAR on Total Capital Basis (%)	**30.73%**
CAR on Tier 1 Capital Basis (%)	29.67%

D. Credit Risk

QUALITATIVE

Past-Due Definition: Per Bangladesh Bank's Prudential Guidelines, an unsecured claim past due for 90 days or more, net of specific provisions (including partial write-offs), is risk-weighted according to its respective balance-sheet classification.

General provisions are maintained per Bangladesh Bank guidelines. **Specific provisions follow DBH's internal policy, which is materially more conservative than the regulatory minimum.** The Standardised Approach is applied for all credit risk capital computation.

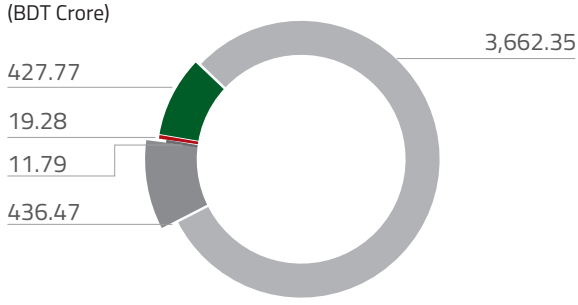
Credit Risk Management Infrastructure

- Board-Approved Credit Policy — comprehensive guidelines for growth, exposure limits, and risk management, updated regularly
- Credit Administration Department — independent scrutiny of all loans from a risk-weighted perspective; quality assurance pre-disbursement
- Recovery & Collection Team — dedicated monitoring for early delinquency, corrective action, and legal recovery
- Internal Compliance Department — adherence to internal guidelines, Bangladesh Bank regulations, and documentation controls
- Early Warning System — continuous portfolio monitoring to flag deteriorating trends and trigger timely remediation
- Multilayer Approval — loan sanctioning authority scaled to loan size, balancing speed with proportional risk scrutiny
- Credit Information Bureau (CIB) — credit reports sourced and scrutinised for every borrower

QUANTITATIVE

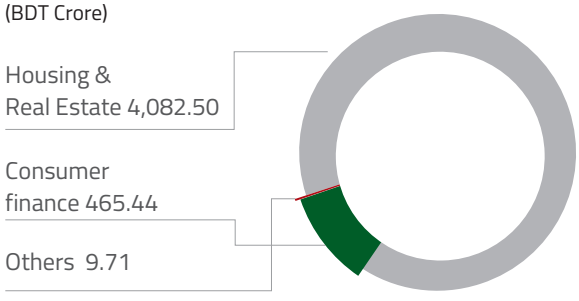
4,558 Cr	38.32 Cr	0.84%	102.1 Cr
Total Credit Exposure	Classified Loans (NPL)	NPA / Loans Ratio	Total Provisions Held

Loan Portfolio by Type
(BDT Crore)



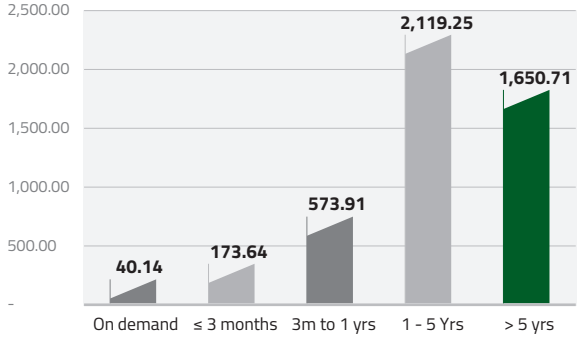
Housing loan HPSM
Loan Against Deposit Staff Loan Term Loan

Sector Concentration
(BDT Crore)

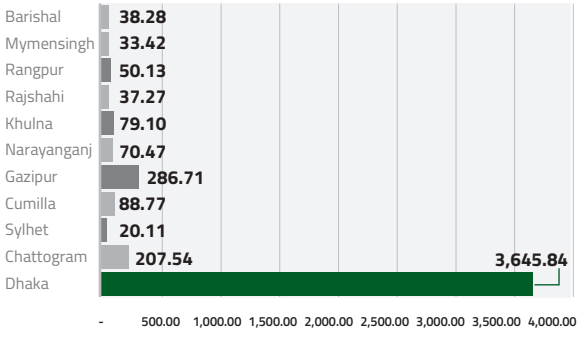


Housing & Real Estate
Consumer finance Others

Residual Maturity Profile
(BDT Crore)



Geographic Distribution of Exposures
BDT in Crore



(a) Total Gross Credit Exposure by Loan Type

Loan Type	Amount (Crore BDT)
Housing Loan	3,662.35
Loan against Deposit	11.79
Staff Loan	19.28
Term Loan	427.77
Investment in HPSM	436.47
Total	**4,557.65**

(b) Geographic Distribution

Region	Amount (Crore BDT)
Dhaka	3,645.84
Chattogram	207.54
Sylhet	20.11
Cumilla	88.77
Gazipur	286.71
Narayangonj	70.47
Khulna	79.10
Rajshahi	37.27
Rangpur	50.13
Mymensingh	33.42
Barishal	38.28
Total	**4,557.65**

(c) Sector Distribution

Sector	Amount (Crore BDT)
Housing & Real Estate	4,082.50
Consumer Finance	465.44
Others	9.71
Total	**4,557.65**

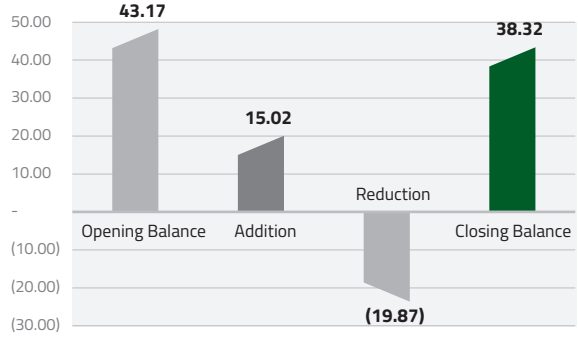
(d) Residual Contractual Maturity

Maturity Bucket	Amount (Crore BDT)
Repayable on Demand	40.14
Not more than 3 months	173.64
Over 3 months but not more than 1 year	573.91
Over 1 year but not more than 5 years	2,119.25
Over 5 years	1,650.71
Total	**4,557.65**

(e) Non-Performing Asset (NPA) Analysis

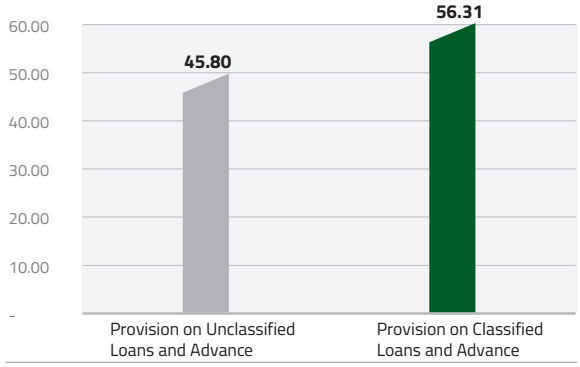
NPA Movement (BDT Crore)

(BDT Crore)



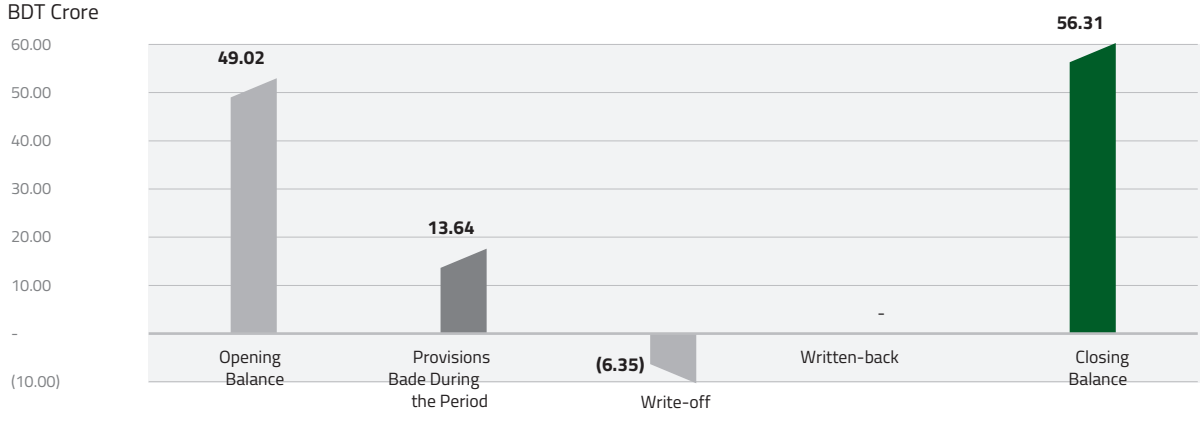
Provision by Loan Classification

BDT in Crore



Specific Provision Movement

BDT Crore



NPA Movement	Amount (Crore BDT)
Opening Balance	43.17
Additions	15.02
Reductions	(19.87)
Closing Balance	**38.32**

Provision Movement (Specific)	Amount (Crore BDT)
Opening Balance	49.02
Provisions Made During Period	13.64
Write-offs	(6.35)
Written-back of Excess Provisions	0.00
Closing Balance	**56.31**

Provision Totals	Amount (Crore BDT)
Provision on Unclassified Loans & Advances	45.80
Provision on Classified Loans & Advances	56.31
Total Provisions Held	**102.11**
Gross NPA	38.31
NPA to Outstanding Loans & Advances	0.84%

E. Equities: Banking Book Positions

QUANTITATIVE

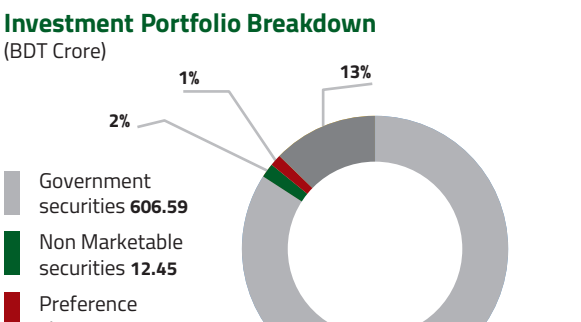
Quoted Shares
Valued at cost price. Where cost exceeds market value, provisions are maintained per regulatory requirements.

Mutual Funds
Valued at 85% of the latest published NAV as of December 2023 — a conservative fair-value approach.

Unquoted Shares
Valued at cost price or book value per the most recent audited financial statements.

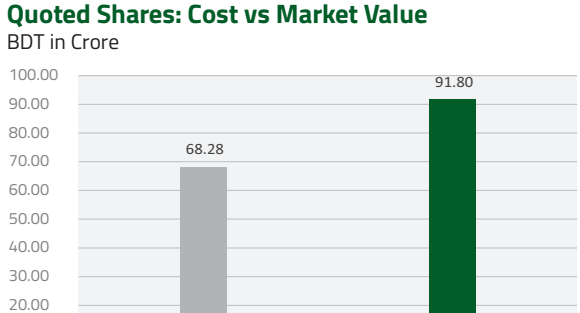
Investment Portfolio Breakdown

(BDT Crore)



Quoted Shares: Cost vs Market Value

BDT in Crore



Particulars	Amount (Crore BDT)
Quoted Shares (Market Price)	68.28
Quoted Shares (Cost Price)	91.80
Unquoted Shares	12.45
Government Securities	606.59
Non-Marketable Securities	12.45
Preference Shares	10.00
Marketable Securities	91.80
Cumulative Realised Gain / (Loss)	(1.97)
Total Unrealised Gains / (Losses)	**(23.16)**
Capital Requirement — Specific Risk (10%)	8.21
Capital Requirement — General Risk (10%)	8.21

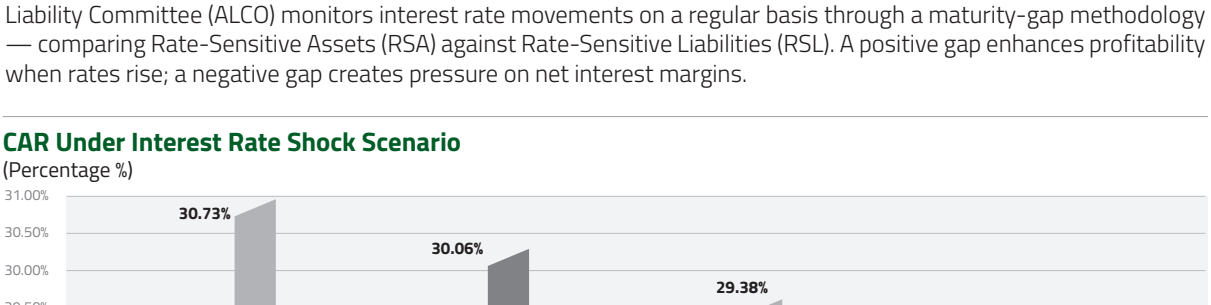
F. Interest Rate Risk in the Banking Book

QUANTITATIVE

Interest rate risk arises from mismatches between the future yield of assets and their funding costs. DBH's Asset-Liability Committee (ALCO) monitors interest rate movements on a regular basis through a maturity-gap methodology — comparing Rate-Sensitive Assets (RSA) against Rate-Sensitive Liabilities (RSL). A positive gap enhances profitability when rates rise; a negative gap creates pressure on net interest margins.

CAR Under Interest Rate Shock Scenario

(Percentage %)



Interest Rate Shock Analysis

Metric	Minor (+2%)	Moderate (+4%)	Major (+6%)
Bond Portfolio Change (Crore BDT)	–26.84	–53.69	–80.54
Net Interest Income (Crore BDT)	+4.16	+8.32	+12.48
Revised Regulatory Capital (Crore BDT)	1,018.15	995.47	972.78
RWA (Crore BDT)	3,387.59	3,387.59	3,387.59
Revised CAR (%)	30.06%	29.38%	28.71%

Resilience: Even under a major 6% interest rate shock, DBH's revised CAR of 28.71% remains well above the 10% regulatory minimum — demonstrating robust capital resilience across all rate scenarios.

G. Market Risk

QUANTITATIVE

Market risk is the probability of loss on balance-sheet and off-balance-sheet positions from volatility in market variables — principally interest rates, exchange rates, and securities prices. DBH uses the Standardised (Rule-Based) Approach for market risk capital charges. Interest rate and foreign exchange risk charges are not applicable as DBH holds no such balance-sheet exposures.

- Market Analysis — Treasury reviews interest rate movements from both an economic value and earnings perspective continuously
- GAP Analysis — ALCO computes monthly interest rate sensitivity GAP and adjusts positioning against central bank policy benchmarks
- Continuous Monitoring — day-to-day trading activities supervised by ALCO for real-time oversight of all assumed market exposures
- Equity Risk Management — minimised through portfolio diversification guided by the Board-approved investment policy

QUANTITATIVE

Market Risk Category	Capital Requirement (Crore BDT)
Interest Rate Risk	—
Equity Position Risk	16.42
Foreign Exchange & Commodity Risk	—

H. Operational Risk

QUANTITATIVE

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events. DBH's Board has established all relevant internal control and compliance policies, delegating authority through the Executive Committee and Managing Director. The Audit Committee oversees internal control effectiveness in line with SEC good governance guidelines.

- Internal Control Department — assesses operational risk across all functions; ensures identification, assessment, and management frameworks are in place
- People & Performance — merit-based recruitment anchored in qualifications, skills, and competency; no material performance gap exists at reporting date
- External Event Assessment — no significant external events posing elevated operational risk identified at reporting date; contingency frameworks remain in place

QUANTITATIVE

Methodology — Basic Indicator Approach: Capital charge = 15% of the average positive annual gross income over the preceding three financial years.

35.68 Cr	15%	3 yrs	BIA
Op. Risk Capital Requirement	BIA Rate Applied	Gross Income Averaging Period	Approach Used

Particulars	Amount (Crore BDT)
Capital Requirement for Operational Risk	35.68

6 ESG REPORTING

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OUR APPROACH TO GRI -ALIGNED SUSTAINABILITY REPORTING

DBH Finance PLC's 2025 Annual Integrated Report is prepared with reference to the Global Reporting Initiative (GRI) Standards — the world's most widely adopted framework for sustainability disclosure. This section explains our approach to GRI-aligned reporting, the standards we have applied, and the GRI Content Index that maps each material disclosure to its location within this report.

GRI reporting at DBH reflects our conviction that transparency in environmental, social, and governance (ESG) performance is not a compliance exercise — it is a demonstration of accountability to the full range of stakeholders whose lives and livelihoods intersect with our business. As a specialised housing finance institution, our ESG footprint spans the communities we serve, the environment shaped by the properties we finance, the employees who deliver our mission, and the governance structures that protect long-term institutional integrity.

Reporting Framework and Standards Applied

This report references the following GRI Standards:

Standard / Module	Coverage in This Report
GRI 1: Foundation 2021	Defines the purpose, system, and requirements for using GRI Standards. DBH has applied GRI 1 in determining which disclosures are applicable and how omissions are handled.
GRI 2: General Disclosures 2021	Covers organisational profile, governance, strategy, policies, and stakeholder engagement practices. Disclosures mapped to relevant sections of this report.
GRI 3: Material Topics 2021	Covers the process for determining material topics. DBH's Double Materiality methodology (Section 5) follows the four-step GRI 3 process.
GRI 201: Economic Performance	Covers direct economic value generated and distributed, financial implications of climate change, and defined benefit obligations.
GRI 302: Energy	Covers energy consumption within DBH's operations. Disclosed under Natural Capital and Environmental Reporting sections.
GRI 305: Emissions	Covers Scope 1, 2, and 3 GHG emissions. Disclosed under IFRS S2 / Climate Disclosures section including financed emissions methodology.
GRI 401: Employment	Covers new employee hires, turnover, and benefits. Disclosed under Human Capital section.
GRI 404: Training and Education	Covers training hours, skills development, and performance reviews. Disclosed under Human Capital section.
GRI 405: Diversity and Equal Opportunity	Covers diversity of governance bodies and employees. Disclosed under Human Capital and Corporate Governance sections.
GRI 413: Local Communities	Covers community engagement, impact assessment, and development programmes. Disclosed under CSR and Social Capital sections.

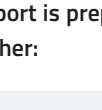
Materiality and Reporting Boundary

In determining which GRI disclosures are material to this report, DBH followed a Double Materiality approach evaluating both financial materiality (impact of ESG factors on DBH's financial performance) and impact materiality (DBH's impact on people, communities, and the environment). The four-step materiality process — Universe Identification, Stakeholder Validation, Board Prioritisation, and Annual Refresh — is described in detail in Section 4 of this report.

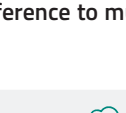
The reporting boundary covers DBH Finance PLC on a standalone basis for the period 1 January 2025 to 31 December 2025. The Islamic window (DBH Islamic) is included within the consolidated reporting scope.

Relationship with Other Reporting Frameworks

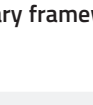
This report is prepared with reference to multiple complementary frameworks, which reinforce rather than duplicate each other:



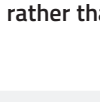
The International Integrated Reporting Framework (IIRC) provides the overarching six-capitals structure of this report.



GRI Standards provide the framework for ESG disclosures, material topic identification, and the GRI Content Index.



IFRS S1 and IFRS S2 (as adopted by Bangladesh Bank through SFD Circular No. 06/2023) govern sustainability-related financial disclosures and climate-related disclosures respectively.



The UN Sustainable Development Goals (SDGs) provide the global development context against which DBH's social and environmental contributions are measured.

Where disclosures under these frameworks overlap, we have consolidated them into single sections to avoid repetition and improve readability. The GRI Content Index on the following pages identifies the precise location of each GRI disclosure within this integrated structure.

External Assurance

DBH Finance PLC has not obtained external assurance on GRI-referenced disclosures in this reporting period. The financial statements included in this report have been independently audited by Hoda Vasi Chowdhury & Co., and the Corporate Governance Report has been independently reviewed by SA Rashid & Associates. DBH intends to progressively extend external assurance to its sustainability and GRI disclosures commencing from the 2026 reporting cycle, in line with evolving best practice among Bangladesh financial institutions.

Forward Commitment

In 2026, DBH Finance intends to publish a standalone Sustainability Report in addition to this Integrated Annual Report. The standalone report will carry the full GRI Content Index, expanded disclosure against material GRI topic-specific standards, and — subject to market availability of qualified assurance providers — third-party assurance on selected sustainability metrics. This progressive approach to GRI alignment reflects DBH's commitment to raising the quality and credibility of its non-financial disclosures in a manner that is practical, verifiable, and meaningful to our stakeholders.

GRI CONTENT INDEX 2025
PREPARED WITH REFERENCE TO GRI STANDARDS 2021

The following index maps each applicable GRI Standard disclosure to its location in DBH Finance PLC's 2025 Annual Integrated Report. Where a disclosure is partially reported or omitted, the reason is stated in the Omission / Notes column.

Status legend: Disclosed Partial (improvement roadmap stated in Notes) Not Applicable

GRI Standard	Disc.	Title	Location in Report	Pg	Status	Omission / Notes
GRI 2: GENERAL DISCLOSURES 2021						
GRI 2	2-1	Organisational details	About Our Integrated Report (pg 7); Notes to Financial Statements — Note 1.01	7, 265	Disclosed	—
	2-2	Entities included in sustainability reporting	About Our Integrated Report — Scope and Boundary; Our Approach to GRI (pg 160)	7, 160	Disclosed	—
	2-3	Reporting period, frequency and contact point	About Our Integrated Report	7	Disclosed	Period: 1 Jan – 31 Dec 2025; events up to 10 May 2026 incorporated
	2-4	Restatements of information	About Our Integrated Report — Restatements and Changes in Reporting	11	Disclosed	EPS restated for bonus share issue; 2024 NAV per share restated
	2-5	External assurance	Our Approach to GRI — External Assurance section	160	Disclosed	No GRI assurance in 2025.
	2-6	Activities, value chain and other business relationships	Business Model (pg 88); Value Creation Model (pg 90)	88, 90	Disclosed	—
	2-7	Employees	Human Capital — Workforce Composition & KPI Table	122	Partial	Total employees (431) and gender split (14% female) disclosed. Regional and contract-type breakdown not yet reported. To be added in 2026.
	2-8	Workers who are not employees	Not applicable	—	Not Applicable	DBH has no material outsourced or contractor workforce.
	2-9	Governance structure and composition	Corporate Governance Report	199	Disclosed	
	2-10	Nomination and selection of the highest governance body	Audit Committee as Nomination & Remuneration Committee (NRC) Report	242	Disclosed	
	2-11	Chair of the highest governance body	Board of Directors section	186	Disclosed	
	2-12	Role of governance body in overseeing impacts	IFRS S1/S2 Disclosure — Board Oversight section; Corporate Governance Report	164, 199	Disclosed	
	2-13	Delegation of responsibility for managing impacts	Risk Mitigation Methodology; Corporate Governance Report	147, 199	Disclosed	
	2-14	Role of governance body in sustainability reporting	Strategic Indicators for Sustainability; Corporate Governance Report	109, 199	Disclosed	
	2-15	Conflicts of interest	Corporate Governance Report— Matters Related to Conflict of Interest	199	Disclosed	
	2-19	Remuneration policies	Corporate Governance — CGC compliance table, clause 6(5)(c)	219	Disclosed	
	2-20	Process to determine remuneration	NRC Report; Corporate Governance Report	199, 242	Disclosed	
	2-22	Statement on sustainable development strategy	Review from the Managing Director & CEO	69	Disclosed	
	2-23	Policy commitments	Corporate Governance — Code of Conduct; ESG Reporting section	160, 205	Disclosed	—
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance — Whistleblowing policy; Code of Conduct	205	Disclosed	—
	2-28	Membership associations	Corporate Directory	—	Not Applicable	
	2-29	Approach to stakeholder engagement	Stakeholder Engagement 2025 — Structured Record	106	Disclosed	—
	2-30	Collective bargaining agreements	Human Capital section	122	Not Applicable	No collective bargaining agreements in place. All employment governed by individual contracts and DBH HR Policy Manual.

GRI Standard	Disc.	Title	Location in Report	Pg	Status	Omission / Notes
GRI 3: MATERIAL TOPICS 2021						
GRI 3	3-1	Process to determine material topics	Determination of Materiality — Four-Step Double Materiality Process	100	Disclosed	
	3-2	List of material topics	Determination of Materiality — 14 Material Topics; Topic-to-Capital, IFRS, GRI & SDG Mapping	100, 103	Disclosed	
	3-3	Management of material topics	Financial Capital p.120; Human Capital p.122; Manufactured Capital p.124; Intellectual Capital p.126; Social & Relationship Capital p.128; Natural Capital p.130, Risk Management section	120–131, 147	Partial	Disclosed narratively in capital chapters. Formal GRI 3-3 structured management approach format (policies, goals, grievance mechanisms, effectiveness evaluation) planned for the 2027 Standalone Sustainability Report.
GRI 201: ECONOMIC PERFORMANCE						
GRI 201	201-1	Direct economic value generated and distributed	Value Added Statement	34	Disclosed	
	201-2	Financial implications and other risks and opportunities due to climate change	IFRS S1/S2 Disclosure — Climate Risk Assessment; Natural Capital	130, 164	Partial	Qualitative climate risk and opportunity assessment disclosed. Flood zone mapping of mortgage collateral commenced in 2025. Quantified BDT financial exposure not yet published. Planned for 2026 with portfolio-level climate mapping.
	201-3	Defined benefit plan obligations and other retirement plans	Notes to Financial Statements — Annexure B (Net Defined Benefit)	308	Disclosed	Gratuity fund surplus BDT 2.77 Crore; independently actuarially valued (Z. Halim & Associates, 2025). Discount rate 8%; salary escalation rate 6%.
GRI 203: INDIRECT ECONOMIC IMPACTS ' Newly added to index in 2025						
GRI 203	203-2	Significant indirect economic impacts	Social & Relationship Capital — Affordable Finance Expansion (M11); CSR Programme section	128, 180	Disclosed	
GRI 302: ENERGY						
GRI 302	302-1	Energy consumption within the organisation	Natural Capital — Environmental Reporting; IFRS S2 / GHG Chapter	130, 164	Disclosed	
	302-4	Reduction of energy consumption	Natural Capital — Decarbonisation Actions 2025	130	Disclosed	
GRI 305: EMISSIONS						
GRI 305	305-1	Direct (Scope 1) GHG emissions	IFRS S2 / GHG Emissions Chapter — Scope 1 Breakdown	164, 170	Disclosed	
	305-2	Energy indirect (Scope 2) GHG emissions	IFRS S2 / GHG Emissions Chapter — Scope 2 Breakdown	164, 170	Disclosed	
	305-3	Other indirect (Scope 3) GHG emissions	IFRS S2 / Financed Emissions — PCAF Methodology	164, 172	Disclosed	
GRI 401: EMPLOYMENT						
GRI 401	401-1	New employee hires and employee turnover	Human Capital — Workforce KPI Table	122	Partial	Breakdown by age group, gender, and region not yet reported. Planned for 2026.
	401-2	Benefits provided to full-time employees	Human Capital section	122	Disclosed	
GRI 403: OCCUPATIONAL HEALTH & SAFETY I Newly added to index in 2025						
GRI 403	403-1	Occupational health and safety management system	Human Capital section	122	Partial	DBH operates a low-risk office and branch environment. OHS governance is embedded in the HR Policy Manual. Zero material workplace injuries or fatalities recorded in 2025. A formal, dedicated OHS sub-section with quantified metrics and a structured management approach will be published in the 2026 Annual Report.
	403-9	Work-related injuries	Human Capital section	122	Partial	Zero fatalities, zero lost-time injuries, and zero recordable occupational incidents in 2025. Formal LTIFR and TRIR tracking to be introduced through HR MIS upgrade in 2026.
GRI 404: TRAINING AND EDUCATION						
GRI 404	404-1	Average hours of training per employee per year	Human Capital — Learning, Development & KPI Table	122	Disclosed	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Human Capital — Training Curriculum section	123	Disclosed	
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital — Performance Management	122	Partial	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY						
GRI 405	405-1	Diversity of governance bodies and employees	Human Capital — Workforce Composition & Diversity; Board of Directors section	122, 186	Partial	
GRI 413: LOCAL COMMUNITIES						
GRI 413	413-1	Operations with local community engagement, impact assessments, and development programmes	Social & Relationship Capital — CSR Programme; SDG Impact section	128, 180, 183	Disclosed	

SUSTAINABILITY AND CLIMATE-RELATED FINANCIAL DISCLOSURE FOR THE YEAR 2025

This report presents DBH Finance PLC's sustainability and climate-related financial disclosures for 2025 in alignment with IFRS S1 and IFRS S2. It outlines DBH's governance structures, strategic direction, risk management framework, and climate performance metrics—including Scope 1, 2, and 3 emissions. The report is prepared in accordance with Bangladesh Bank's SFD Circular No. 06 and the PCAF Methodology for financed emissions, demonstrating DBH's commitment to climate-aligned finance, operational decarbonization, and long-term resilience.

Purpose of this Report

DBH Finance PLC has undertaken a comprehensive assessment of its greenhouse gas (GHG) emissions and sustainability performance for the year 2025. The primary objective of this report is to evaluate the institution's carbon footprint across both operational and financial activities, enabling transparent disclosure and effective management of its climate-related impacts. This effort reflects the institution's strategic intent to align with international standards such as the IFRS S1 and S2 disclosure frameworks, the Greenhouse Gas Protocol, and the Partnership for Carbon Accounting Financials (PCAF) guidelines for financed emissions.

The initiative goes beyond compliance. DBH Finance PLC aims to embed environmental and climate considerations into every level of its decision-making processes. The assessment quantifies emissions arising from direct energy use (diesel, CNG, and octane), electricity consumption, and portfolio-based financed emissions—establishing a credible emissions baseline that will serve as a foundation for tracking progress and developing targeted emission reduction actions.

The broader purpose of this report is to demonstrate how DBH Finance PLC integrates sustainability into its governance, strategy, and risk management practices. It also highlights the institution's approach to climate-related opportunities, such as green financing, renewable energy lending, and efficiency-driven investments. By strengthening its environmental accountability, DBH Finance PLC seeks to align with national policy frameworks, including Bangladesh Bank's Sustainable Finance Policy, as well as international climate commitments under the Paris Agreement.

Ultimately, this assessment represents a forward-looking step toward operational excellence and resilience. The findings will guide DBH Finance PLC in formulating long-term decarbonization pathways, enhancing climate risk assessment mechanisms, and positioning itself as a responsible financial institution committed to supporting a low-carbon and sustainable economy.

At a Glance: 2025 Emissions Summary

159.54 tCO_2e
Scope 1 Emissions (Direct)

383.66 tCO_2e
Scope 2 Emissions (Electricity)

25,201.79 tCO_2e
Scope 3 Financed Emissions

Total GHG Emissions (2025): 25,744.99 tCO_2e
Scope 1 + Scope 2 + Scope 3 (Location-Based Method)

Governance

DBH Finance PLC recognizes that effective governance is essential to identifying, assessing, and managing climate- and other sustainability-related risks and opportunities in a timely and responsible manner. The institution has embedded sustainability considerations within its governance structure, strategic decision-making processes, and risk management framework to support regulatory compliance, responsible financing, and long-term institutional resilience. Oversight is exercised at both Board and management levels through defined roles, structured reporting lines, and established internal control mechanisms.

Sustainability Governance Structure



Board of Directors
Ultimate oversight of climate & sustainability risks and opportunities



Risk Management Committee
Review climate-risk exposures, guide sustainability policy, monitor ESRM alignment



Chief Risk Officer (CRO) & Sustainable Finance Unit (SFU)
Operationalize Board-approved policies across core activities



Credit Appraisal



ESDD



Portfolio Monitoring



Internal Reporting

Integrate climate & sustainability into day-to-day financing decisions

Board Oversight

The Board of Directors holds ultimate responsibility for overseeing climate- and other sustainability-related risks and opportunities. The Board ensures these matters are integrated into the institution's strategy, policies, risk management processes, and major business decisions. This oversight is supported by relevant Board committees—the Risk Management Committee, which review climate-risk exposures, guide sustainability-related policy direction, oversee environmental due diligence processes, and monitor alignment with Bangladesh Bank's ESRM requirements and Climate Risk Management Guidelines.

The Board also evaluates how climate and sustainability-related issues may affect major transactions, portfolio quality, operational resilience, and long-term institutional performance, considering both risks and opportunities, including trade-offs between financial performance and environmental priorities.

Information Flow and Reporting to the Board

The Board and its committees receive regular updates on climate and sustainability matters through committee meetings, management reports, and periodic internal reviews. These updates cover key issues such as green financing activities, environmental due diligence performance, regulatory developments, emerging climate risks, and implementation progress on sustainability initiatives—supporting informed decision-making and timely attention to material climate matters at the highest governance level.

Skills, Competencies and Capacity Building

To maintain effective oversight, the Board periodically reviews whether the necessary skills, knowledge, and competencies are available to oversee climate and sustainability-related issues. This process is supported by targeted training, capacity-building initiatives, and ongoing learning on topics such as climate risk, sustainable finance, environmental due diligence, and evolving ESG expectations, strengthening Board-level readiness to respond to a changing regulatory and sustainability landscape.

Oversight of Targets and Performance

The Board oversees the setting of climate- and sustainability-related priorities and monitors progress against these commitments through structured review processes. Performance is assessed using relevant indicators such as green finance disbursement, environmental due diligence compliance, and broader sustainability implementation progress. Although climate- and sustainability-related metrics are not currently directly linked to remuneration policies, accountability is maintained through regular performance reviews and committee oversight.

Management's Role

At the management level, responsibility for implementing DBH's climate and sustainability agenda is delegated to designated senior executives, including the Chief Risk Officer (CRO) and Sustainable Finance Unit (SFU). These functions operationalize Board-approved policies across the institution's core activities, ensuring that climate and sustainability-related considerations are incorporated into credit appraisal, borrower screening, environmental and social due diligence, risk assessment, portfolio monitoring, and internal reporting.

Controls and Procedures

Management applies structured controls and procedures to ensure that climate and sustainability-related risks are identified, assessed, monitored, and managed consistently across the institution. Key internal frameworks include the Internal Capital Adequacy Assessment Process (ICAAP), the Risk Appetite Statement, and ESRM-based procedures—helping to ensure climate considerations are reflected in financing decisions, compliance processes, and overall risk governance.

Strengthening the Internal Control Environment

The integration of climate-related risks into management controls has strengthened DBH Finance PLC's overall internal control environment. Climate and sustainability considerations are now more closely embedded within operational processes, approval mechanisms, and monitoring systems, supporting more proactive risk management, stronger compliance with regulatory expectations, and enhanced ability to pursue responsible financing and sustainable growth.

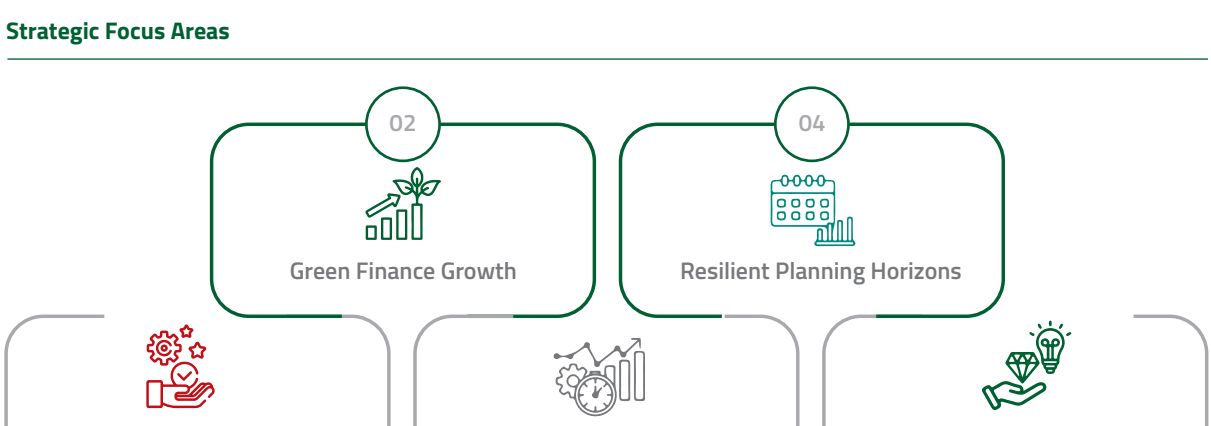
Strategy

DBH Finance PLC integrates climate and broader sustainability considerations into its business strategy, financing decisions, and risk management processes to strengthen long-term resilience and create sustainable value. Climate-related risks and opportunities are increasingly influencing the institution's lending priorities, borrower assessment, portfolio composition, and operational practices. In response, DBH is embedding Environmental Due Diligence, expanding green financing, promoting resource efficiency, and strengthening climate-informed decision-making across its business model.

Key Strategic Pillars

Strategic Pillar	Description
Responsible Lending	Integration of Environmental and Social Due Diligence (ESDD) and climate-risk screening into credit appraisal and all financing decisions.
Green Finance Growth	Expansion of financing for renewable energy, sustainable housing, energy-efficient construction, and low-carbon development opportunities.
Operational Efficiency	Reduction of resource consumption through digital transformation, energy efficiency programs, and internal efficiency measures.
Resilient Planning	Alignment of short-, medium-, and long-term business planning with sustainability priorities, climate scenario analysis, and emerging environmental expectations.
Long-Term Value Creation	Strengthening portfolio quality, regulatory readiness, and institutional resilience through climate-informed strategy and ESG integration.

Strategic Focus Areas



Climate Risk Assessment

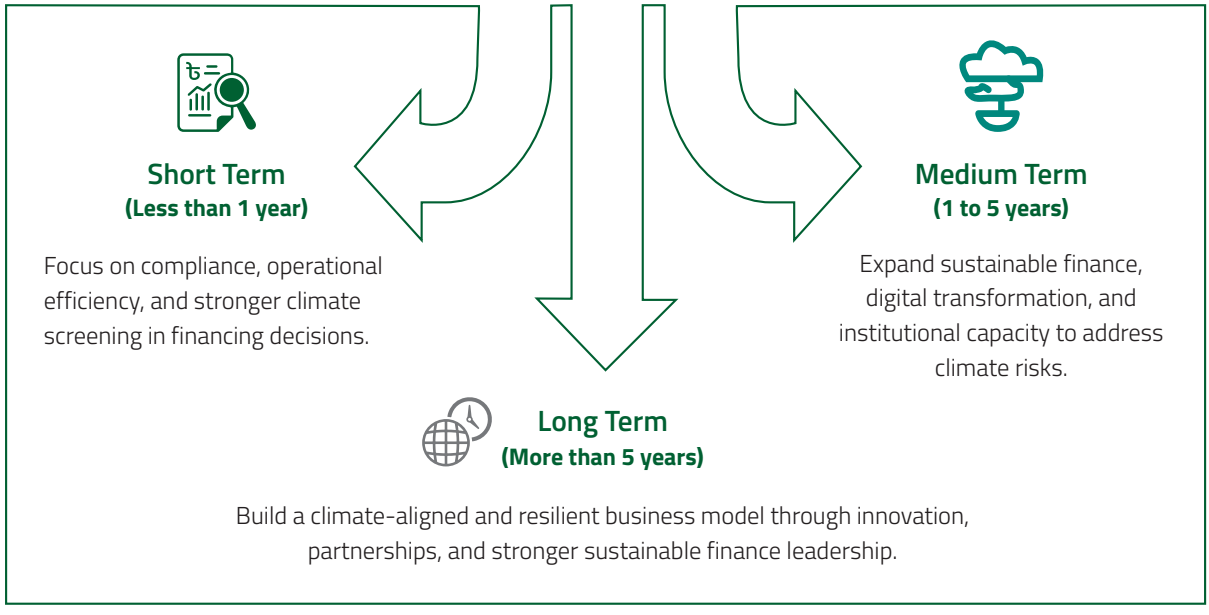
DBH Finance PLC systematically identifies and categorizes climate-related risks across two primary dimensions: physical risks arising from the direct impacts of climate change, and transition risks associated with the shift toward a lower-carbon economy. The following heatmap summarizes key identified risks by likelihood and potential financial impact:

Impact Level	High Likelihood	Medium Likelihood
High Impact	Flood-related damage to mortgaged properties Rising construction costs due to climate regulations	Regulatory tightening of environmental standards for loan portfolios
Medium Impact	Power disruption due to temperature rise Increased operating costs from heat-related energy usage	Increased borrower default risk from climate-impacted income
Low Impact	Reputational risk from insufficient ESG disclosure	Reduced loan repayment due to weather-impacted seasonal income

Strategic Time Horizon

DBH Finance PLC applies a structured time-based strategic approach to ensure climate and sustainability considerations are effectively integrated across all planning horizons:

Horizon	Short-Term (1–2 yrs)	Medium-Term (3–5 yrs)	Long-Term (5+ yrs)
Focus	Operational compliance, ESDD integration, baseline reporting	Green finance expansion, ESG risk frameworks, staff capacity	Decarbonization targets, science-based goals, portfolio transition
Key Actions	Regulatory alignment, internal monitoring systems, emission tracking	Sustainable product development, climate stress testing, portfolio screening	Low-carbon lending strategy, Paris Agreement alignment, climate resilience



Risk Management

DBH Finance PLC integrates climate and sustainability-related risks into its enterprise risk management framework to ensure effective identification, assessment, and monitoring of emerging environmental and financial risks. The institution incorporates Environmental and Social Due Diligence (ESDD), climate-related scenario analysis, and ESG risk assessments within its credit appraisal and risk evaluation processes. These mechanisms enable DBH to assess both physical risks (such as extreme weather events) and transition risks arising from regulatory changes, market shifts, and technological developments.

In alignment with the latest Bangladesh Bank Guidelines on Climate Risk Management for Banks and Financial Institutions, DBH embeds climate risk considerations into borrower screening, loan approvals, and portfolio monitoring. Climate-related risks are evaluated based on their probability, financial impact, and long-term sustainability implications. Oversight of these risks is supported by governance structures including the Asset Liability Committee (ALCO), Internal Control & Compliance Department (ICCD), and the Audit and Risk Management Committees, which regularly review sustainability-related risks and mitigation measures.

Key Risk Management Practices

Integration of Environmental and Social Due Diligence (ESDD) into loan approval and credit appraisal processes.

Use of climate scenario analysis and stress testing to evaluate financial exposure to physical and transition risks.

Continuous ESG and sustainability risk monitoring across lending portfolios and operational activities.

Risk oversight exercised by ALCO, ICCD, and Audit & Risk Management Committees on a regular basis.

Full alignment with Bangladesh Bank's Climate Risk Management Guidelines and Sustainable Finance Policy directives.

Integration of climate considerations into the Internal Capital Adequacy Assessment Process (ICAAP) and Risk Appetite Statement.

Metrics and Targets

The Metrics and Targets section provides a quantitative overview of DBH Finance PLC's greenhouse gas performance during the year 2025. It consolidates data from operational sources and financed activities to present a complete picture of the institution's climate impact. This section reflects the institution's data-driven approach to measuring, managing, and reducing emissions in accordance with the IFRS S2 and GHG Protocol frameworks. Through continuous monitoring of Scope 1, 2, and 3 emissions, DBH Finance PLC aims to establish a robust foundation for evidence-based decision-making and strategic planning.

DBH FINANCE PLC

Emission Sources

Scope 1

- Fuel for Generator
- Vehicle
- Fire Extinguisher
- AC Refill

Scope 2

- Electricity

Scope 3

- Financed Emission

Scope 1 Emissions — Direct Operational Emissions

Scope 1 emissions represent direct greenhouse gas emissions from sources owned or controlled by DBH Finance PLC, including fuel combustion in generators and company vehicles, refrigerant leakage from air conditioning systems, and fire extinguisher discharges. In 2025, total Scope 1 emissions amounted to 159.54 tCO_2e.

Table 1: Emissions from Fuel Use in Generators (2025)

Emission Parameter	Value
Total Diesel Consumption (Liters)	3,713
Total Emissions in ton (tCO_2e)	10.81

Table 2: Emissions from Fuel Use in Vehicles (2025)

Octane (Liters)	CNG (m^3)	LPG (m^3)	Total Emissions (tCO_2e)
5,668.95	15,774.36	5,350.11	50.50

Table 3: Emissions from AC Refrigerant Refill (2025)

R-22 Gas Recharge (kg)	R-410A Gas Recharge (kg)	Total Emissions (tCO_2e)	Total Emissions (tCO_2e)
71	7	96.46	50.50

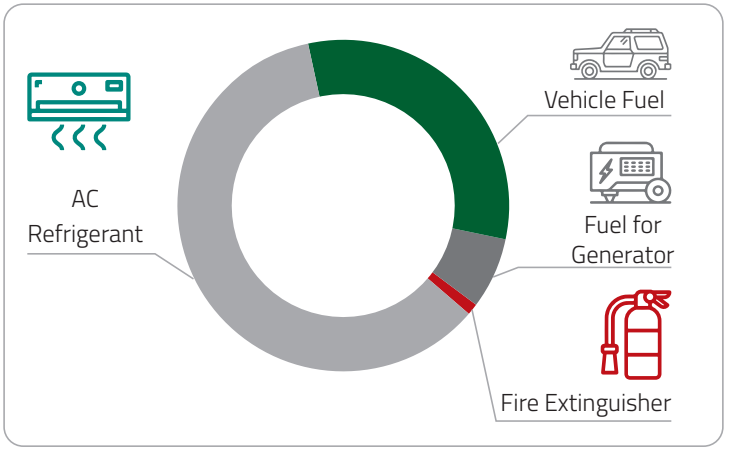
Table 4: Emissions from Fire Extinguisher Recharge (2025)

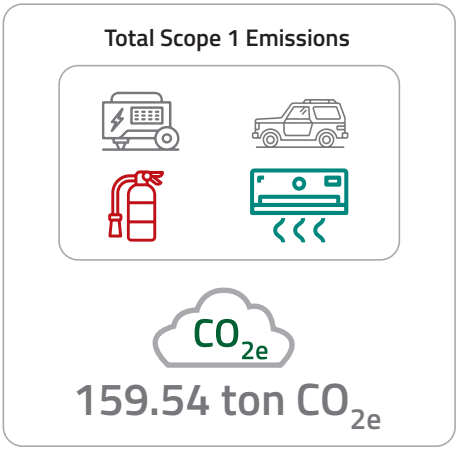
Dry Powder (kg)	CO_2 (kg)	Total Emissions (tCO_2e)	Total Emissions (tCO_2e)
961	40	1.77	50.50

Table 5: Total Scope 1 Emissions Summary (2025)

No.	Emission Source	Emissions (tCO_2e)
1	Fuel Use in Generator	10.81
2	Vehicle Fuel (Octane, CNG, LPG)	50.50
3	AC Refrigerant Refill (R-22 & R-410A)	96.46
4	Fire Extinguisher Recharge	1.77
Total Scope 1 Emissions		**159.54**

Figure 1: Scope 1 Emissions Breakdown by Source (2025)





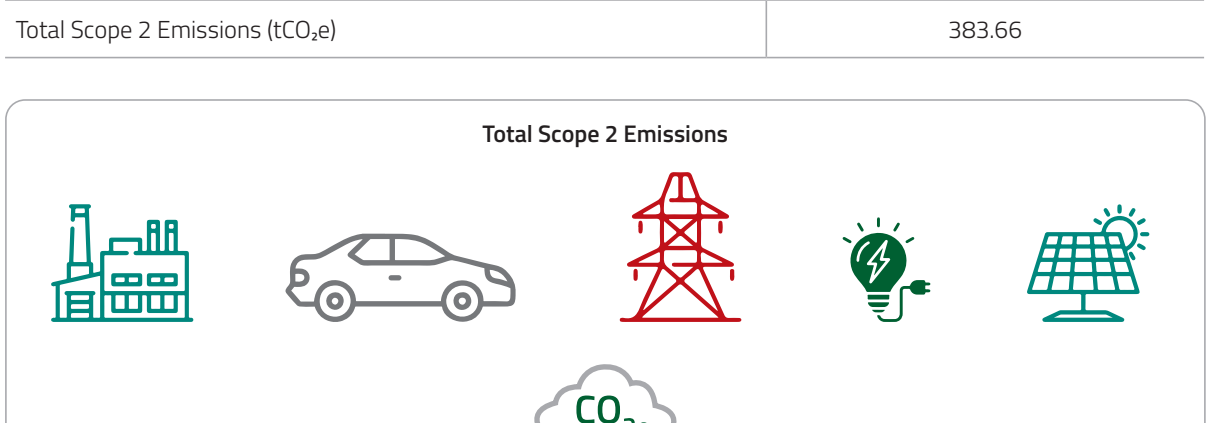
Among Scope 1 emission sources, AC refrigerant refill constitutes the largest share at 96.46 tCO_2e—primarily attributable to the high global warming potential (GWP) of R-22 refrigerant (GWP: 1,810). Vehicle fuel combustion follows at 50.50 tCO_2e across octane, CNG, and LPG use. Generator diesel consumption contributed 10.81 tCO_2e, while fire extinguisher recharges accounted for a comparatively minor 1.77 tCO_2e. The phase-out of R-22 systems in favor of lower-GWP alternatives such as R-410A or R-32 represents the single largest Scope 1 reduction opportunity for DBH in the near term.

Scope 2 Emissions — Indirect Emissions from Purchased Electricity

Scope 2 emissions represent indirect greenhouse gas emissions from the generation of purchased electricity consumed by DBH Finance PLC across its head office and branch network. These emissions are calculated using the national grid emission factor of 0.62 tCO_2e per MWh, in accordance with the Greenhouse Gas Protocol's location-based approach.

Table 6: Emissions from Electricity Consumption (2025)

Emission Parameter	Value
Total Electricity Consumption (kWh)	618,812.11
Grid Emission Factor (tCO_2e per MWh)	0.62
Total Scope 2 Emissions (tCO_2e)	383.66



Electricity consumption across DBH Finance PLC's operations totaled 618,812.11 kWh during 2025, resulting in approximately 383.66 tCO_2e emissions. The data reflects consistent energy consumption across the institution's urban and regional branches, with monthly variations influenced by seasonal demand and operational intensity. Electricity remains the second-largest contributor to DBH's total operational emissions, underscoring the value of energy efficiency improvements and potential future investment in on-site renewable energy solutions.

Scope 3 Emissions — Financed Emissions

Financed emissions reflect the greenhouse gas emissions associated with the loans and financing activities provided by DBH Finance PLC, calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology. These represent the most material component of DBH's overall emissions profile, arising primarily from housing and property-related lending activities. As a housing finance-focused institution, DBH's financed emissions are largely shaped by property- and housing-related lending, which carries a substantial environmental footprint due to the energy-intensive nature of construction and long-term building operations.

Table 7: Purpose-wise Financed Emissions as of 31 December 2025

S/N	Loan Purpose	Outstanding (BDT Million)	Emissions (tCO_2e)
1	Consumer Goods (Personal Loan)	21.70	12.07
2	Credit to Merchant Bank/Broker House	80.46	40.23
3	Education Loan (Personal Loan)	5.12	2.85
4	Flat Purchase	39,294.00	21,847.46
5	House Renovation / Repairing	1,149.66	639.21
6	Housing Loan — Commercial	261.36	7.06
7	Housing Loan — Individual	3,342.79	1,858.59
8	Land Purchase	1,092.85	607.63
9	Loan Against Deposit	117.87	65.53
10	Professional Loan	115.30	64.11
11	Transport Loan — Commercial	6.02	4.53
12	Transport Loan — Individual	94.47	52.52
Total Scope 3 Financed Emissions			**25,201.79**

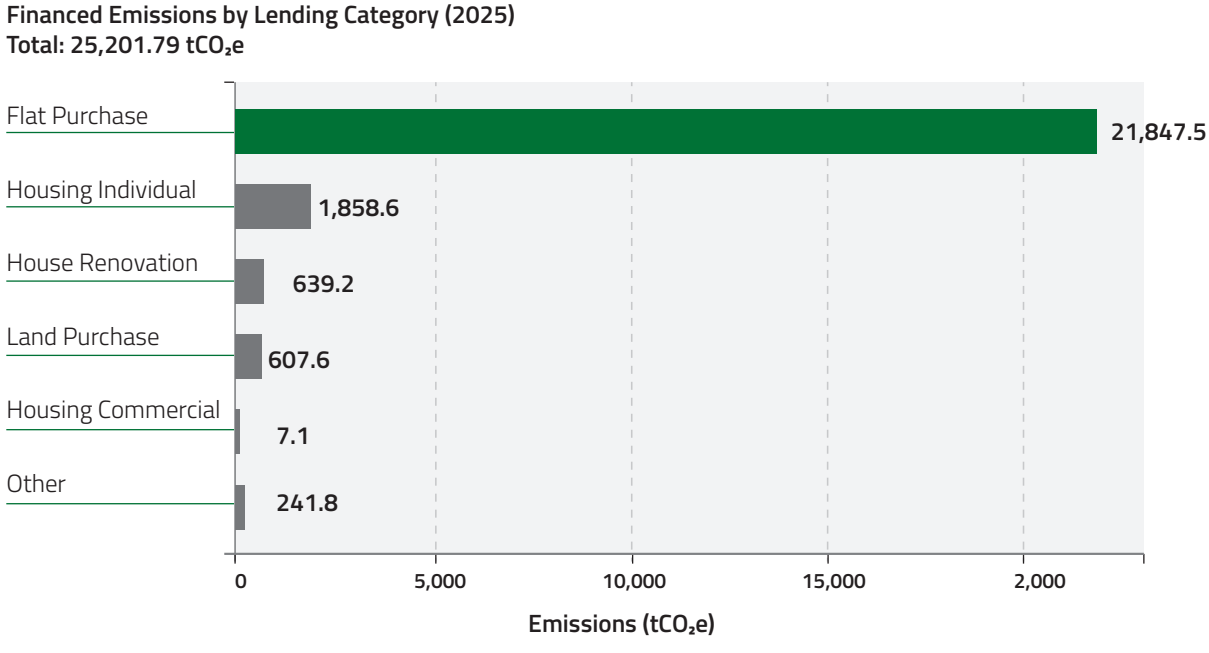


Figure 2: Financed Emissions by Lending Category (2025)

Flat Purchase is by far the largest contributor, accounting for 21,847.46 tCO_2e—approximately 86.7% of total financed emissions. When combined with Housing Loan (Individual), House Renovation/Repairing, Housing Loan (Commercial), and Land Purchase, the broader housing and property-related portfolio contributes roughly 99.0% of total financed emissions. In contrast, smaller retail and personal lending segments (consumer goods, education, transport, and professional loans) contribute only a marginal share. This concentration underscores the importance of focusing emission reduction and climate-risk management initiatives primarily on the housing and property finance segment.

Total GHG Emissions Summary (2025)

Emission Scope	Description	Total Emissions (tCO_2e)
Scope 1	Direct operational emissions	159.54
Scope 2	Purchased electricity emissions	383.66
Scope 3	Financed emissions (PCAF)	25,201.79
Grand Total	**All Scopes Combined**	**25,744.99**

Total GHG Emissions by Scope (2025)
Total: 25,744.99 tCO_2e

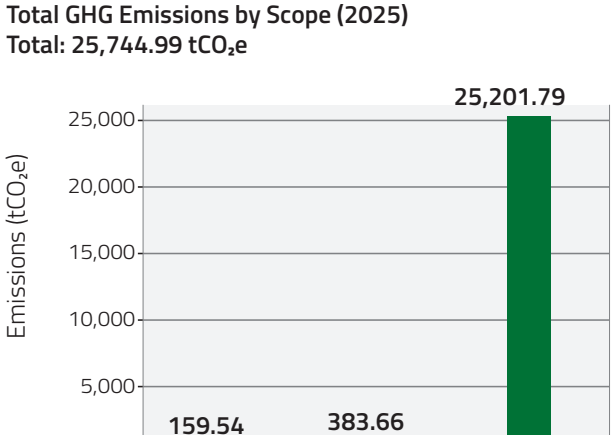


Figure 3: Total GHG Emissions by Scope (2025) — Total: 25,744.99 tCO_2e

The emissions profile of DBH Finance PLC is overwhelmingly dominated by Scope 3 financed emissions, which account for approximately 97.9% of total reported GHG emissions. Scope 2 electricity emissions represent approximately 1.5%, and Scope 1 direct emissions account for around 0.6%. This distribution is consistent with the nature of a housing finance institution, where the indirect climate impact of the lending portfolio substantially exceeds the direct operational footprint. Accordingly, long-term decarbonization strategies must primarily address portfolio-level interventions—including sustainable housing standards, green building requirements for financed properties, and climate-conscious lending policies.

Total GHG Emissions Summary (2025)

Emission Scope	2024 (tCO_2e)	2025 (tCO_2e)	Year-on-Year Change
Scope 1	156.12	159.54	+3.42 (+2.2%)
Scope 2	395.12	383.66	-11.46 (-2.9%)
Scope 3	24,913.56	25,201.79	+288.23 (+1.2%)
Total	**25,464.80**	**25,744.99**	**+280.19 (+1.1%)**

Year-over-Year GHG Emissions Comparison (2024 vs 2025)

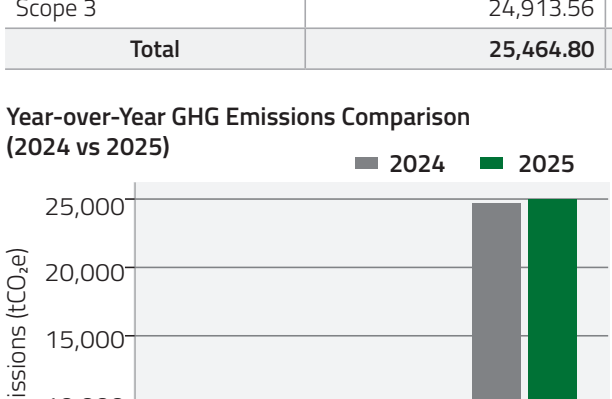


Figure 4: Year-over-Year GHG Emissions Comparison (2024 vs 2025)

Comparing 2025 against the 2024 baseline, total GHG emissions increased modestly by 280.19 tCO_2e (+1.1%), primarily reflecting portfolio growth in housing finance. Notably, Scope 2 emissions decreased by 11.46 tCO_2e (-2.9%) despite higher total electricity consumption (618,812 kWh vs 548,774 kWh in 2024), reflecting methodological refinements and efficiency measures. Scope 1 emissions increased marginally (+2.2%), driven mainly by higher AC refrigerant usage. The moderate overall increase is attributable to the natural expansion of DBH's lending portfolio rather than operational inefficiency, and the trajectory will be closely monitored as the institution develops its formal decarbonization targets.

Decarbonization Roadmap (Emission Reduction Strategy)

DBH Finance PLC recognizes that climate change presents both financial risks and strategic opportunities. As part of its long-term sustainability commitment, the organization is progressively integrating climate considerations into its operational practices, financing activities, and risk management framework. While DBH Finance PLC has not yet formally established quantified decarbonization targets, the organization intends to develop science-aligned emission reduction goals in the coming years, guided by the objectives of the Paris Agreement, international sustainability disclosure frameworks, and regulatory expectations from Bangladesh Bank.

Given that the majority of DBH's emissions originate from financed activities (Scope 3), the long-term decarbonization pathway will primarily focus on integrating climate considerations into lending decisions, portfolio management, and sustainable finance initiatives. In preparation for this transition, DBH Finance PLC is taking several foundational steps to support the future establishment of measurable climate targets and structured emission reduction pathways.

Near-Term Actions (2025–2026)

Action Area	Initiative	Expected Benefit
AC Systems	Phase-out R-22 refrigerant; transition to R-410A or R-32	Significant Scope 1 reduction (largest single lever)
Electricity	LED upgrades and HVAC efficiency programs across branches	Scope 2 reduction, lower utility costs
Vehicle Fleet	Increase CNG/LPG share; explore EV deployment feasibility	Scope 1 vehicle emission reduction
Green Lending	Expand green finance portfolio (whenever right opportunity comes); integrate energy standards into housing loan criteria	Scope 3 portfolio transition, market differentiation
Data & Reporting	Strengthen emission data collection and monitoring systems	Improved baseline accuracy, target readiness
Target Setting	Develop formal science-based decarbonization targets using 2024 as baseline	Regulatory compliance, investor credibility

DBH Finance PLC is committed to formalizing its emission reduction targets and publishing a structured Decarbonization Roadmap in its forthcoming reporting cycle. This roadmap will incorporate both operational and portfolio-level targets, ensuring a comprehensive approach to decarbonization aligned with the institution's growth strategy and Bangladesh's national climate commitments.

Conclusion

This report demonstrates that DBH Finance PLC has established a structured foundation for sustainability and climate-related financial disclosure by integrating these considerations into its governance, strategy, risk management, and performance monitoring framework. The organization has strengthened Board and management oversight, embedded climate and sustainability issues into strategic planning, and aligned its risk management processes with Bangladesh Bank's climate risk management expectations—reflecting a forward-looking approach to regulatory compliance and institutional resilience.

The assessment further confirms that DBH Finance PLC's overall emissions profile is dominated by financed emissions, particularly from housing and property-related lending, while operational emissions remain comparatively limited. During 2025, the institution recorded total emissions of 25,744.99 tCO_2e, with Scope 3 continuing to represent the largest share at approximately 97.9%.

A modest year-on-year increase in total emissions (+1.1%) reflects the natural growth of DBH's lending portfolio, with the encouraging counterpoint that Scope 2 electricity emissions declined by 2.9% year-over-year. These findings indicate that DBH's future decarbonization efforts should primarily focus on portfolio-level climate strategies, sustainable finance expansion, and continued operational efficiency improvements to support long-term, low-carbon growth.

Looking ahead, DBH Finance PLC is committed to formalizing its emission reduction targets, strengthening its green financing capabilities, and deepening its climate risk management practices. The institution will continue to build on this disclosure foundation—developing science-aligned targets, expanding sustainable finance products, and contributing meaningfully to Bangladesh's sustainable development goals and international climate commitments under the Paris Agreement.

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শরিয়াহভিত্তিক ফাইন্যান্সিং উইং

DBH | DBH Islamic

ইসলামিক হোম ফাইন্যান্সিং

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ENVIRONMENT RELATED INITIATIVE

Operational environmental performance and reduction actions — 2025

This section reports DBH Finance PLC's environmental performance at the operational level — covering energy, water, paper, waste, transport, and procurement. It is distinct from the Strategic Indicators for Sustainability section (pp.85-86), which covers the ESG governance framework, GHG methodology, and portfolio-level climate targets, and from the EnvRR Natural Capital section, which covers environmental risk rating in lending. Together, the three sections provide a complete picture of how DBH manages its environmental responsibilities: strategy and governance, portfolio risk, and operational footprint.

A. GHG Emissions — 2024 Baseline and 2025 Status

The table below summarises DBH's GHG emissions across all three scopes. The 2024 figures are sourced from the audited ESG disclosure. 2025 figures require completion from the annual GHG measurement exercise. DBH uses the GHG Protocol Corporate Standard and the PCAF methodology for Scope 3 financed emissions.

GHG Category	Source	2024 (tCO_2e)	2025 (tCO_2e)	YoY Change
Scope 1 — Direct	Diesel generators	13.57	10.81	-2.76 (-20.3%)
	IPS electricity	1.094	0.00	-1.09 (-100.0%)
	Company vehicles (octane/CNG/LPG)	51.38	50.50	-0.88 (-1.7%)
	AC refrigerant (R-22)	88.69	96.46	+7.77 (+8.8%)
	Fire extinguisher refill	3.391	1.77	-1.62 (-47.8%)
Scope 1 Total		156.12	159.54	+3.42 (+2.2%)
Scope 2 — Indirect	Grid electricity (618,812 kWh in 2025)	395.12	383.66	~−2.9%
Scope 2 Total		395.12	383.66	-11.46 (-2.9%)
Scope 3 — Financed	Housing finance portfolio	24,883.32	24,959.95	+76.63 (+0.3%)
	Consumer / car finance	30.24	57.05	+26.81 (+88.7%)
Scope 3 Total		24,913.56	25,201.79	+288.23 (+1.2%)
Grand Total	Scope 1 + 2 + 3	25,464.80	25,744.99	+280.19 (+1.1%)

B. Operational Resource Use — Per Employee Intensity

DBH tracks its use of electricity, water, and paper both in absolute terms and on a per-employee basis. Intensity metrics (per employee) allow comparison across years despite the natural increase in absolute consumption that accompanies business and headcount growth. Staff count increased from approximately 380 in 2024 to 431 at year-end 2025.

Resource	Unit	2024	2025	Target
Grid electricity — total	kWh	548,774	618,812	Reduce intensity per employee
Electricity per employee	kWh/employee	1,479	1,436	Year-on-year reduction
Water Consumption - total	cubic metres	14,267 m^3	15,516 m^3	Reduce 5% vs baseline
Water Consumption per Employee	cubic metres/ employee	38.45 m^3	36 m^3	Year-on-year reduction
Paper usage — total	Reams	1,940	2,000	Reduce 5% vs 2024
Paper per employee	Reams /employee	5.22	4,64	Year-on-year reduction
Employees (year-end)	Number	~371	431	+3.5%

C. Six Operational Environmental Action Areas — 2025 Performance

For each area, we report the 2024 baseline (verified), the actions taken during 2025, and the 2026 target. This structure replaces the aspirational language of prior reports with a verifiable, accountable record.

01 Electricity & Energy

2024 baseline: 548,774 kWh total; Scope 2 emissions 395.12 tCO_2e; R-22 refrigerant dominant source of Scope 1 (88.69 tCO_2e)

2025 action: LED lighting retrofits in head office; smart energy monitoring piloted; assessment of rooftop solar feasibility initiated; R-22 phase-out review commenced

2026 target: Reduce total electricity consumption per employee by 5%; complete R-22 phase-out assessment; finalize solar feasibility report

02 Paper & Digital Transition

2024 baseline: Paper usage in BDT: approximately BDT 232 per employee (physical quantity data required for 2025 baseline)

2025 action: Electronic workflow for loan processing expanded; e-signatures deployed for standard customer documentation; double-sided printing policy enforced in all offices

2026 target: Reduce paper consumption per employee by 10% vs 2024 baseline; complete digital onboarding rollout to eliminate paper loan applications

03 Water Conservation

2024 baseline: Water consumption per employee: BDT 1,772 (physical quantity data required)

2025 action: Low-flow fixtures audit completed in Dhaka head office; leak detection check carried out at all locations; water-awareness communication to all staff

2026 target: Install low-flow fixtures in all major office locations; report water consumption in physical units (m^3 per employee) from 2026 onwards

04 Vehicle & Transport Emissions

2024 baseline: Company vehicles: 12,310L octane + 10,406 m^3 CNG + 2,469L LPG = 51.38 tCO_2e Scope 1

2025 action: CNG preference policy for all new company vehicle requests; hybrid/EV feasibility study for fleet renewal initiated; remote and video meeting culture strengthened to reduce travel

2026 target: Complete hybrid/EV fleet renewal feasibility study; establish per-vehicle fuel consumption tracking; explore CNG conversion for remaining octane vehicles

05 Waste Management

2024 baseline: Systematic waste tracking not yet formalised in 2024

2025 action: Recycling bins deployed in all Dhaka office floors; e-waste disposal protocol established for decommissioned IT equipment; hazardous waste (used toner, batteries) tracked and handed to licensed vendors

2026 target: Introduce formal waste register; report waste by category (paper, e-waste, general) in the 2026 ESG disclosure

06 Procurement & Supply Chain

2024 baseline: Environmental criteria not formally incorporated in vendor selection in 2024

2025 action: Draft environmental procurement policy prepared; energy-efficient equipment standard included in 2025 IT procurement specifications; preference given to vendors with stated sustainability policies

2026 target: Formalise and Board-approve Environmental Procurement Policy by Q2 2026; incorporate ESG screening in top-10 vendor review

D. A Note on Green Finance

Why DBH does not currently report green financing volumes

Prior editions of this section described a programme called "Green Financing for a Greener Tomorrow" and cited green loans for renewable energy, sustainable agriculture, and waste management. DBH does not offer these products — it finances homes only. Certified green residential housing does not yet exist at scale in Bangladesh: the government's BEEER rating system remains voluntary (mandatory adoption targeted for 2026); private residential developers face affordability constraints that limit green construction uptake; and Bangladesh Bank's concessional green housing refinancing facility requires final certification that virtually no residential projects currently hold. DBH will not manufacture a green finance claim ahead of market conditions that would make it real. When certified green residential supply exists at meaningful scale and commercial conditions align, DBH will be positioned and willing to finance it. Until then, DBH's environmental contribution to the housing sector is made through rigorous ESRM screening, the EnvRR framework, and the responsible allocation of capital to projects that meet its environmental due diligence standards.

GREEN BANKING ACTIVITIES & RESPONSIBLE FINANCE

DBH Finance PLC — Annual Integrated Report 2025

Green banking integrates environmental considerations into financial decision-making — not just in the products a financial institution offers, but in how it operates, how it screens credit, and how it plans for a lower-carbon future. For DBH Finance, green banking in 2025 is expressed through three interlocking commitments: responsible environmental stewardship of our own operations, rigorous environmental risk screening of every loan we originate, and a structured pathway towards green housing finance as market and regulatory conditions mature.

Operational Environmental Performance — 2025 at a Glance



Electricity Per Employee
2025
1,436 kWh
2024: 1,479 kWh
■ **2.9% lower**



Water Per Employee
2025
36.0 m³
2024: 38.45 m³
■ **6.4% lower**



Paper Per Employee
2025
4.64 reams
2024: 5.22 reams
■ **11.1% lower**

Operational GHG Emissions (Scope 1 + 2) — 2025

159.54	**383.66**	**543.20**	**–25%**
Scope 1	**Scope 2**	**Total S1+2**	**2030 Target**
tCO_2e (vehicles, generators, refrigerant)	*tCO_2e (grid electricity, location-based)*	*tCO_2e — 2.0% below 2024 baseline*	*absolute reduction vs 2023 baseline*

Environmental Risk Screening in Lending — 2025

DBH's most material green banking contribution is exercised at the point of credit origination. Every applicable loan proposal is subjected to an Environmental Risk Rating (EnvRR) assessment before submission for management approval. Accounts rated High Risk are strongly discouraged and subject to enhanced scrutiny. In 2025, DBH rated 176 loan accounts across all four quarters — recording zero High Risk classifications in every single month

176	**0**	**77.8%**	**22.2%**
Accounts Rated	**High Risk**	**Low Risk**	**Moderate Risk**
Full-year 2025 total	*Zero — every month, every quarter*	*137 of 176 accounts*	*39 of 176 accounts*

GREEN BANKING ACTIVITIES & RESPONSIBLE FINANCE (CONTINUED)

DBH Finance PLC — Annual Integrated Report 2025

Six Pillars of DBH's Operational Green Banking Commitment

For each area, we report the 2024 baseline (verified), the actions taken during 2025, and the 2026 target. This structure replaces the aspirational language of prior reports with a verifiable, accountable record.

01 Energy Efficiency

LED retrofit at head office; smart energy monitoring piloted; rooftop solar feasibility study launched. Electricity per employee fell 2.9% year-on-year.

02 Paper Reduction

e-Signatures deployed; electronic loan-processing workflows expanded; double-sided printing enforced. Paper per employee down 11.1%.

03 Water Conservation

Low-flow fixture audit completed at all locations; leak detection checks carried out; water awareness communications to all 431 staff.

04 Transport Emissions

CNG-preference policy for new company vehicles; hybrid/EV fleet renewal feasibility study initiated; video meeting culture strengthened.

05 Waste Management

Recycling bins deployed on all Dhaka floors; e-waste disposal protocol established; hazardous waste (toner, batteries) tracked and handed to licensed vendors.

06 Green Procurement

Environmental criteria drafted into procurement policy; energy-efficient equipment standard in 2025 IT specs; ESG preference in vendor selection.

Why DBH Does Not Yet Report Green Financing Volumes

Bangladesh's green residential housing market is not yet commercially operational at scale. The government's BEEER energy rating system remains voluntary (mandatory adoption targeted for 2026); very few private residential developers currently meet EDGE or equivalent certification standards; and Bangladesh Bank's concessional green housing refinancing facility requires certifications that virtually no residential projects presently hold. DBH will not manufacture a green finance claim ahead of the market conditions that would make it credible. Our current green banking contribution is made through ESRM screening, EnvRR, operational efficiency, and the pathway set out below.

Road to Green Finance — DBH's Structured Pathway

STEP 1 2025–2026

Prepare the Framework

Complete BEEER/EDGE market monitoring. Draft green mortgage product terms. Pilot green pricing discount for energy-efficient properties. Appoint Green Finance Officer.

STEP 2 2026–2027

Launch Green Mortgage Pilot

Offer discounted rates for EDGE-certified or solar-equipped residential properties. Partner with 2–3 certified developers. Report green finance volumes to Bangladesh Bank.

STEP 3 2027 onwards

Scale Green Portfolio

Target green finance at 5%+ of disbursements. Integrate climate risk into credit scoring. Report PCAF-aligned financed emissions with improving data quality year-on-year.

Regulatory Compliance — Bangladesh Bank Green Banking Policy

DBH Finance PLC maintains a Board-approved Green Banking Policy aligned with Bangladesh Bank's Sustainable Finance Policy guidelines. The policy governs environmental risk management in credit, operational sustainability commitments, and DBH's pathway to green product development. Compliance reporting is submitted to Bangladesh Bank on a quarterly basis. DBH's ESRM framework, EnvRR process, and the six operational pillars described above constitute the active implementation of this policy in 2025.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AT DBH

At DBH Finance PLC (DBH), we recognize that sustainable corporate success is intrinsically linked to our ability to create meaningful and lasting value for society. As a responsible financial institution, we are firmly committed to embedding Corporate Social Responsibility (CSR) into our core business strategy and operations. Our approach to CSR goes beyond regulatory compliance, focusing on advancing sustainable development, empowering communities, and upholding the highest standards of ethical business conduct.

In alignment with international best practices and the guidelines of Bangladesh Bank, DBH has undertaken a range of initiatives across key areas, including education, healthcare, environmental sustainability, and disaster management. Through these initiatives, we aim to contribute to a more resilient and inclusive society, while ensuring transparency, promoting diversity, and fostering social equity in all our engagements.

CSR Policy Highlights and Implementation Framework

DBH Finance PLC's Corporate Social Responsibility (CSR) Policy outlines a structured and accountable framework for contributing to social development through impactful and sustainable initiatives. The policy is aligned with the CSR Guidelines issued by Bangladesh Bank (SFD Circular No. 01 dated January 9, 2022 & SFD Circular no. 05 dated November 23, 2023) and reflects DBH's commitment to integrating social responsibility into its core operations.

The overarching objective of the policy is to support humanitarian relief, inclusive development, healthcare, education, environmental sustainability, and climate resilience. The allocation of CSR funds is strategically guided as follows:

- **30%** of the CSR fund is allocated to promote education,
- **30%** to support preventive and curative healthcare,
- **20%** for environmental and climate change adaptation projects. Of this allocation, 50% is earmarked as Climate Risk Fund (CRF) and utilized accordingly.
- The remaining **20%** to other approved areas such as disaster relief, income-generating activities, sports, cultural development, and infrastructure

As per policy, DBH allocates approximately 0.5% of its annual net profit after tax to CSR initiatives, subject to annual approval by the Board. In determining the final allocation, the Board also takes into account the Company's future profitability and overall organizational priorities. Additional funding sources may include realized compensation, zakat funds, doubtful income, and income not distributed from the Islamic Wing, where applicable.

A dedicated CSR Unit comprising the Head of Human Resources, Company Secretary, and Head of Finance, under the supervision of the Managing Director oversees the planning, execution, and monitoring of all CSR activities. This unit is responsible for proposing annual budgets, coordinating project implementation, and ensuring alignment with internal policies as well as regulatory requirements.

Utilization of CSR funds is governed by defined authority thresholds, with higher-value projects requiring approval from the Chairman or the Board. All CSR activities are subject to robust end-use monitoring through internal audits, Memorandums of Understanding (MoUs), and periodic reviews by the Board or the Management Committee. Any unutilized CSR funds at year-end are not carried forward, except for amounts specifically earmarked under the Climate Risk Fund (CRF).

CSR initiative framework

DBH follows a structured approach to CSR implementation, ensuring accountability and effectiveness at every stage:

Proposal Submission & Assessment:
CSR requests are received and evaluated by the respective department.

Approval Process:
Proposals are reviewed and approved by the Managing Director & CEO as per the delegation of authority.

Implementation & Monitoring:
Projects are executed with due diligence, and progress is monitored through site visits and reports.

Financial Oversight:
Payments are processed transparently by the finance department

Regulatory Compliance:
A half-yearly report is submitted to the Sustainable Finance Department (SFD) of Bangladesh Bank.

CSR Impact

5.02 lac	12.0 lac	11.81 lac	5.22 lac
Education	Health	Climate	Disaster Management

34.05 lac

CSR Initiatives & Impact

Education



Donation to Shohojpath School for Scholarship & Reward

DBH's Commitment to Educational Advancement DBH has consistently supported initiatives aimed at expanding access to quality education for underprivileged communities. Key contributions include:

- **'DBH Finance Scholarship' to BRAC University:** Provided scholarship to two (2) deserving meritorious yet financially challenged Bangladeshi students who are studying Business at BRAC University.
- **Contribution to Shohojpath School:** Provided scholarship as well as rewards to the poor students.
- **Support to Utsho Bangladesh:** Supported Utsho Bangladesh through their fundraising event, Utsho Sandhya 2025, for the purpose of improving educational opportunities of marginalized children.
- **Financial Literacy Program:** Conducted several financial literacy program for the purpose of enhancing financial awareness among underprivileged groups.

Healthcare

Donation to Midwifery Program at BRAC University's JPGSPH: Since 2022, DBH has been providing annual financial support of BDT 7.00 lac to BRAC University's James P. Grant School of Public Health (JPGSPH) for its Midwifery Diploma Program. The program trains midwives to improve maternal healthcare in rural Bangladesh, benefiting underserved communities and ensuring safer childbirth practices.



Clear Vision Workplace Program funded by DBH

Donation to VisionSpring Bangladesh: DBH donated BDT 5.00 lac to VisionSpring Bangladesh in support of its Clear Vision Workplace (CVW) program. This initiative aims to provide approximately 1000 workers in the formal manufacturing sector with prescribed eyewear, including full prescription lenses, reading glasses, or progressive lenses, based on individual eye care needs.

Climate Resilience & Environmental Sustainability

Implementing Climate Resilient Agriculture with Solar Powered Irrigation

- **Project with Sajida Foundation:** DBH contributed BDT 11.81 lac to Sajida Foundation to promote climate-resilient agriculture through solar powered irrigation in Pratapnagar Union of Assasuni Upazila, Satkhira. The project benefits 100 families from climate-vulnerable communities. The initiative includes the installation of two solar-powered irrigation systems across two sites in Pratapnagar Union. The allocated budget covered the cost of solar panels, pumps, boring and system installation.



Implementation of Solar Powered Irrigation System

Others

Sports & Income Generating Activities

- **Donation to Sports for Hope & Independence:** DBH contributed Tk 522,000 to Sports for Hope & Independence for their project titled "Highway of Hope". The project aims to reduce the high school dropout rates among youth in the tea garden communities Sreemangal, Moulvibazar, by integrating sports, education, and income generating activities. As part of the initiative, financial support is provided for small-scale family poultry farming. Participants also commit to cultivating and planting trees in designated community areas, ensuring maximum community impact and long term financial sustainability.



Girls' Volleyball Championship 2026, organized by HSI & DBH

CSR Impact Summary — SDG Alignment & Beneficiary Metrics

The table below maps each CSR initiative to its investment, key beneficiaries, measurable outcome, and relevant UN Sustainable Development Goals (SDGs) — in alignment with SAFA Integrated Reporting best practice.

CSR Activity	Investment (BDT Lac)	Key Beneficiaries	Measurable Outcome	SDG Alignment
EDUCATION				
DBH Finance Scholarship — BRAC University	**Included in 5.02 lac**	2 meritorious students, Business faculty	Full scholarship covering tuition; retained academic progression	SDG 1 — No Poverty; SDG 4 — Quality Education; SDG 10 — Reduced Inequalities
Shohojpath School — Scholarship & Rewards	**Included in 5.02 lac**	Underprivileged school-going children	Scholarships & merit rewards; reduced dropout risk among poor students	SDG 1 — No Poverty; SDG 4 — Quality Education
Utsho Bangladesh — Marginalized Children's Education	**Included in 5.02 lac**	Marginalized children; families below poverty line	Improved educational access; fundraising enabling expanded programme delivery	SDG 4 — Quality Education; SDG 10 — Reduced Inequalities
Financial Literacy Programme	**Included in 5.02 lac**	Underprivileged community groups; multiple sessions	Enhanced financial awareness; sessions delivered across communities	SDG 4 — Quality Education; SDG 8 — Decent Work & Economic Growth; SDG 10 — Reduced Inequalities
HEALTHCARE				
BRAC JPGSPH — Midwifery Diploma Programme	**7.00**	Trainee midwives; rural maternal healthcare recipients	Midwives trained for rural deployment; improved maternal health outcomes in underserved areas (support since 2022)	SDG 3 — Good Health & Well-being; SDG 5 — Gender Equality; SDG 10 — Reduced Inequalities
VisionSpring Bangladesh — Clear Vision Workplace	**5.00**	~1,000 formal sector manufacturing workers	~1,000 workers provided with prescribed eyewear; improved workplace productivity & health	SDG 3 — Good Health & Well-being; SDG 8 — Decent Work & Economic Growth
CLIMATE RESILIENCE & ENVIRONMENTAL SUSTAINABILITY				
Sajida Foundation — Solar-Powered Irrigation, Satkhira	**11.81**	100 climate-vulnerable farming families, Pratapnagar Union	2 solar irrigation systems installed; reduced dependence on fossil-fuel pumps; climate-resilient agriculture enabled for 100 households	SDG 2 — Zero Hunger; SDG 7 — Affordable & Clean Energy; SDG 13 — Climate Action
SPORTS, INCOME GENERATION & COMMUNITY DEVELOPMENT				
Sports for Hope & Independence — "Highway of Hope", Sreemangal	**5.22**	At-risk youth in tea garden communities, Moulvibazar	Reduced school dropout rates; poultry farming income for families; tree planting for long-term community sustainability	SDG 1 — No Poverty; SDG 4 — Quality Education; SDG 8 — Decent Work & Economic Growth; SDG 15 — Life on Land

Total CSR Investment 2025	**BDT 34.05 Lac**	**SDGs Addressed: SDG 1, 2, 3, 4, 5, 7, 8, 10, 13, 15**

Conclusion

DBH Finance PLC takes pride in its CSR initiatives, reflecting a strong commitment to social welfare, environment sustainability, and community empowerment. By aligning with national and global sustainability goals, DBH continues to foster positive change, ensuring long-term benefits for the society at large.

STATEMENT OF CONTRIBUTION TO GOVERNMENT EXCHEQUER

The Statement of Contribution to Government Exchequer outlines the various forms of financial contributions made by the organization to the Government of Bangladesh This comprehensive summary underscores the organization's consistent fiscal responsibility and its role in supporting national revenue generation through direct and indirect taxation.

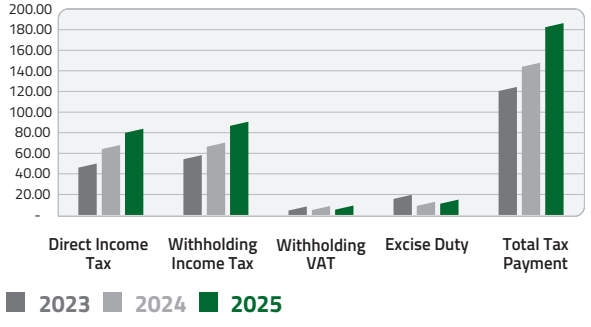
Amount in Crore BDT

Forms of Contribution	2023	2024	2025
Income Tax	**100.40**	**130.35**	**166.37**
Salary	3.71	2.69	3.55
Interest on savings deposit	44.28	57.62	77.01
Payment of Supplier	0.46	0.60	0.65
House Rent	0.15	0.15	0.26
Advance Corporate Tax	45.82	59.25	69.94
Return Submission	0.32	4.78	9.82
Dividend Payment	5.65	5.26	5.15
Others (Directors Honorarium)	0.01	0.01	0.01
VAT	**4.41**	**4.72**	**5.26**
House Rent	0.65	0.67	0.77
Processing, Documentation Fee etc.	2.72	2.88	2.93
Procurement of goods and services	1.03	1.15	1.55
Director Fees	0.01	0.01	0.01
Excise Duty	**15.71**	**8.90**	**10.88**
Collection of excise duty from clients	15.13	8.35	8.03
Excise duty deducted by bank	0.58	0.55	2.85
Total Contribution to Government	**120.5**	**144.0**	**182.5**

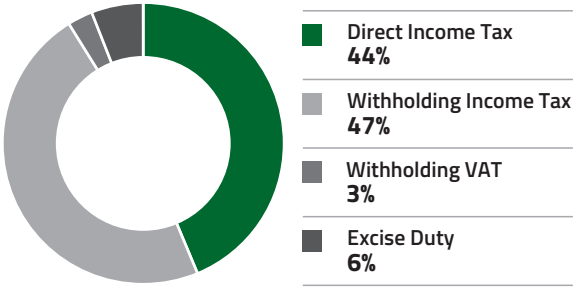
Summary:

	2023	2024	2025
Direct Income Tax	46.14	64.02	79.75
Withholding Income Tax	54.26	66.33	86.61
Withholding VAT	4.41	4.72	5.26
Excise Duty	15.71	8.90	10.88
Total Tax Payment	**120.5**	**144.0**	**182.5**

Contribution to Govt. Exchequer



Composition of Tax: 2025



REPORT ON FINANCIAL INCLUSION-2025

To support Bangladesh Bank's vision of building a financially aware, inclusive, and resilient society, DBH Finance PLC. strengthened its financial literacy initiatives throughout 2025. Through structured awareness programs, community events, and digital campaigns, DBH focused on spreading financial knowledge among youth, women, students, and underserved communities across the country.

To plan and run these initiatives effectively, DBH continued operating its dedicated nine-member Financial Literacy Wing (FLW), led by the Deputy Managing Director & Chief Operating Officer. This team is responsible for designing, implementing, and monitoring activities that promote responsible financial habits, increase financial inclusion, and raise public awareness about modern financial services.

Under the DBH Financial Literacy Plan (FLP), various financial literacy programs were held in 2025 across urban and semi-urban areas of Bangladesh. These programs focused on teaching people about savings, responsible borrowing, digital financial services, and secure cashless transactions. Special effort was made to empower women, engage youth, and educate students to help them join the formal financial system.

Specifically, DBH successfully conducted eight financial literacy programs across Barishal, Mymensingh, Rajshahi, Khulna, Cumilla, Sylhet, Rangpur, and Chittagong. These sessions targeted youth, women, and students using engaging tools like leaflets, visual banners, presentations, and interactive Q&A sessions. Through these efforts, DBH directly reached over 500 young individuals, with a strong emphasis on female participation to support gender equality and inclusion.

To mark "Financial Literacy Day 2025," DBH employees took part in both online and in-person events to talk directly with customers and share financial guidance. The company also actively participated in "Financial Literacy Week 2025" by creating and sharing educational content on Facebook, LinkedIn, and the FLP News Tab. These digital campaigns reached over 35,000 people, successfully raising awareness for both internal and external audiences.

DBH Finance PLC. remains deeply committed to supporting Bangladesh Bank's national goals by expanding financial literacy and inclusion across the country. Through long-term awareness programs and inclusive education, DBH aims to help build a financially smart and resilient society while supporting the overall sustainable development goals of Bangladesh.



Program Picture Chittagong



Program Picture Mymensingh



Program Picture Cumilla

BOARD OF DIRECTORS



From left

Mr. Nasimul Baten
Managing Director & CEO

Mr. Syed Moinuddin Ahmed
Chairman

Mr. Nazir Rahim Chowdhury
Director

Mr. Mohammad Anisur Rahman
Director

Professor Imran Rahman
Vice Chairman &
Independent Director

Professor Nausheen Rahman
Independent Director

Mr. Khandkar Manwarul Islam
Director

SHARI'AH SUPERVISORY COMMITTEE



Dr. Muhammad Saifullah
Chairman



Mr. Md. Fariduddin Ahmed
Member



Mr. Md. Abdul Awwal Sarker
Member



Dr. Zubair Mohammad Ehsanul Hoque, CSAA
Member



Mr. Nasimul Baten
Ex- Officio Member
(Managing Director & CEO)



Mr. Tanvir Ahmad
Member
(DMD & Head of Islamic Financing Division)



Mr. Md. Abu Yousuf, CSAA
Member Secretary
(Assistant Vice President, Islamic Financing Division)

PROFILE OF THE BOARD OF DIRECTORS



He has been a Director of DBH, nominated by Green Delta Insurance PLC, since September 2019 and Chairman of DBH since June 2025.

Syed Moinuddin Ahmed
Chairman

Mr. Syed Moinuddin Ahmed is a respected banking and finance professional in Bangladesh with an experience spanning over two decades.

Having an MBA in Finance from the University of Dhaka, Mr. Ahmed started his career at Southeast Bank. Beginning as a management trainee at the bank, he subsequently drew rich experience by virtue of working with several other reputed commercial banks in the country and across various roles, before joining the renowned Green Delta Insurance Group in 2009.

Mr. Ahmed's contribution in evolving the GDIC Group into its present exalted status has been a highlight of his long and illustrious career. At Green Delta Insurance, the flagship of the GDIC Group, Mr. Ahmed has worked in various departments and has taken up several responsibilities that include managing Board affairs and engaging in business development, business process optimization, technology, forging strategic alliances, optimising human resource and ensuring project deliverables. The recognition of Mr. Ahmed's relentless efforts in building strong foundations of the Group was his elevation to the role of Additional Managing Director of Green Delta Insurance Company and Managing Director of GD Assist, a fast-emerging company in the group.

Today, Mr. Ahmed continues to lead and inspire his team through his experience and foresight. Having travelled throughout the world for work and having being exposed to several workshops and seminars globally, Mr. Ahmed is passionate about implementing global best management practices and technological advancements in Bangladesh, thereby contributing to the country's advancement in his own small way.

He has been a Director of DBH, nominated by Green Delta Insurance PLC, since September 2019 and Chairman of DBH since June 2025.



He has been an Independent Director of DBH, since May 2024 and Vice-Chairman of DBH since June 2025.

Professor Imran Rahman
Vice Chairman & Independent Director

Professor Imran Rahman is a distinguished academician who currently serves as the Professor, School of Business and as Special Advisor to the Board of Trustees at University of Liberal Arts Bangladesh (ULAB), a leading private university. He previously served two terms as the Vice Chancellor of ULAB. His journey at ULAB began in 2006 as the Dean of the School of Business. He subsequently held the positions of Pro-Vice Chancellor and Special Advisor to the Board of Trustees. Prior to joining ULAB, Professor Rahman was a finance faculty member at the Institute of Business Administration (IBA), Dhaka University for 25 years.

In 1994, he co-founded a merchant bank in Dhaka, demonstrating his entrepreneurial spirit and passion for finance. He actively led the bank for six years. Professor Rahman has also made significant contributions to the finance sector through his roles as an Independent Director at National Housing Finance and Investment Ltd, and Sonali Investments Ltd.

Professor Rahman was a doctoral researcher at the Manchester Business School, UK, as a Commonwealth Scholar. He has an MBA from IBA, and a B.Sc. Economics degree from the London School of Economics and Political.

Beyond academia and finance, Professor Rahman is an accomplished musician. He is a vocalist and guitarist of Renaissance, a prominent band in Bangladesh.

He has been an Independent Director of DBH, since May 2024 and Vice Chairman of DBH since June 2025.



He has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.

Nazir Rahim Chowdhury
Director

Mr. Nazir Rahim Chowdhury is a promising entrepreneur with an excellent business background in Export & Import in the readymade garments sector in the country. He has also extended business in the areas of IT and Trading in partnership with experienced specialists in the country.

Mr. Chowdhury completed his Bachelor's degree in Business Administration and started his career in Standard Chartered Bank Bangladesh, and provided high-level customer service and sales in high-volume areas. After 10 years of service in the banking sector, Mr. Chowdhury involved himself in the family business since 2012. Currently, he is the Vice Chairman of M.I.M. Fashion Wear Ltd.

Mr. Chowdhury is also involved with many social activities and is associated with Chittagong Club Limited, Bhatiyari Golf & Country Club, Chittagong Senior's Club Limited, and Chittagong Chamber of Commerce & Industry.

Mr. Chowdhury has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.



He has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.

Khandkar Manwarul Islam
Director

Mr. Khandkar Manwarul Islam is a reputed Business person in Bangladesh with an overall 25 years of experience in different sectors of the country.

Mr. Islam obtained his MBA degree from Southeast University, Dhaka in the year 2002 & BBA from the University of Madras, India in the year 1998. He also did his Diploma in Computer Integrated Management from First (1st C) Computers, Madras, India. Mr. Islam did a research study & submitted the report on 'Growth and Development of Small Scale Industries' under the supervision of the Project Management Department, University of Madras, and under the assistance of Bangladesh Small & Cottage Industries Corporation (BSCIC).

Before starting his own business in RMG Sector, he was a professional banker with Shahjalal Islami Bank Limited, where he worked for around 17 years, Mr. Islam also contributed for a while to the largest NGO (BRAC) in the country. Currently, Mr. Islam is the Managing Director as well as the Chief Executive Officer of Stylent Knit Limited (Export oriented Sweater Industry).

Mr. Khandkar Manwarul Islam has been a Director of DBH, nominated by Delta Life Insurance Company Limited, since November 2022.



She has been an Independent Director of DBH since April 2025.

Professor Nausheen Rahman
Independent Director

Professor Nausheen Rahman is a venerated academic in the realm of finance, with a distinguished career spanning over 30 years. Currently a Professor in the Department of Finance at the University of Dhaka. Her teaching portfolio is as diverse as it is extensive, encompassing Finance, Economics, Accounting, and Marketing across undergraduate and postgraduate programs, including BBA, MBA, Evening MBA, and the Master of Professional Finance (MPF).

Professor Rahman's contributions extend well beyond the classroom. She has held a series of academic and administrative appointments, including Director of the Department of Finance Executive Program, MBA Program Director, and Placement Director. She has also played a vital editorial role as a board member of the Journal of Finance and Banking since 2014, and served as a Student Counselor, reflecting her holistic approach to academic leadership. Her pedagogical influence is further amplified through her roles as adjunct faculty at North South University, AIUB, Presidency University, and ULAB.

In parallel with her academic endeavors, Professor Rahman has made significant contributions to corporate governance and national financial institutions. She has served as an Independent Director at MJL Bangladesh and Meer Akhter Ltd., as well as a Nominated Director at Omera Petroleum Ltd. and Omera Cylinders Ltd. Her expertise has been sought by pivotal regulatory and advisory bodies, including the Bangladesh Securities and Exchange Commission (BSEC), the Bangladesh Institute of Capital Market (BICM), and the Public Service Commission (PSC). Currently, she serves as the Treasurer of the Finance Alumni Association (FAA), a prominent alumni organization, where she is responsible for overseeing financial management, maintaining fiscal transparency, and supporting the association's initiatives and activities.

Professor Rahman holds an MBA with distinction from the University of Canberra, Australia, earned under the prestigious AUSAID Scholarship. Her academic prowess was evident early on, having secured first place in both her Bachelor of Commerce and Master of Commerce degrees from the University of Dhaka. Her scholastic excellence has been recognized with numerous accolades, including UGC and DU scholarships and a Lions Gold Medal.

An accomplished scholar, Professor Rahman has authored more than 24 peer-reviewed research articles, with her scholarly work delving into areas such as exchange rate volatility, economic development, branding, relationship marketing, and the sustainability of Bangladesh's RMG sector. She is a regular contributor to international academic conferences and forums.

She is now an Independent Director of DBH and Singer Bangladesh Ltd. since April, 2025 and June, 2025 respectively.



He has been a Director of DBH, nominated by BRAC, since August 2025.

Mohammad Anisur Rahman
Director

Mr. Mohammad Anisur Rahman has over 20 years of progressive leadership experience in managing multiple businesses with forward and backward linkages in FMCG, Food and Agro-Processing, and Healthcare.

Mr. Rahman leads social enterprises of BRAC in livestock, agriculture, aquaculture, horticulture and other sectors. He is also the Managing Director of BRAC Services Limited and BRAC Healthcare Limited. His career includes key roles at several reputed organizations – PRAN, Rahimafrooz, AC Nielsen Bangladesh, United Nations and Military Institute of Science & Technology.

Mr. Rahman strives to create an enabling and cohesive environment where people can sell their ideas, get empowered and drive changes. He specializes in orchestrating large projects, start-ups, turnarounds, value chain integration and growth ventures. He is driven to provide strategic directions and improve the bottom line, while ensuring staff compliance to business policies and procedures.

He holds an MBA in Marketing from University of Dhaka and obtained special training from Indian Institute of Management, Calcutta. Mr. Rahman has special interests in contemporary business topics, movies, music and golfing.

He has been a Director of DBH, nominated by BRAC, since August 2025.



He is the home grown Managing Director of DBH, serving in the Company for more than 28 years.

Nasimul Baten
Managing Director & CEO

Mr. Nasimul Baten assumed the role of Managing Director and CEO of DBH Finance PLC. (DBH) on January 1, 2021. He is the home grown Managing Director of the company serving for more than 28 years in the company. He previously worked as Deputy Managing Director & Head of Business and also worked as Acting Managing Director of DBH from July 1, 2020 to December 31, 2020.

He has huge experience in housing finance and real estate industry. He worked extensively with IFC, World Bank, ADB, FMO and other reputed local and international organizations for promoting affordable housing practices for the sustainable growth of real estate sector in Bangladesh and for promoting global best practices in the housing finance sector.

He is leading the Executive Management team for DBH's next phase of growth as the company solidified its position as country's largest home loan provider and presently operating as one of the leading financial institutions. DBH achieved AAA rating for 20 consecutive years with the lowest level of NPLs among all financial institutions, where he played significant leadership roles in various capacities like Head of Business, Head of Operations, Head of Home Loans, Head of Branches, etc.

An ex-student of Faujdarhat Cadet College, he completed his BBA and MBA from Institute of Business Administration (IBA) of University of Dhaka. He joined DBH in early 1998 and since then he managed almost all functional areas covering business, operations, treasury, sales, risk management, distribution and branch network during his long association with the company. He attended various local and overseas trainings in England, Ireland, Singapore, Thailand, India and Bangladesh. He is a member of Old Faujian Association (OFA), IBA Alumni Association (IBAAA) and Cadet College Club Limited (CCCL).

He is an avid sports lover and his other interest areas are current affairs and traveling.

BOARD COMMITTEES

AUDIT COMMITTEE

- **Professor Imran Rahman**
  Chairman
- **Mr. Khandkar Manwarul Islam**
- **Mr. Mohammad Anisur Rahman**

EXECUTIVE COMMITTEE

- **Mr. Syed Moinuddin Ahmed**
  Chairman
- **Mr. Nazir Rahim Chowdhury**
- **Professor Nausheen Rahman**
- **Mr. Nasimul Baten**

RISK MANAGEMENT COMMITTEE

- **Mr. Syed Moinuddin Ahmed**
  Chairman
- **Professor Imran Rahman**
- **Mr. Nazir Rahim Chowdhury**

MANAGEMENT & OTHER COMMITTEES

MANAGEMENT COMMITTEE

- Mr. Nasimul Baten
- Mr. A.K.M. Tanvir Kamal
- Mr. Tanvir Ahmad
- Mr. Saiyaf Ejaz
- Mr. Ashfakul Islam
- Mr. Md. Zakaria Eusuf
- Mr. Md. Golam Rosul
- Mr. Md. Abdul Ahad, FCA
- Mr. Md. Fakrul Amin
- Mr. Jashim Uddin, FCS
- Mr. Sabed Bin Ahsan
- Ms. Nahid Ahmed
- Md. Ariful Bari Rumi

ALCO

- Mr. Nasimul Baten
- Mr. A.K.M. Tanvir Kamal
- Mr. Tanvir Ahmad
- Mr. Saiyaf Ejaz
- Mr. Md. Abdul Ahad, FCA
- Mr. Sabed Bin Ahsan
- Ms. Nahid Ahmed
- Mr. Md. Ariful Bari Rumi

ETHICS COMMITTEE

- Mr. Tanvir Ahmad
- Mr. Saiyaf Ejaz
- Mr. Ashfakul Islam
- Mr. Md. Zakaria Eusuf
- Mr. Md. Abdul Ahad, FCA
- Mr. Jashim Uddin, FCS
- Mr. Shihabuddin Mahmud

CENTRAL COMPLIANCE UNIT (CCU)

- Mr. Saiyaf Ejaz
- Mr. Md. Abdul Ahad, FCA
- Mr. Sabed Bin Ahsan
- Mr. Khandakar Satil Sayeed
- Mr. Ariful Bari Rumi

ICT STEERING COMMITTEE

- Mr. Nasimul Baten
- Mr. A.K.M. Tanvir Kamal
- Mr. Tanvir Ahmad
- Mr. Ashfakul Islam
- Mr. Saiyaf Ejaz
- Mr. Md. Zakaria Eusuf
- Mr. Md. Abdul Ahad, FCA
- Mr. Sabed Bin Ahsan
- Mr. Mohammad Fakrul Amin
- Mr. Md. Mamun-ur-Rashid
- Mr. Shihabuddin Mahmud

ICT SECURITY COMMITTEE

- Mr. Ashfakul Islam
- Mr. Saiyaf Ejaz
- Mr. Sabed Bin Ahsan
- Mr. Md. Abdul Ahad, FCA
- Mr. Mir Md. Mukhlesur Rahman
- Mr. Md. Mamun-ur-Rashid
- Mr. Shihabuddin Mahmud
- Ms. Syeda Zehan Asgar

MANAGEMENT COMMITTEE



Nasimul Baten
Managing Director & Chief Executive Officer



A. K. M. Tanvir Kamal
Deputy Managing Director &
Chief Operating Officer



Tanvir Ahmad
Deputy Managing Director & Chief Human Resources Officer and Head of Islamic Financing Division



Ashfakul Islam
Senior Executive Vice President &
Chief Technology Officer



Saiyaf Ejaz
Senior Executive Vice President &
Chief Risk Officer



Md. Zakaria Eusuf
Executive Vice President &
Head of Credit



Md. Golam Rosul
Executive Vice President &
Head of Sales



Md. Abdul Ahad
Executive Vice President &
Chief Financial Officer



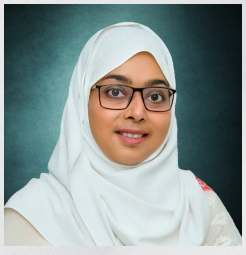
Md. Fakrul Amin
Executive Vice President &
Head of Legal



Jashim Uddin
Executive Vice President & Company Secretary and Head of Corporate Affairs



Sabed Bin Ahsan
Executive Vice President &
Head of Operations



Nahid Ahmed
Senior Vice President &
Head of Treasury



Md. Ariful Bari Rumi
Senior Vice President & Cluster Head and Head of Customer Experience

REPORT ON CORPORATE GOVERNANCE

Overview

Corporate governance continues to evolve in response to global challenges such as geopolitical tensions, economic uncertainty, inflationary pressures, technological disruption, climate risks, and growing stakeholder expectations. In this dynamic environment, strong governance frameworks are essential to ensure resilience, transparency, accountability, and long-term value creation.

DBH Finance PLC remains committed to maintaining the highest standards of governance in line with regulatory requirements of Bangladesh as well as globally recognized governance frameworks including the OECD Principles of Corporate Governance, IFC Corporate Governance Methodology, and emerging Environmental, Social and Governance (ESG) standards.

During 2025, the Company continued to strengthen its governance practices by enhancing board oversight, improving transparency, reinforcing risk management practices, and integrating sustainability considerations into strategic decision-making.

Governance Philosophy

Corporate governance at DBH Finance PLC is built upon the principles of transparency, accountability, integrity, fairness, and responsibility to all stakeholders. The Company recognizes that strong governance practices are critical for maintaining investor confidence, regulatory compliance, and sustainable business growth.

The Company complies with the Companies Act, 1994, Finance Companies Act-2023, the Corporate Governance Code-2018 (as amended), the Listing Regulations-2015 of the Dhaka Stock Exchange, and applicable circulars issued by Bangladesh Bank.

Beyond regulatory compliance, DBH voluntarily adopts several global best practices in governance including:

- Clear separation of the roles of Chairman and CEO.
- Independent oversight through Board Committees.
- Structured board evaluation pro-cesses.
- Robust internal control and risk management frameworks.
- Ethical business practices through an enforceable Code of Conduct.
- Transparent financial and non-financial disclosures.

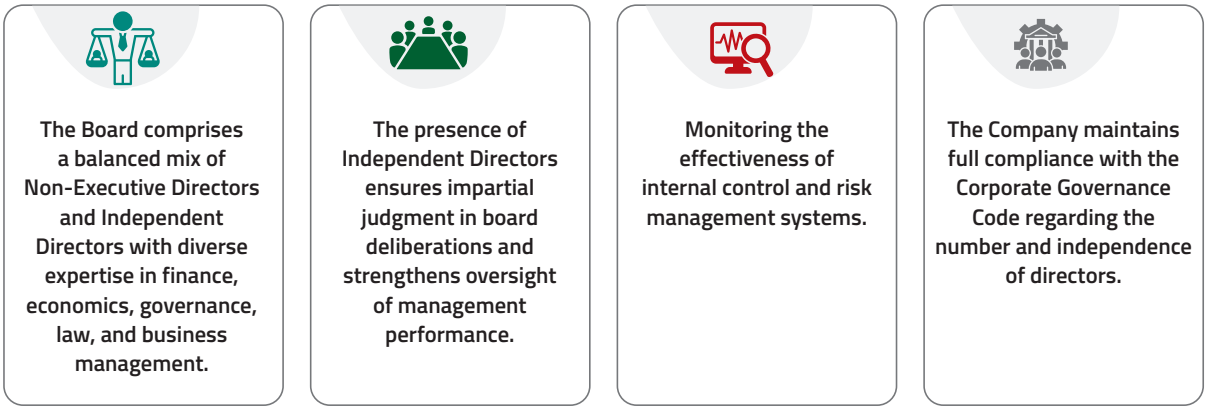
Board Responsibilities

The Board of Directors acts as the custodian of the Company's strategic direction and ensures that management operates within an effective framework of controls and accountability.

The Board's key responsibilities include:

- Providing strategic direction and approving corporate strategy.
- Overseeing financial performance and ensuring integrity of financial reporting.
- Monitoring the effectiveness of internal control and risk management systems.
- Ensuring compliance with regulatory and legal obligations.
- Overseeing ESG, sustainability, and ethical conduct within the organization.
- Protecting the interests of shareholders and stakeholders.

Board Composition and Independence



Change in Board Composition

As of the date of this report, the composition of the Board of Directors of DBH Finance PLC has undergone several noteworthy changes during 2025.

In compliance with Section 16(2) of the Finance Companies Act, 2023, directors serving for more than nine consecutive years retired from their positions at the 29th Annual General Meeting (AGM) held on June 19, 2025. Accordingly, Dr. A.M.R. Chowdhury, representing BRAC, concluded his tenure as a Director of the Company. Dr. Chowdhury also served as the Chairman of the Board. The Company gratefully acknowledges his outstanding leadership and invaluable contributions during his long and distinguished tenure.

At the same AGM, the shareholders approved the re-election of Mr. Syed Moinuddin Ahmed, representing Green Delta Insurance PLC, as Director of the Company. The shareholders also approved the appointment of Prof. Nausheen Rahman, Professor of Finance at the University of Dhaka, as an Independent Director of the Company, effective from April 24, 2025.

1. BOARD INDEPENDENCE & GOVERNANCE

At DBH Finance PLC, the Board of Directors is steadfast in upholding the highest standards of governance, ensuring the integrity of the Company's financial reporting systems, robust internal controls, risk management frameworks, and compliance with all applicable regulations. Guided by a commitment to the long-term interests of all stakeholders, the Board provides strategic oversight and direction to the management.

(a) Chairman

The Chairman of the Board is elected as a Non- Executive Director to maintain independence and provide impartial oversight. Mr. Syed Moinuddin Ahmed, elected on June 19, 2025, serves as the current Chairman. As a key liaison between the Board and management, the Chairman collaborates with the CEO and Company Secretary to set agendas for meetings, provide leadership to the Board, and ensure effective governance practices.

Role of the Chairman

The Chairman provides leadership to the Board and ensures effective functioning of the Board and its committees. The Chairman facilitates open dialogue among directors, ensures effective communication with shareholders, and promotes a culture of constructive challenge and strategic oversight.

(b) Chairman & Managing Director/CEO of the company are different persons

To ensure clear accountability and prevent concentration of decision-making authority, the roles of Chairman and Managing Director/CEO are held by separate individuals. While the Chairman is a Non-Executive Director, the Managing Director/ CEO is an Executive Director responsible for day-to- day operations.

Role of Managing Director & CEO

The Managing Director & CEO is responsible for the day-to-day management of the Company and implementation of strategies approved by the Board. The MD & CEO ensures operational efficiency, financial discipline, regulatory compliance, and effective risk management across the organization.

Leadership Succession Planning

The Board ensures that structured succession planning is in place for key leadership positions, including the Managing Director & CEO and senior management roles. This process helps maintain organizational stability and ensures continuity of leadership aligned with the Company's long-term strategy.

(c) Criteria for Appointment of Independent Directors

In accordance with the amended Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), as well as provisions under the Finance Companies Act-2023 and Bangladesh Bank's DFIM Circular No. 2 (dated March 13, 2024), the Company ensures that at least two or one-fifth of the Board members, whichever is higher, are Independent Directors.

In compliance with these requirements, DBH Finance PLC maintained two Independent Directors throughout the year. Their independence and qualifications were confirmed at the time of appointment, and they have continued to uphold the highest standards of impartiality. As per Bangladesh Bank and BSEC directives, DBH Finance PLC duly obtained the necessary approvals from both regulatory bodies for the appointment of Independent Directors ensuring full compliance with governance best practices.

Role of Independent Directors

Independent Directors play a pivotal role in the Company's decision-making processes, contributing diverse perspectives and brings in a diverse array of experience in economics, finance, law, and management. Their impartiality and broad understanding of business and governance practices ensure that the Board operates with fairness and transparency. By providing constructive challenges and insights, Independent Directors significantly enhance the Company's ability to navigate complex challenges and capitalize on growth opportunities.

(d) DBH's Policy for Induction of Directors

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

- **Regularly review the size and composition of the Board and the mix of expertise, skills, experience, and perspectives necessary for the Board to execute its functions effectively.**
- **Identify any competencies not adequately represented and establish a process to ensure that candidates nominated by shareholders with those competencies are selected.**
- **Appoint or re-appoint Directors in the Annual General Meeting (AGM) with prior approval from the Bangladesh Bank as per DFIM Circular No. 1, dated February 29, 2024. For Independent Directors, prior approval from both the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) is mandatory. Casual vacancies, if any, are filled by the Board in compliance with the Finance Companies Act, 2023, relevant circulars from Bangladesh Bank, the Companies Act, 1994, and DBH's Articles of Association.**
- **Appoint or re-appoint the CEO & Managing Director, subject to approval by the Bangladesh Bank.**
- **Notify Bangladesh Bank, all scheduled banks and financial institutions (FIs), BSEC, and the Stock Exchanges of any changes in the Board's composition.**

(e) Composition and Diversity of the Board

The composition of the Board of Directors of DBH Finance PLC adheres to the Finance Companies Act, 2023, and the conditions outlined in Nos. 1.1 and 1.2 of the BSEC's Corporate Governance Code, dated June 3, 2018, including its relevant amendments. The Board was an optimal combination of Non- Executive and Independent Directors, ensuring diversity and balance. As of the reporting period, the Board was comprised of six (6) Directors: four (4) Non-Executive Directors and two (2) Independent Directors.

Experts from a variety of disciplines make up our Board, providing the business with a well-rounded perspective that enhances strategic planning and execution. The areas of expertise and length of service of our Board members are reflected in their professional backgrounds. All members of our Board are highly accomplished in their respective fields, bringing extensive knowledge backed by over 20 years of experience, reinforcing their ability to guide the Company effectively and assure stakeholders of their decision-making and governance capabilities.

(f) Board's Effectiveness Policy

The Board of Directors plays a fiduciary role, guiding the company's strategic direction and long-term goals. As representatives of the shareholders, the Board leverages its integrity and expertise to scrutinize corporate strategies, policies, plans, and major decisions while overseeing and monitoring the management in the interest of DBH's stakeholders.

(g) Risk Appetite of the Board

Risk appetite refers to the level of risk an organization is willing to tolerate in the pursuit of its objectives. At DBH, our risk appetite is defined through a combination of internal policies, guidelines, and frameworks to ensure alignment with our strategic goals, operating environment, and regulatory requirements.

One of the core responsibilities of the Board of Directors is to provide oversight, ensuring that DBH's risk appetite and activities remain consistent with the company's strategic intent, operational environment, effective internal controls, capital sufficiency, and regulatory standards. To assist the Board in this oversight, a dedicated Risk Management Committee is in place to conduct thorough assessments of emerging and principal risks.

Our risk management approach includes regular reviews of credit policies, including product limits, group limits, and regional concentration limits. These policies help define our risk appetite in terms of lending to specific regions, products, or groups. Additionally, we assess sector-specific risks based on global economic trends and local macroeconomic conditions to ensure that our financing strategies remain within acceptable risk tolerance levels.

Furthermore, periodic reviews of macroeconomic indicators, commodity price trends, and sector- specific financing strategies are conducted to monitor and mitigate risks. This proactive approach allows DBH to remain aligned with its risk appetite while adapting to changing market conditions.

(h) Continuing Training & Development Program of Directors & Annual Appraisal of the Board's Performance

Board Evaluation and Development

The Board conducts periodic evaluations of its effectiveness, including assessment of board performance, committee performance, and individual director contributions.

Directors are also encouraged to participate in professional development programs and governance training to remain updated with emerging governance standards and regulatory expectations.

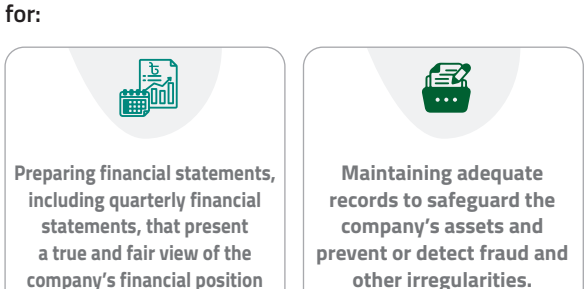
Board Evaluation Process

The Board periodically conducts evaluations of its effectiveness as well as the performance of its committees and individual directors. The evaluation process assesses areas such as strategic oversight, governance practices, meeting effectiveness, and the quality of decision-making. The results of these evaluations are used to improve Board performance and strengthen governance practices.

(i) Directors' Report on Preparation and Presentation of Financial Statements and Corporate Governance

In compliance with the Companies Act, 1994, the Board of Directors is responsible for preparing the financial statements for each accounting year. Additionally, as per the Corporate Governance Code, 2018, the Board is tasked with publishing a comprehensive report on Corporate Governance in the Annual Report.

The Board of Directors acknowledges its accountability for:



The Board is equally committed to implementing and upholding the highest standards of corporate governance practices, ensuring transparency, accountability, and sustainable growth for the organization.

A detailed statement outlining the Directors' responsibilities for financial reporting and corporate governance is included on page 247 of this Annual Report.

(j) Annual Evaluation of Managing Director & CEO by the Board

The Board of Directors conducts an annual evaluation of the Managing Director & CEO's performance based on predefined goals aligned with the company's vision and mission. At the beginning of each financial year, the Board reviews, discusses, and finalizes the annual financial budget and other job objectives for the Managing Director & CEO.

During the appraisal process, the Board evaluates both financial and non-financial performance metrics, ensuring a comprehensive assessment of the Managing Director & CEO's contribution to achieving the company's strategic objectives.

Succession Planning

The Board ensures that appropriate succession plans are in place for key leadership positions including the Managing Director & CEO and senior management roles. This ensures leadership continuity and long-term organizational stability.

(k) Board Nomination and Election Process

The Board, as a collective entity, is responsible for deciding on the nomination of any Board member and determining the composition of the Board and its committees.

The Board of Directors of the Company adheres to the provisions of the Finance Companies Act-2023, Bangladesh Bank's DFIM Circular No. 01 dated February 29, 2024, and the conditions outlined in sections 1.1 and 1.2 of the Bangladesh Securities and Exchange Commission's Corporate Governance Code-2018.

The Board maintains an optimal combination of Non-Executive and Independent Directors. It is composed of six (6) Directors, including four (4) Non-Executive Nominee Directors and two (2) Independent Directors. Additionally, the Managing Director serves as an Executive and ex-officio Director of the Board.

In accordance with DBH's Articles of Association, one-third of the Directors are required to retire from the Board annually, specifically those who have served the longest since their last election. Retiring Directors are eligible for re-election for up to three (3) terms, i.e., a total of nine (9) years, subject to obtaining prior permission from Bangladesh Bank.

Composition of the Board of Directors

1. **Nominated Non-Executive Directors:** Three institutional sponsors of the Company—BRAC, Delta Life Insurance Company Ltd., and Green Delta Insurance PLC—nominate their representatives in accordance with their quota as stipulated by Bangladesh Bank's DFIM Circular No. 01 dated February 29, 2024. The Board reviews and approves the nominations, subject to final approval from Bangladesh Bank. Upon receiving formal approval from Bangladesh Bank, the Board Members are formally appointed.
2. **Non-Executive Independent Directors:** Recommendations for highly capable and seasoned professionals are received from various sources. The final approval for such appointments is made during the Board meeting. Currently, appointments are made from the panel of Independent Directors for Finance Companies prepared by Bangladesh Bank, along with nominations from the Finance Companies. These appointments are subject to prior approval from the Bangladesh Securities and Exchange Commission.

2. BOARD SYSTEMS AND PROCEDURES

(a) Board Meetings

The Board of Directors typically convenes at the Company's headquarters in Gulshan, Dhaka. During the reviewed period, the Board held eight meetings.

Meetings are generally scheduled well in advance, with written notices provided to each director. The Board convenes at least once per quarter to review the Company's quarterly performance and financial results. For special or urgent business matters, board approvals are obtained via resolutions circulated as permitted by law, with subsequent confirmation at the following meetings.

Prior to each meeting, directors are provided with comprehensive board papers, agendas, and explanatory notes, accessible in advance through digital platforms. The Chairman facilitates discussions, ensures consensus, and oversees accurate documentation of decisions. Senior management is frequently invited to offer additional insights relevant to board deliberations. Minutes and records are maintained as per the provisions outlined in Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh.

(b) Written Code of Conduct for the Chairperson, other Board Members, and CEO

Ethics and Code of Conduct

The Company has adopted a comprehensive Code of Conduct applicable to directors, management, and employees. The Code establishes standards for ethical conduct, conflict-of-interest management, confidentiality, and responsible business behavior.

All directors and employees are required to comply with the Code and periodically confirm adherence to its provisions.

The complete Codes of Conduct are available on the Company's website at the following links:

- Code of Conduct 2018: https://www.dbhfinance.com/downloads/Code_of_Conduct_2018.pdf
- Code of Conduct for Chairperson: https://www.dbhfinance.com/downloads/Code_of_Conduct_Chairperson.pdf

(c) Attendance in Board of Directors and Committee Meetings

Board and Committee Attendance

The Board meets regularly throughout the year to review strategic, financial, and operational matters. Directors actively participate in Board and Committee meetings to ensure effective oversight and governance. Attendance records are maintained and disclosed in the Annual Report to ensure transparency and accountability.

During the financial year under reporting total eight (8) Board Meetings, five (5) Audit Committee Meetings, four (4) Executive Committee Meetings & four (4) Risk Management Committee Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Attendance at 29th AGM	Board		Executive Committee		Audit Committee		Risk Management Committee	
		Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meetings	Meetings Attended
Dr. A M R Chowdhury Ex-Chairman	√	4	3	2	2	-	-	-	-
Mr. Syed Moinuddin Ahmed Chairman	√	8	7	2	2	3	3	4	4
Mr. Imran Rahman Vice Chairman	√	8	5	-	-	5	5	4	3
Mr. Khandkar Manwarul Islam	√	8	5	-	-	5	5	-	-
Mr. Nazir Rahim Chowdhury	√	8	8	4	4	-	-	4	3
Mr. Mohammad Anisur Rahman	-	3	2	-	-	1	0	-	-
Ms. Nausheen Rahman	√	6	6	2	2	-	-	-	-
Mr. Nasimul Baten, MD & CEO	√	8	8	4	4	5	5	4	4

(d) Whistleblower and Compliance Mechanism

DBH has implemented a whistleblower mechanism allowing employees and stakeholders to report unethical practices, fraud, or regulatory violations without fear of retaliation.

The mechanism ensures confidentiality, independence of investigation, and appropriate oversight by the Audit Committee.

(e) Independence of the Chairman of All Board Committees

The Chairmen of the Board Committees are appointed by the Board of Directors. The Board affirms that the Chairmen of all Committees act independently. However, in alignment with DFIM Circular No. 01 dated February 29, 2024, the Board unanimously selected Mr. Syed Moinuddin Ahmed as the Chairman of the Executive Committee. Mr. Ahmed also serves as the Chairman of the Board, reflecting the collective trust and confidence of the Board in his leadership.

(f) Expertise and Responsibility of Board Members

The DBH Board comprises Directors with a diverse range of expertise, including finance, economics, management, business administration, marketing, and law. This multidisciplinary composition ensures that the Board formulates effective policies for the growth and development of the business while maintaining the ability to independently and objectively audit and oversee management.

Notably, three Board Members are business graduates, and two Directors hold Ph.D. qualifications. Their combined expertise and qualifications provide the Board with the specialized skills required to navigate corporate regulatory responsibilities and strategic decision-making. Details of the Directors' qualifications and profiles can be found on pages 188-194 of this Annual Report.

(g) Nomination and Remuneration Committee (NRC)

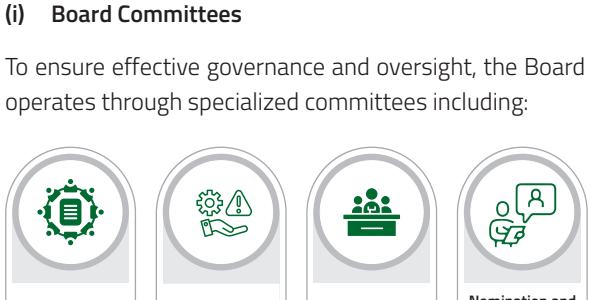
In accordance with Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, the responsibilities of the Nomination and Remuneration Committee (NRC), as required by the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code-2018, have been assigned to the Audit Committee. Consequently, the Audit Committee of DBH Finance PLC is tasked with overseeing and executing the duties and responsibilities of the NRC.

(h) Information Applied to the Board

DBH has adopted a comprehensive Governance Framework that aligns with the guidelines prescribed by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. This framework is designed to ensure adherence to the Code of Best Practices on Corporate Governance for listed companies and financial institutions, as stipulated in applicable regulations and guidelines issued from time to time.

(i) Board Committees

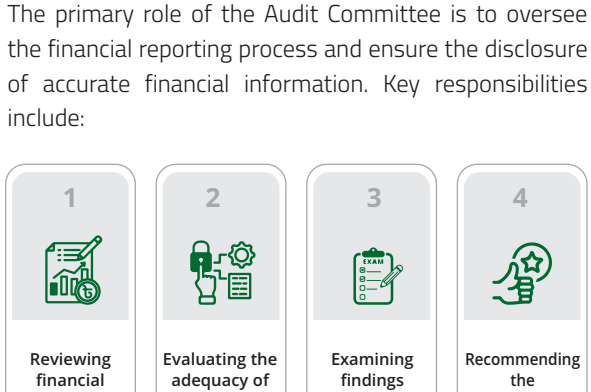
To ensure effective governance and oversight, the Board operates through specialized committees including:



Each committee operates under approved Terms of Reference and reports regularly to the Board. Detailed information on the composition, meetings, and responsibilities of each Committee is provided below:

Audit Committee

The primary role of the Audit Committee is to oversee the financial reporting process and ensure the disclosure of accurate financial information. Key responsibilities include:



Additionally, the Committee fulfills the duties of the Nomination and Remuneration Committee (NRC) as mandated by DFIM Circular No. 18 dated May 21, 2024.

The Audit Committee was last reconstituted on July 29, 2025, in compliance with DFIM Circular No. 01 dated February 29, 2024, issued by Bangladesh Bank, and with condition 4(2) of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code-2018, including its 2023 amendments. All members of the Audit Committee possess the necessary qualifications and expertise in accounting and financial management. The Audit Committee was last reconstituted on July 29, 2025, with the following members:

Name	Status in the Committee
Prof. Imran Rahman	Independent Director, Chairman
Mr. Khandkar Manwarul Islam	Member
Mr. Mohammad Anisur Rahman	Member

A detailed report on the Audit Committee's activities is available on page 240 of this annual report.

Nomination & Remuneration Committee

In line with Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, the Audit Committee of DBH Finance PLC has been entrusted with the responsibilities of the Nomination and Remuneration Committee (NRC). This structure ensures alignment with regulatory requirements while maintaining a streamlined governance framework.

The primary responsibilities of the NRC include:

- Recommending policies for the nomination and appointment of Directors and top-level executives
- Defining criteria for recruitment, evaluation, and promotion of employees
- Establishing a fair and transparent remuneration structure aligned with industry standards and company objectives
- Evaluating the performance of Independent Directors, top-level executives, and other employees.

A detailed report on the Nomination & Remuneration Committee's activities is available on page 242 of this annual report.

Executive Committee

The Executive Committee is authorized to review proposals for loans and advances exceeding the authority delegated to the Managing Director & CEO, up to an upper limit of Tk. 3.00 crore. During the reporting period, the Committee held four (4) meetings.

The Executive Committee was last reconstituted on June 19, 2025. Its current members are:

- **Mr. Syed Moinuddin Ahmed (Chairman)**
- **Mr. Nazir Rahim Chowdhury**
- **Prof. Nausheen Rahman**
- **Mr. Nasimul Baten (Managing Director & CEO)**

Risk Management Committee

The Board maintains oversight of the Company's risk management framework which identifies, evaluates, and manages key risks including credit risk, market risk, operational risk, compliance risk, and emerging risks.

The Risk Management Committee regularly reviews the Company's risk appetite and ensures that risk exposures remain within acceptable limits.

The Risk Management Committee was constituted on May 16, 2024, in accordance with DFIM Circular No. 01 dated February 29, 2024, issued by Bangladesh Bank. Its current members are:

- **Syed Moinuddin Ahmed (Chairman)**
- **Prof. Imran Rahman**
- **Mr. Nazir Rahim Chowdhury**

(j) Role of Company Secretary & His Background

The Company Secretary holds a critical position in advising the Board, primarily through the Chairman, on all governance-related matters. The Company Secretary ensures effective information flow between the Board and its Committees, while also facilitating seamless communication between management and

non-executive directors. As a vital link among regulators, stakeholders, and the company, the Company Secretary ensures strict compliance, transparency, and adherence to governance standards in all corporate dealings.

Mr. Jashim Uddin, FCS, serves as the Executive Vice President-Company Secretary and Head of Corporate Affairs at DBH. Since joining the company in December 2007, he has played a significant role in shaping corporate governance practices and fostering robust compliance frameworks. As a Professional Chartered Secretary, Mr. Jashim is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB).

With extensive expertise in Board affairs, Mr. Jashim has gained profound knowledge in organizing and managing Board meetings, General Meetings of shareholders, and various Committee meetings, ensuring that they are conducted in accordance with applicable laws and governance codes. Furthermore, he has acquired specialized expertise in handling Initial Public Offerings (IPOs) and Rights Issues, which has significantly contributed to the successful execution of complex financial transactions during his tenure. Prior to joining DBH, he held key roles at two publicly listed banks, further solidifying his experience in corporate and financial governance.

3. BOARD SYSTEMS AND AUDIT COMMITTEE

(a) Financial Expert in the Audit Committee

The Audit Committee of the Board was last reconstituted on July 29, 2025. All members of the Audit Committee possess the required qualifications and expertise for appointment to the Committee. They have comprehensive knowledge of accounting and financial management, ensuring effective oversight of financial and governance matters.

(b) Reporting of Internal Auditors to the Audit Committee

The Company's internal control system is commensurate with its size and the nature of its business. This system minimizes operational risks through robust controls, systematic reviews, and ongoing audits. The internal auditors, under the Internal Control and Compliance (ICC) Department, conduct comprehensive audits across all functional areas and operations. Their findings are regularly submitted to the Audit Committee of the Board for review and action.

The Company has also internalized its legal and technical appraisal functions to ensure optimal control. A multi-level authorization structure ensures that significant exposure levels are reviewed and approved by experienced personnel and relevant committees. Training programs and operational guidelines ensure alignment between organizational goals and daily operations.

The Board of Directors holds ultimate responsibility for establishing and maintaining an effective internal control system. This system encompasses financial, operational, and strategic risks, and aims to mitigate these risks while fostering a controlled environment. Regular Board meetings are held with comprehensive agendas that address all major aspects of the business. The ICC Department ensures compliance with organizational policies across different departments.

DBH complies with all mandatory disclosure requirements in its financial statements under the regulatory framework, including adherence to International Financial Reporting Standards (IFRS) as adopted in Bangladesh. The Company ensures timely submission of all reports and statements required by regulators and stakeholders. Additionally, a detailed report on Internal Control is presented on page 238 of this report.

(c) Proportion of Independent Directors in the Audit Committee

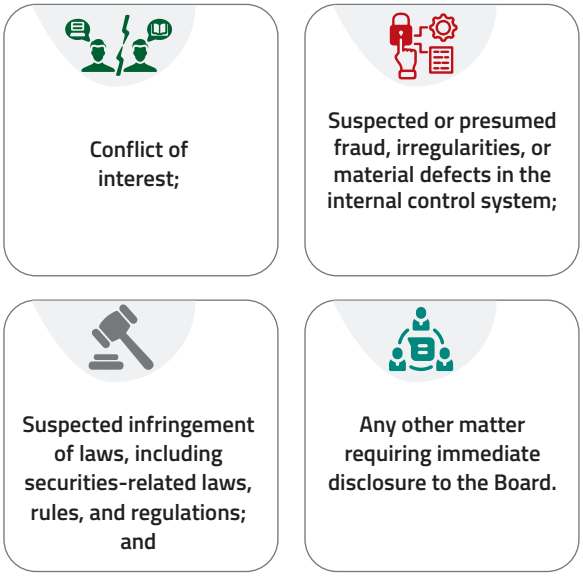
The Audit Committee of DBH has been constituted in compliance with the Bangladesh Bank's guidelines on Internal Control and Compliance (ICC) framework, as per DFIM Circular No. 13 dated October 26, 2011, and DFIM Circular No. 01 dated February 29, 2024. It also adheres to the Bangladesh Securities and Exchange Commission's Corporate Governance Code-2018 dated June 3, 2018.

The Head of Internal Audit concurrently reports to both the Managing Director & CEO and the Audit Committee, ensuring accountability and transparency.

(d) Report by the Audit Committee to the Board about Matters Related to Conflict of Interest

The Audit Committee reports directly to the Board of Directors and, under specific circumstances, can also report to the Bangladesh Securities and Exchange Commission (BSEC).

The Audit Committee is required to report to the Board of Directors immediately in the following cases:



No such issues were identified at DBH during the year that ended on December 31, 2025.

(e) Presence of the Chairman of the Audit Committee at the AGM

The Chairman of the Audit Committee, being an Independent Director, was present at the 29th Annual General Meeting of the Company held on June 19, 2025, to address shareholder queries and provide updates on the Committee's activities.

4. TRANSPARENCY & DISCLOSURE COMPLIANCE

(a) ESG and Sustainability Governance.

In line with emerging global governance practices, DBH Finance PLC recognizes the importance of Environmental, Social and Governance (ESG) considerations in corporate strategy.

The Company integrates sustainability principles into its lending practices, operational policies, and CSR initiatives. The Board oversees ESG matters including climate risk, responsible financing, employee welfare, and community development initiatives.

(b) Cybersecurity and Technology Governance

With increasing digitalization in financial services, cybersecurity has become a critical governance priority. The Board oversees the Company's technology and cybersecurity framework to ensure that appropriate systems, controls, and monitoring mechanisms are in place to protect sensitive data, ensure operational resilience, and safeguard customer trust.

(c) Particulars of Purchase/ Sale of Goods/ Materials/ or Services by the Company for/ to Directors and/ or their Relatives etc.

During the financial year ended December 31, 2025, there were no transactions involving the purchase or sale of goods, materials, or services between DBH and its Directors or their relatives.

(d) Disclosure in the Annual Report about Related Party Transaction

All related party transactions were conducted on an arm's length basis in the ordinary course of business. Details of these transactions are provided in Note 40 of the Financial Statements on page 303 of this Annual Report.

(e) Disclosure regarding Compliance with IFRS

In accordance with the Bangladesh Securities & Exchange Commission's (BSEC) Corporate Governance Code-2018, the Board of Directors confirms compliance with the financial reporting framework under International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh. Any deviations from these standards have been duly disclosed.

(f) Disclosure regarding Compliance of ICSB Secretarial Standards

DBH has adhered to the applicable Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh (ICSB).

(g) Adverse Remarks in the Auditors' Report

The Statutory Auditors' report for 2024 contained no adverse remarks or qualifications regarding DBH's financial statements and operations.

(h) Certification of Annual Financial Statements by the CEO & CFO

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have provided an annual certification to the Board of Directors in accordance with Condition No. 3(3) (C) of the BSEC Corporate Governance Code-2018.

(i) Presentation of Financial Statements on the Website

DBH's financial results and official news releases are published on the company's website, as well as on the websites of the Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

(j) Information Relating to Compliance Certificate

M/s. SARashid & Associates, Chartered Secretaries, have certified that DBH has complied with the Corporate Governance Code-2018 of BSEC and its relevant amendments. This certificate is included as an annexure to the Corporate Governance Report in this Annual Report.

(k) Disclosure Made to the Prospective Foreign/ Local Investors

DBH ensures compliance with regulatory requirements by making all necessary financial disclosures in accordance with IFRS, as adopted in Bangladesh. The company regularly submits required reports and statements to regulators and stakeholders. These disclosures, including price-sensitive information, are made available on DBH's website and the websites of the Dhaka and Chittagong Stock Exchanges for prospective foreign and local investors. Additionally, key company information, such as the list of Directors and Financial Statements, is displayed on notice boards at all DBH branches as required by Bangladesh Bank.

(l) Disclosure Pertaining to the Remuneration Package of Directors in the Annual Report

As per Bangladesh Bank guidelines, Directors of Financial Institutions (except Independent Directors) are not entitled to any remuneration other than fees for attending Board and committee meetings.

Bangladesh Bank, through DFIM Circular No. 02 dated March 13, 2024, has permitted financial institutions to pay Independent Directors a maximum monthly remuneration of Tk. 50,000/- (after deducting income tax). DBH complies with this directive.

Additionally, as per DFIM Circular No. 01 dated February 29, 2024, the maximum meeting attendance fee has been set at Tk. 10,000/- per meeting per Director. DBH adheres to this regulation.

The attendance details and remuneration of Directors for Board and committee meetings are presented in Annexure II of the Directors' Report. The remuneration amounts are also disclosed in Note No. 28 of the audited financial statements.

5. TRANSPARENCY AND INTERNAL AUDIT FUNCTIONS

(a) Establishment of an Internal Audit Department

DBH maintains an internal control system that aligns with its size and business operations. This system mitigates operational risks through effective controls, systematic reviews, and ongoing audits. The Internal Control and Compliance Department reports directly to the Board Audit Committee, ensuring compliance with organizational policies across departments.

The internal audit team conducts comprehensive audits across all functional areas and operations, with their findings being reviewed by the Audit Committee of the Board.

(b) Roles and Responsibilities of the Head of Internal Audit

The Head of Internal Audit (HIA) plays a crucial role in ensuring adequate assurance regarding the effectiveness of internal controls, risk management, and governance. To uphold proper governance, the HIA has direct, unrestricted access to the accountable officer, operates under a service-level agreement, and works in collaboration with a strong Audit Committee. The key responsibilities of the HIA include:

- Overseeing financial reporting, including disclosures
- Ensuring robust internal controls
- Conducting internal audits
- Monitoring compliance with ethical and regulatory requirements, ensuring independence and objectivity
- Coordinating with external auditors for statutory audits
- Implementing and monitoring remedial actions

(c) Directors' Responsibility for Establishing Internal Controls

DBH is committed to maintaining a strong internal control system, which is periodically reviewed, evaluated, and updated. The Internal Audit Department conducts regular audits to ensure that company policies and procedures are consistently followed. A detailed Statement of Directors' Responsibility for Internal Controls is presented on page 247 of this report.

(d) Review of Internal Control System Adequacy

DBH upholds a comprehensive internal control system covering key areas such as operations, financial reporting, fraud prevention, and regulatory compliance. These controls adhere to principles of good governance and incorporate a framework of checks and balances. The company ensures an effective internal control framework across its operations to:

- Safeguard assets
- Enhance reliability in financial and operational reporting
- Ensure regulatory compliance
- Authorize transactions appropriately
- Adhere to internal policies and guidelines

The internal audit function follows a risk-based approach, conducting routine audits across all branches and offices. These assessments evaluate the adequacy and effectiveness of internal controls, policy adherence, and compliance with regulatory requirements. Audit findings are periodically presented to the Board Audit Committee.

The Audit Committee actively reviews the effectiveness of internal control mechanisms and recommends enhancements to align with evolving business requirements.

(e) Internal Audit Reports to the Audit Committee

The Internal Audit Department conducts extensive audits across all functional areas and operations. Their reports and findings are submitted to the Audit Committee of the Board for appropriate action and review.

6. SHAREHOLDERS INFORMATION & VALUE ENHANCEMENT

Patterns of shareholdings as on 31st December 2025 are given below:

Based on Shareholders types:

Group Name	No. of Share holders	No. of Shares	Percent (%)
Sponsors/ Directors	5	104,114,210	51.32
General Public	8,021	33,115,688	16.32
Financial Institutions & Other Companies	224	59,069,116	29.12
Foreign Investors	6	6,568,960	3.24
Total:	**8,256**	**202,867,974**	**100.00**

(a) Shareholding by Parent, Subsidiary, Associated Companies, and Related Parties

The shareholding details of each Sponsor of the Company are presented on page 21 of this Annual Report.

(b) Shares held by Directors, Executives, and their Relatives

Information regarding shares held by Directors, Executives, and their relatives is disclosed on page 21 of this Annual Report.

(c) Shareholding of Ten Percent (10%) or More Voting Interests

Details of shareholders holding 10% or more of the voting interests in the Company are provided on page 21 of this Annual Report.

(d) Redressal of Investor Complaints

The Corporate Affairs Department of DBH is responsible for addressing shareholder and investor complaints related to share transfers, transmissions, non-receipt of annual reports, dividends, and other share-related matters. The department also monitors the monthly status of shares in both physical and dematerialized forms.

(e) Company Growth and Net Worth Over the Last Five Years

DBH Finance PLC has experienced consistent growth in its net worth over the past five years. Key operating and financial data for the past five years are detailed under the "Operational and Financial Highlights" section on page 28 of this Annual Report.

(f) Cash and Stock Dividends for the Last Five Years

Since its establishment in 1997, DBH has been consistently paying dividends to shareholders since 2000. The historical record of dividend payments and details of unclaimed dividends are presented on pages 33 and 216 of this Annual Report.

(g) Earnings Per Share (EPS) for the Last Five Years

For the year 2024, Earnings Per Share (EPS) stood at Tk. 4.69 compared to Tk. 4.97 in the previous year.

The EPS for the last five years is presented under "Operational and Financial Highlights" on page 28 of this Annual Report.

(h) Periodic Reminders for Unclaimed Dividends

DBH actively engages with shareholders regarding unpaid or unclaimed dividends throughout the year via the Share Department. Communication is conducted using available addresses to ensure proper dividend disbursement.

(i) Shareholders' Satisfaction and Market Value Added (MVA) Statement

The Market Value Added (MVA) Statement provides insights into the Company's performance as assessed by capital market investors. This statement, which illustrates the difference between the market value of the Company and investor-contributed capital, is included on page 35 of this Annual Report.

(j) Stakeholder Engagement

The Company recognizes the importance of maintaining transparent and constructive relationships with shareholders, regulators, customers, employees, and the broader community.

Regular disclosures, annual reports, shareholder meetings, and digital communication channels are used to ensure stakeholders receive accurate and timely information.

7. STAKEHOLDER VALUE ENHANCEMENT

Identifying stakeholders is crucial to understanding the expectations of DBH Finance PLC and effectively delivering value to meet those expectations. While shareholders, customers, developers, depositors, suppliers, employees, and the government form the core group of stakeholders, DBH also recognizes regulators, the local community, and environmentally conscious organizations as integral parts of its stakeholder ecosystem.

A comprehensive Stakeholder Analysis is presented on page 104 of this report.

(a) Policy to Encourage Employee Participation in Management

At DBH, employees are regarded as the company's most valuable asset and play a critical role in driving its continued success. As key stakeholders, employees aspire to grow alongside the company and develop their careers while contributing to DBH's progress.

DBH fosters a culture of participation, where officers, executives, and management personnel actively engage in decision-making. The company upholds the principles of individual opportunity, responsibility, and merit-based rewards to ensure a dynamic and motivated workforce.

(b) Timely Payments to Vendors

DBH is committed to maintaining strong business relationships with service providers and material suppliers. The company ensures timely payments to vendors in accordance with its procurement policy, reinforcing trust and reliability within its supply chain.

(c) Timely Payment of Taxes to the Government

As a responsible corporate entity, DBH diligently fulfills its tax obligations, including Income Tax, VAT, and Excise Duty, in a timely manner. The company's contributions to the national exchequer are detailed on page 184 of this report.

(d) Disputes or Defaults Related to Government Taxes

Any disputes or defaults concerning government tax payments are disclosed under Contingent Liabilities on page 298 of this report.

(e) Supply Chain Management Policy

DBH follows a comprehensive internal procurement policy, ensuring transparency, fairness, and strong supplier relationships. The policy is regularly reviewed and upgraded to maintain efficient supply chain management and uphold ethical business practices.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

(a) CSR Policy

DBH Finance PLC's Corporate Social Responsibility (CSR) policy has been approved by the Board of Directors in alignment with Bangladesh Bank's Guidelines on CSR. The policy is designed to engage the institution in a broad range of direct and indirect CSR activities, including:

- Humanitarian relief and disaster response
- Enhancing opportunities for disadvantaged communities in healthcare, education, and environmental sustainability
- Climate change adaptation and greening initiatives

A detailed report on Corporate Social Responsibility is available on page 180 of this annual report.

(b) Forestation and Tree Plantation Initiatives

As an environmentally responsible institution, DBH has launched a Go Green campaign to promote sustainability.

- DBH ensures that borrowers obtain environmental clearance certificates from the relevant authorities before granting or renewing credit facilities.
- Environmental and social risks are assessed for each project before loan approval, demonstrating DBH's commitment to sustainability and social accountability.

(c) Policy Against Child Labor in Partnered Developments

DBH strictly prohibits the employment of child labor in any project it finances.

- Loan approvals for developers and clients are subject to verification that they do not engage in or support child labor practices.

(d) Employee & Family Participation in Community Welfare

DBH actively encourages employee participation in community welfare initiatives.

(e) CSR Program Initiatives

As a socially responsible financial institution, DBH allocates a portion of its profits toward CSR activities. The company prioritizes initiatives that align with its core values and operational principles, in accordance with Bangladesh Bank's CSR guidelines. These include:

- Promoting education across the country
- Providing preventive and curative healthcare support
- Supporting climate-vulnerable regions through environmental and climate change programs

9. CORPORATE OBJECTIVES, GOVERNANCE INITIATIVES, AND RECOGNITIONS

(a) Awards for Corporate Governance

DBH Finance PLC has consistently been recognized for its excellence in corporate governance. Last year, the company has won the following awards and accolades:

- ICSB National Award for the published Annual Reports of 2024 - Silver
- ICMAB Best Corporate Award 2024- Silver
- SAFA for Best Presented Annual Reports in 2024- Merit Certificate

(b) Vision and Mission Statement

The Vision and Mission Statement of DBH Finance PLC is presented on page 14 of this Annual Report.

(c) Overall Strategic Objectives

The strategic objectives of the company are detailed on page 16 of this Annual Report.

(d) Core Values and Ethical Principles

The core values and ethical principles, including the company's Code of Conduct, are outlined on page 14 of this Annual Report.

(e) Code of Conduct

DBH's Code of Conduct for non-executive directors, independent directors, and senior management is fully aligned with the requirements of:

- Bangladesh Bank (BB)
- Bangladesh Securities and Exchange Commission (BSEC)

The Code of Conduct is available on the company's website, and all directors and senior management members have affirmed their adherence to its provisions.

(f) Directors' Profiles and External Representations

The brief resumes of the Directors are included on pages 188 to 194 of this Annual Report. Additionally, their representation on the boards of other companies and organizations is detailed in Note 42.1 of the Financial Statements.

10. TIMELINESS IN ISSUING FINANCIAL STATEMENTS AND HOLDING AGMS

DBH holds a General Meeting of members once a year and the meeting is held within 6 (six) months of completion of the respective financial year, as per the guidelines of BSEC as well as the permitted time limit of the Companies Act- 1994. The Company ensures effective interaction with the members at the Annual General Meeting. The Directors pay special attention to answering the various queries raised by the members at the Annual General Meeting.

As required under "Bangladesh Secretarial Standard-2" issued by ICSB, particulars of the last three Annual General Meetings are disclosed hereunder:

29th Annual General Meeting:

Date & Time: June 19, 2025, at 11:30 AM

Participants: 103 Shareholders which represent 108,228,704 shares or 54.42% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

(i) Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2024, and the Auditors' Report thereon;

(ii) Dividend @ 17% (15% cash & 2% stock);

(iii) Appointment/re-appointment of Directors;

(iv) Appointment of M/S Hoda Vasi Chowdhury, Chartered Accountants as statutory auditors, and appointment of M/S. SARashid & Associates, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC's Corporate Governance Code - 2018.

	Record Date	Voting Start Date	Voting End Date	Voting Result
29th AGM E-VOTING SCHEDULE	Tuesday, May 27, 2025	Wednesday, June 18, 2025 (11:30 a.m.)	Thursday, June 19, 2025 (12:03 p.m.)	All the agenda are approved by around 99.99% votes.

28th Annual General Meeting:

Date & Time: May 16, 2024, at 11:00 AM

Participants: 58 Shareholders which represent 138,265,313 shares or 69.52% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

(i) Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2023, and the Auditors' Report thereon;

(ii) Dividend @ 15% (cash);

(iii) Appointment/re-appointment of Directors;

(iv) Appointment of M/S Hoda Vasi Chowdhury, Chartered Accountants as statutory auditors, and appointment of M/S. SARashid & Associates, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC's Corporate Governance Code - 2018.

	Record Date	Voting Start Date	Voting End Date	Voting Result
28th AGM E-VOTING SCHEDULE	Tuesday, April 09, 2024	Wednesday, May 15, 2024 (11:00 a.m.)	Thursday, May 16, 2024 (11:36 a.m.)	All the agenda are approved by around 100% votes.

27th Annual General Meeting:

Date & Time: May 18, 2023, at 11:30 AM

Participants: 107 Shareholders which represent 134,806,543 shares or 69.13% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

(i) Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2022, and the Auditors' Report thereon;

(ii) Dividend @ 17% (15% cash & 2% stock);

(iii) Appointment/re-appointment of Directors;

(iv) Appointment of M/S Hoda Vasi Chowdhury, Chartered Accountants as statutory auditors, and appointment of M/S. SARashid & Associates, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC's Corporate Governance Code - 2018.

	Record Date	Voting Start Date	Voting End Date	Voting Result
27th AGM E-VOTING SCHEDULE	Tuesday, April 18, 2023	Wednesday, May 17, 2023 (11:30 a.m.)	Thursday, May 18, 2023 (12:00 p.m.)	All the agenda are approved by around 99.99% votes.

11. DELEGATION OF AUTHORITY

DBH Finance PLC has a well-defined delegation of authority framework for sanctioning loans, operational expenses, and capital expenditures. This framework establishes clear task authority relationships, ensuring accountability and efficiency in decision-making. The Board has empowered designated personnel to implement its policies and guidelines, supported by robust review and monitoring processes.

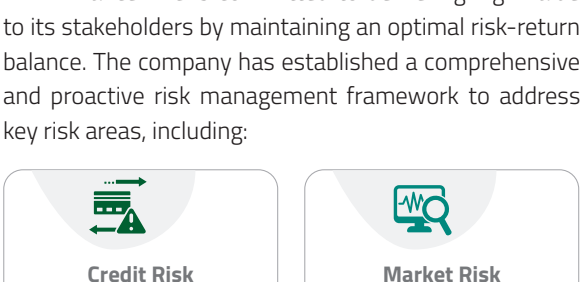
12. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

DBH Finance PLC has complied with all mandatory requirements of the Corporate Governance Code-2018 and its subsequent amendments in 2023 issued by the Bangladesh Securities and Exchange Commission (BSEC).

M/s. SARashid & Associates, Chartered Secretaries, have certified that the Company adheres to the stipulated conditions of corporate governance, with any exceptions noted in the remarks column annexed on page 218 of this report.

13. RISK MANAGEMENT

DBH Finance PLC is committed to delivering high value to its stakeholders by maintaining an optimal risk-return balance. The company has established a comprehensive and proactive risk management framework to address key risk areas, including:



A detailed discussion on Risk Management is provided in Note 2.45 of the Financial Statements on page 277 of this report.

14. GOING CONCERN

The Board is confident that DBH Finance PLC has adequate financial resources to sustain operations for the foreseeable future. Accordingly, the financial statements have been prepared under the going concern assumption.

A separate statement on Going Concern is presented on page 245 of this report.

Additionally, after reviewing the BSEC Corporate Governance Code-2018 and its subsequent amendments, the Board has issued and signed a Declaration of Compliance, which has been annexed to this report.

15. DIVIDEND DISTRIBUTION POLICY

In compliance with BSEC Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, DBH Finance PLC has adopted a Dividend Distribution Policy, approved by the Board of Directors.

DBH ensures strict adherence to all Bangladesh Bank and BSEC directives and circulars regarding dividend distribution and management.

The policy outlines the criteria for dividend recommendations by the Board for each financial year. The full Dividend Distribution Policy is available on the company's website and can be accessed at:

https://dbhfinance.com/downloads/Dividend-Distribution-Policy_v2.pdf

16. SUMMARY OF UNPAID OR UNCLAIMED DIVIDENDS

DBH strives to complete dividend distribution efficiently within the prescribed timelines. The process includes:

1. Initial disbursement through BEFTN (Bangladesh Electronic Funds Transfer Network).
2. Receipt of BEFTN reports from banks within 3-4 business days.
3. Issuance of dividend warrants and announcements through DSE & CSE for physical collection.
4. Dispatch of uncollected warrants to registered addresses via courier.

Despite these efforts, some warrants remain undistributed due to incorrect address details provided by shareholders in their BO setup.

Transfer of Unclaimed Dividends to CMSF

As per BSEC Directive No. SEC/SRMIC/165-2020/part-1/166, unclaimed dividends older than three years must be transferred to the Capital Market Stabilization Fund (CMSF). DBH has been regularly transferring such funds for the past four years, with the latest transfer completed on December 31, 2025.

Unpaid/Unclaimed Cash Dividend Summary (As of December 2025)

Aging Period	Amount (BDT)
Up to 1 year	816,747.18
Over 1 year but within 3 years	1,356,230.74
Over 3 years but within 4 years	688,769.66
Interest received from Bank	2,164,992.75
Total	**5,026,740.33**

Unpaid/Unclaimed Stock Dividend Summary (As of December 2025)

Since its Initial Public Offering (IPO) in 2008, DBH has distributed all stock dividends via CDBL (Central Depository Bangladesh Limited). However, stock dividends remain undistributed for eleven shareholders.

Aging Period	No. of Shares
Up to 1 year	70
Over 1 year but within 3 years	73
Over 3 years but within 4 years	757
Total	**900**

Governance Roadmap

The Company remains firmly committed to the continuous enhancement of its corporate governance framework in line with evolving regulatory expectations and global best practices. Key focus areas for the future include the advancement of Environmental, Social, and Governance (ESG) disclosures, integration of emerging digital governance tools and practices, strengthening of Board capacity through structured development programs, and broadening stakeholder engagement mechanisms. These initiatives are aimed at ensuring greater transparency, accountability, and long-term sustainable value creation for all stakeholders.

Syed Moinuddin Ahmed
Chairman
DBH Finance PLC

DBH FINANCE PLC.

DECLARATION BY CEO AND CFO

Annexure-A

[As per condition No. 1(5) (xxvi)]

Date: May 10, 2026

The Board of Directors
DBH Finance PLC.
Landmark Building (9th Floor)
12-14 Gulshan North C/A, Gulshan-2
Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31st December, 2025.

Dear Sir(s),
Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of DBH Finance PLC. for the year ended on 31st December, 2025 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, 2025 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,

Nasimul Baten
Managing Director & CEO

Md. Abdul Ahad, FCA
Chief Financial Officer

CERTIFICATE OF COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

SARashid & Associates
(Chartered Secretaries)
Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
Phone : +88 02 22 33 83 847, +88 01 755 944 966
E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

S. Abdur Rashid FCS
MBS, MBA (Finance), PGDHRM, LLB, **FIPM**
Chartered Secretary in Practice
Private Practice Certificate No.: 003

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

We have examined the compliance status to the Corporate Governance Code by DBH Finance PLC. for the year ended on 31 December 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column of the Statement on Status of Compliance of the Code;

(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
SARashid & Associates

S. Abdur Rashid FCS
Chartered Secretary in Practice

Place : Dhaka
Dated : 23 May 2026

STATUS OF COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Annexure-C

[As per Annexure-C and condition No. 1(5)(xxvii) of 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:** The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)	√		
1(2)	**Independent Directors:**			
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	√		
1(2)(b)	**Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director––**			
1(2)(b)(i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	**Qualification of Independent Director:**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)	**Independent director shall have following qualifications:**			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1(5)	**The Directors' Report to Shareholders:**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name- wise details where stated below) held by :-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-**			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;`	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on :-			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, 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;			N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.			Shall always be carefully followed
1(6)	**Meetings of the Board of Directors:** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the 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 Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		Code of Conduct (COC) has been laid down by the Board
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		The COC, as laid down by the Board, has been posted on the website
2.	**GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	**MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):**			
3(1)	**Appointment:**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
3(2)	**Requirement to attend Board of Directors' Meetings:** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		CEO & CS remains throughout the meeting of the Board. CFO & HIAC attends at the time of consideration of related agenda items.
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief :			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(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;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that 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 or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.	**BOARD OF DIRECTORS' COMMITTEE:**			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee	√		As per Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, the Audit Committee of the Company performs the duties of NRC
5.	**AUDIT COMMITTEE:**			
5(1)	**Responsibility to the Board of Directors:**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee:**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee:**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
5(4)	**Meeting of the Audit Committee:**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee:**			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor 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;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee 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; and	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			N/A
5(6)	**Reporting of the Audit Committee:**			
5(6)(a)	**Reporting to the Board of Directors:**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	**The Audit Committee shall immediately report to the Board on the following findings, if any:-**			
5(6)(a)(ii)(a)	Report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	**Reporting to the Authorities:** If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	**Reporting to the Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	**NOMINATION AND REMUNERATION COMMITTEE (NRC):**			
6(1)	**Responsibility to the Board of Directors:**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		Pursuant to Bangladesh Bank's DFIM Circular Letter No. 18 dated May 21, 2024, Audit Committee performs the role of NRC
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall 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)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	**Chairperson of the NRC:**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)	**Meeting of the NRC:**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	**Role of the NRC:**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	**NRC shall oversee, among others, the following matters and make report with recommendation to the Board:**			
6(5)(b)(i)	**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 following:**			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		Charter of NRC includes these roles
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	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;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	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;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.	**EXTERNAL OR STATUTORY AUDITORS:**			
7(1)	**The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:**			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8.	**MAINTAINING A WEBSITE BY THE COMPANY:**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9.	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

STATEMENT OF COMPLIANCE WITH GOOD GOVERNANCE GUIDELINES ISSUED BY BANGLADESH BANK

Annexure-D

This statement outlines the Company's compliance with the good governance practices prescribed under the Finance Company Act, 2023, along with the circulars, directives, and policies issued by Bangladesh Bank. These guidelines encompass, among others, the constitution, roles, functions, and responsibilities of the Board of Directors; the appointment, duties, and remuneration of Independent Directors; and the appointment, roles, and responsibilities of the Managing Director.

The Board of Directors of the Company has taken all necessary and appropriate measures to ensure adherence to the aforesaid governance requirements.

A detailed status of compliance with these guidelines is presented below:

Sl. No.	Particulars	Status of Compliance
01.	**Formation of the Board:**	
	(i) The Board of Directors of the finance company shall be constituted with shareholder directors, directors nominated by shareholder institutions, and independent directors.	Complied
	(ii) The total number of directors on the Board shall not exceed 15 (fifteen).	Complied
	(iii) The number of independent directors shall be at least 2 (two).	Complied
	(iv) No natural person, while serving as a director of a finance company, shall nominate another person to represent their personal interest	Complied
	(v) Not more than 1 (one) individual nominated by an institution or company shall be appointed as a representative director on the Board.	Complied (effective from the AGM date)
	(vi) No other person shall be appointed as a representative director on behalf of an individual shareholder on the Board of Directors.	Complied
	(vii) The tenure of a director of the Company shall be 3 (three) years.	Complied
	(viii) No director shall hold the position for more than 3 (three) consecutive terms or 9 (nine) years consecutively. After completion of such tenure, the person shall not be eligible for re-appointment as a director of the Company unless a period of 3 (three) years has elapsed	Complied
	(ix) Prior to the commencement of the Finance Company Act, 2023, if any person has already served as a director for 3 (three) consecutive terms or 9 (nine) years, then upon completion of the current term, the position shall become vacant.	Complied
	(x) At each Annual General Meeting, one-third of the directors shall retire by rotation based on seniority, in compliance with Article 80 of Schedule 1 of the Companies Act, 1994. The retiring directors shall be eligible for re-election.	Complied
02.	**Eligibility and Suitability for Appointment of a Director:**	
	(i) The minimum shareholding has to be maintained in accordance with the regulations of the Bangladesh Securities and Exchange Commission	Complied
	(ii) The concerned individual should have at least 10 (ten) years of managerial, business, or professional experience; however, no experience shall be considered until the person attains 18 (eighteen) years of age	Complied
	(iii) The minimum age of the concerned individual shall be 30 (thirty) years	Complied
	(iv) The individual has not been convicted of any criminal offence, nor they have been involved in fraud, cheating, financial misconduct, or other illegal activities as per any investigation or inspection report conducted by the Government or Bangladesh Bank	Complied
	(v) There is no adverse observation against the individual in a court judgment in any civil or criminal case.	Complied

Sl. No.	Particulars	Status of Compliance
	(vi) The individual has not been convicted for violation of any laws, regulations, policies, or directives of any financial regulatory authority;	Complied
	(vii) He/she is not associated with any company or institution whose registration or license has been cancelled or which has been declared insolvent	Complied
	(viii) He/she or his/her interest-related institution is not a defaulting borrower	Complied
	(ix) He/she is not appointed or engaged as a director, advisor, consultant, or in any other profitable position in any finance company, bank, insurance company, or any of their subsidiary companies, or in any company or institution that, in the opinion of Bangladesh Bank, exercises control, joint control, or significant influence over such finance company, bank, or insurance company.	Complied
	(x) He/she is not a director of such a company or of several companies where, collectively, the companies in which he/she serves as director hold more than 15% (fifteen percent) of the total voting rights of the finance company	Complied
	(xi) He/she is not holding the position of auditor, legal adviser, adviser, consultant, salaried employee, or in any other remunerated position within the same finance company.	Complied
	(xii) He/she has not at any time been declared defaulter by a court.	Complied
	(xiii) He/she is not, personally or through any proprietorship or partnership firm owned by him/her, a tax defaulter.	Complied
	(xiv) If he/she is employed in the concerned finance company, he/she shall not be eligible for appointment as a director unless 5 (five) years have elapsed since resignation or termination of employment.	Complied
	(xv) If he/she has been listed as a loan defaulter by any finance company or bank, he/she shall not be eligible to become a director of any finance company unless 5 (five) years have elapsed after removal from such list.	Complied
03.	**Taking prior approval of Bangladesh Bank in case of appointment /re-appointment of Director:**	
	(i) Prior approval of Bangladesh Bank must be obtained for the appointment or re-appointment of Directors, as applicable, following their selection or nomination to the Finance Company	Complied
	(ii) To obtain such approval, the Finance Company shall submit an application to Bangladesh Bank under the signature of the Chief Executive Officer/Managing Director within seven (7) working days of the relevant Board Meeting or Annual General Meeting, along with the required information in the prescribed form	Complied
04.	**Directors' Information**	
	(i) A copy of the list of Directors shall be submitted to Bangladesh Bank, as well as to all Finance Companies and Banking Companies, upon the appointment, removal, or completion of the term of any Director.	Complied
	(ii) A list of the Directors, along with their photographs, shall be displayed on the Finance Company's website and updated regularly	Complied
	(iii) In the event of the nomination, appointment, removal, or completion of the tenure of the Chairman of the Finance Company, updated information shall be submitted to Bangladesh Bank.	Complied
	(iv) Updated information on the Directors of the Finance Company shall be submitted to Bangladesh Bank within ten (10) days after the end of each quarter through the EDW Portal using the Rational Input Template (RIT). Additionally, any appointment of a Director or change in the Board of Directors shall be reported promptly through the same portal using RIT.	Complied
	(v) The names, addresses, and other relevant particulars of the Directors, including details of their commercial, financial, agricultural, industrial, and other business interests, as well as family business interests, shall be submitted in writing to the Board of Directors on an annual basis.	Complied
05.	**Responsibilities and authorities of the Board of Directors**	
	The Board of Directors should focus mainly on the policy matters and evaluation of the performance of the institution, such as:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the objectives and goals of the finance company and adopt strategies and work plans on an annual basis to achieve these goals. It shall review the progress of the implementation of the work plans on a quarterly basis.	Complied

Sl. No.	Particulars	Status of Compliance
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board shall determine key performance indicators (KPIs) for the Chief Executive Officer and for the two tiers of officials immediately below the CEO, and will evaluate them from time to time.	Complied
	(b) Financial Management	
	(i) The annual budget and audited financial statements of the finance company shall be adopted with the approval of the Board of Directors.	Complied
	(ii) The Board shall review and monitor the company's income-expenses, statement of liquidity, overdue/defaulted loans, capital base and adequacy, provisioning/reserve maintenance, and legal actions taken for the recovery of defaulted loans on a quarterly basis	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to the policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget	Complied
	(iv) The Board of Directors shall review from time to time whether the Asset-Liability Committee (ALCO) is functioning in accordance with the guidelines of Bangladesh Bank.	Complied
	(v) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(c) Credit & Risk Management	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/ lease/investment specifically to management preferably on Managing Director and other top executives.	Complied
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied
	(iv) The Board of Directors shall approve the policies & guidelines related to risk management. It shall review, on a quarterly basis, whether such policies are being properly followed, examine reports of the Risk Management Committee in this regard, and duly record them in the Board's proceedings.	Complied
	(d) Internal Control and Compliance Management	
	(i) The Board will maintain ongoing oversight of internal controls to ensure sound credit and investment quality.	Complied
	(ii) The Internal Audit Function shall remain independent from Management	Complied
	(iii) The Board will review Audit Committee reports on a quarterly basis, including recommendations from internal and external auditors, along with inspection observations from Bangladesh Bank.	Complied
	(e) Human Resource Management	
	(i) Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule.	Complied
	(ii) Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
	(iii) The Board of Directors shall place special emphasis on training for the development of the skills of officers and employees of the finance company, as well as on the introduction of modern electronic and information technology and appropriate Management Information Systems (MIS).	Complied
	(iv) The Board of Directors shall formulate integrity policies, a Code of Conduct, and a Code of Ethics for all officers and employees, which must be properly followed by all concerned.	Complied

Sl. No.	Particulars	Status of Compliance
	(f) Appointment of CEO	
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(g) Responsibilities and Duties of the Chairman of the Board of Directors:	
	(i) One of the members of the Board of Directors shall be elected as Chairman for a maximum term of 2 (two) years. Subject to the tenure of their directorship, the Chairman shall be eligible for re-election.	Complied
	(ii) The Chairman of the Board or the Chairman of any committee formed by the Board, or any Director, shall not individually or personally exercise any policy-making or executive authority. Accordingly, they shall not participate in or interfere with the day-to-day administrative or operational activities of the finance company.	Complied
	(iii) The minutes of the Board meetings shall be signed by the Chairman	Complied
	(iv) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances	Complied
06.	**Formation of Sub-Committee:**	
	The Board of Directors of the finance company shall form, from among its members, an Executive Committee, an Audit Committee, and a Risk Management Committee. Apart from these three committees, the Board shall not form any other committee or sub-committee, even on a temporary basis.	Complied
	(a) Executive Committee: The Executive Committee is constituted to handle urgent, routine, and day-to-day matters, such as approval of loan/lease applications, write-offs, and rescheduling or restructuring arising between meetings of the Board of Directors. It performs its functions in accordance with procedures set by the Board.	
	Organizational Structure of the Executive Committee:	
	(i) Appointment of Members: Members of the Committee shall be nominated by the Board of Directors of the finance company from among its members	Complied
	(ii) Size and Composition: The Executive Committee shall be formed with a maximum of five (5) members. At least one (1) member shall be an Independent Director	Complied
	(iii) Chairman: One of the members shall be elected as Chairman/chairperson of the Committee for a term of three (3) years. The Chairman of the Board of Directors may also serve as the Chairman/ Chairperson of the Executive Committee.	Complied
	(iv) Tenure: Committee members may be nominated for every three (3) years subject to tenure of their Directorship	Complied
	(v) Restriction on Family Members: No more than one member from the same family shall be included in the Executive Committee.	Complied
	(vi) Secretary: The Company Secretary shall perform the duties of secretary of the Committee.	Complied
	(vii) Meeting: The Committee may arrange to hold meetings at any time, as and when necessary	Complied
	(viii) Participation: The Committee may, as necessary, invite any official of the finance company to attend its meetings.	Complied
	(ix) Ratification: The decisions taken by the Committee shall be ratified at the subsequent meeting of the Board of Directors	Complied
	(x) Meeting Materials: To ensure active participation and contribution by the members at every meeting, a detailed memorandum should be distributed to committee members at least 2 (two) days prior to each meeting	Complied
	(b) Audit Committee: The Audit Committee is constituted to ensure the adequacy of internal control systems and to support the Board in discharging its oversight responsibilities, including reviewing nomination and remuneration policies, practices, and procedures, and ensuring compliance with all applicable legal, regulatory, and internal requirements.	
	Organizational Structure of the Audit Committee:	
	(i) Appointment of Members: The members of the committee shall be nominated by the Board of Directors from among its Directors	Complied

Sl. No.	Particulars	Status of Compliance
	(ii) Size and Composition: The Audit committee shall consist of a maximum of five (5) members	Complied
	(iii) Chairman: One Independent Director shall be elected as the Chairman/Chairperson of the Audit Committee	Complied
	(iv) Tenure of Chairman: The tenure of the Chairman of the Committee shall be three (3) years. No independent Director shall serve as Chairman of the Audit Committee for two (2) consecutive terms	Complied
	(v) Restriction on Membership: No member of the Executive Committee shall be included as a member of the Audit Committee	Complied
	(vi) Tenure: The members of the Committee can be nominated for every three (3) years	Complied
	(vii) Secretary: The Company Secretary shall perform the secretarial duties of the Committee.	Complied
	(viii) Meeting: The Committee shall Hold at least four (4) meetings in a year and may arrange meetings at any time as and when necessary.	Complied
	(ix) Participation: The Committee may, as necessary, invite any official of the finance company to attend its meetings	Complied
	(x) Meeting Materials: To ensure active participation and contribution by the members at every meeting, a detailed memorandum should be distributed to committee members at least 2 (two) days prior to each meeting	Complied
	(c) Risk Management Committee: The Risk Management Committee is formed to assist the Board of Directors in identifying, assessing, and mitigating potential risks in the implementation of strategies and work plans, and to support the Board in effectively discharging its roles and responsibilities.	
	Organizational Structure of the Risk Management Committee:	
	(i) Appointment of Members: The members of the committee shall be nominated by the Board of Directors from among its Directors	Complied
	(ii) Size and Composition: The committee shall consist of a maximum of five (5) members	Complied
	(iii) Chairman: One of the members shall be elected as the Chairman of the Committee for a term of three (3) years	Complied
	(iv) Tenure: Members of the Committee can be nominated for every three (3) years	Complied
	(v) Secretary: The Company Secretary shall perform the secretarial duties of the Committee	Complied
	(vi) Meeting: The Committee shall Hold at least four (4) meetings in a year and may arrange meetings at any time as and when necessary	Complied
	(vii) Participation: The Committee may, as necessary, invite any official of the finance company to attend its meetings	Complied
	(viii) Meeting Materials: To ensure active participation and contribution by the members at every meeting, a detailed memorandum should be distributed to committee members at least 2 (two) days prior to each meeting	Complied
07.	**Board of Directors and Subsidiary Committee meeting schedule**	
	(i) The meeting of the Board of Directors of the Finance Company may normally be held 1 (one) in every month or more if necessary	Complied
	(ii) The quorum for meetings of the Board of Directors of the finance company shall be determined in accordance with its Articles of Association (AoA) or Memorandum of Association (MoA)	Complied
	(iii) To ensure that the members of the Board of Directors can effectively participate and contribute in every board meeting, the detailed memorandum of the meeting must be delivered to the members at least 2 (two) days prior to the meeting	Complied
	(iv) Apart from the Directors of the company, only the Managing Director and the Company Secretary will be present in the meeting of the Board of Directors.	Complied
	(v) If necessary, upon invitation by the Board or any of its supporting committees, any official of the finance company may attend the meeting only while presenting matters relevant to him/her (not for the entire duration of the meeting).	Complied

Sl. No.	Particulars	Status of Compliance
	(vi) Under no circumstances shall any external person be allowed to attend the Board meeting or meetings of its subsidiary committees	Complied
08.	**Remuneration and other Financial benefits payable to Directors:**	
	(i) The maximum honorarium payable to directors for attending meetings of the Board of Directors or its committees shall be BDT 10,000 (ten thousand taka).	Complied
	(ii) Independent directors shall, in addition to the honorarium for attending Board & Committee meetings, be entitled to a fixed monthly honorarium, the maximum amount of which shall be BDT 50,000 (fifty thousand taka), subject to deduction of applicable tax.	Complied
09.	**Independent Directors:**	
	(i) He/she must have at least 10 (ten) years of experience in management, business, or a professional field.	Complied
	(ii) His/her age must be at least 45 (forty-five) years, and the maximum age shall be 75 (seventy-five) years.	Complied
	(iii) He/she must have at least a graduate/postgraduate degree in Economics, Banking, Finance, Business Administration, Law, Accounting from a recognized university.	Complied
	(iv) He/She must hold a bachelor's/master's degree from a recognized university in Economics, Banking, Finance, Business Administration, Law, or Accounting. However, in the case of appointing an Independent Director, a person with a postgraduate degree and professional experience in executive positions of a bank or financial institution such as a former Managing Director/ Chief Executive Officer, a Chartered Accountant or Cost and Management Accountant engaged in the accounting profession, or an individual with experience in an executive role in any reputed corporate organization, may also be considered.	Complied
	(v) Experienced teachers from government, private, or autonomous universities with experience in business education or business administration, law, or information technology; legal professionals engaged in the legal profession; experienced bankers; officials from the Finance Division and Financial Institutions Division of the Ministry of Finance; and experienced officers from the Ministry of Industries and the Ministry of Law may be considered on a priority basis.	Complied
	(vi) He or she has not any past, present or future actual or apparent interest in any Finance Company or he or she is not associated with a Finance Company	Complied
	(vii) His or her family members will not hold any share of the Finance Company or hold any profitable position in the Finance Company	Complied
	(viii) He/she will not hold the position of Independent Director in any other Finance Company, Banking Company, Insurance Company or any subsidiary company of such companies.	Complied
	(ix) He/she has not been convicted of a criminal offense or has been or is not involved in fraud, cheating, financial crime or any other illegal activities	Complied
	(x) There is no adverse observation/comment in a Court judgment in any civil or criminal case against him/her	Complied
	(xi) He/she was not involved in any unlawful activities while performing duties in a finance company, banking institution, or in his/her own profession.	Complied
	(xii) He/she is not a loan defaulter.	Complied
	(xiii) He/she is not a tax defaulter	Complied
	(xiv) He/she has not at any time been declared insolvent by a Court	Complied
	(xv) If he/she is listed as a willful loan defaulter by any finance company or banking company, he/she shall not be eligible to serve as an Independent director of any finance company until five (5) years have passed after being removed from that list.	Complied
	(xvi) He or she has not been convicted of violating any rules, regulations, policies or codes of conduct of any regulatory authority related to the financial sector	Complied
	(xvii) He/she was not associated with the ownership of any such company or organization whose registration or license has been cancelled or which has been wound up.	Complied
	(xviii) To appoint an Independent Director, prior approval from Bangladesh Bank is required	Complied

Sl. No.	Particulars	Status of Compliance
	(xix) Finance Company will appoint Independent Director from the list of panel provided by Bangladesh Bank	Complied
10.	**Managing Director and Chief Executive Officer:**	
	(a) Eligibilities:	
	(i) He/she has not been convicted of a criminal offense or has not been or is not involved in fraud, cheating, financial crime or any other illegal activities	Complied
	(ii) There is no adverse observation/opinion against him/her in a Court judgment in any civil or criminal case	Complied
	(iii) He/she has not violated any rules, regulations, or directives of any regulatory authority.	Complied
	(iv) He or she was not associated with the ownership of any company/institution whose registration/ license has been revoked or the institution has been liquidated.	Complied
	(v) He or she was not involved in any company/ institution as an employee whose registration/license has been cancelled due to his or her direct or indirect criminal offenses	Complied
	(vi) He or She has not been removed/dismissed/demoted/relieved from his/her duties as the Chairman or Director or Officer or Employee of any company or institution due to financial embezzlement, corruption, forgery, or ethical violations	Complied
	(vii) He or she has not been removed, dismissed, demoted or relieved from his or her position while holding the position of Chief Executive Officer, Chairman, Director, Officer or any other position of any Finance Company or any Banking Company;	Complied
	(viii) There are no adverse observations against him/her in Bangladesh Bank's offsite or onsite inspections.	Complied
	(b) Financial Transparency/ Integrity:	
	(i) He/she is not a defaulter for loans taken from any financial/banking institution	Complied
	(ii) He or she has not ceased payment to any creditor or has not been exempted from payment of dues through compromise with the creditor	Complied
	(iii) He/she is not a tax defaulter.	Complied
	(iv) He or she has not been declared bankrupt by a Court at any time.	Complied
	(v) He or she was not involved in any financial irregularities during his/her tenure in any Finance Company or Banking Company.	Complied
	(c) Educational Qualifications and Experience:	
	(i) He/she will hold at least a Master's degree from a recognized university. Higher academic or professional qualifications in economics, accounting, finance, banking, management, or business administration will be considered as an additional qualification	Complied
	(ii) He/she must not have a third division/class at any stage of his academic career. In case of published results under the grading system, a result below GPA 3.00 in SSC or equivalent and HSC or equivalent examinations, and below CGPA 2.50 on a 4.00 scale or below CGPA 3.00 on a 5.00 scale from a UGC-approved university shall not be acceptable. In the case of foreign degrees, equivalency of published results (division/class/GPA) must be duly verified and approved by the competent authority.	Complied
	(iii) He/she must have proven performance and good reputation in previously held positions relevant to the proposed post.	Complied
	(iv) For the position of Chief Executive Officer, the candidate must have at least 20 (twenty) years of experience as an active officer in a finance company or banking profession, including at least 2 (two) years of experience in the immediately preceding position to the Chief Executive Officer role.	Complied
	(v) He/she must possess leadership qualities.	Complied
	(d) Professional Involvement:	
	(i) He or she shall not hold the position of Director in any Finance/Banking/Insurance Company or any company which is controlled by those respective companies or any profitable position in the respective companies	Complied
	(ii) He/she cannot be engaged in any other business or profession	Complied

Sl. No.	Particulars	Status of Compliance
	(iii) He/she cannot have any business interests in the concerned finance company	Complied
	(iv) He/she must not have any association with any organization that is owned by, controlled by, or has interests related to any Director of the financial company	Complied
	(v) No member of his/her family can be included on the financial company's board of directors.	Complied
	(e) Age Limit:	
	His/her age limit is 65 (sixty-five) years. In the case of a new appointment to the position of Chief Executive Officer, the maximum age limit at the time of application shall be 62 (sixty-two) years.	Complied
	(f) Bonus and Remuneration	
	(i) Performance bonus not more than TK. 10 (Ten) lac in a year	Complied
	(ii) Since the Chief Executive Officer is a salaried employee of the financial company, he shall not be entitled to receive any honorarium for attending meetings of the Board or any committee formed by the Board.	Complied
	(g) Responsibilities of Managing Director:	
	□ **Fiduciary Duty:**	
	(i) He/she will comply with all applicable laws, regulations, and policies relating to the business of the finance company. Additionally, he/she shall perform his/her duties with due diligence and prudence, avoiding all forms of negligence or misconduct, so that no financial or other loss is caused to the finance company or its depositors due to his/her actions.	Complied
	(ii) He/she will act honestly and in good faith, in the best interests of the finance company, avoiding conflicts of interest, and ensuring that neither personal interests nor the interests of any other individual or group prevail over the interests of the finance company and its depositors.	Complied
	(iii) He/she will exercise delegated powers in the interest of the finance company and its depositors and shall refrain from any misuse of such delegated authority.	Complied
	□ **Financial, Business, and Administrative Responsibilities, Duties, and Powers:**	
	(i) The Managing Director shall perform his/her own duties and responsibilities in accordance with the financial, business, and administrative powers delegated by the Board of directors of the finance company	Complied
	(ii) He/she will be responsible for implementing the business plan of the finance company and achieving its business targets through proper administrative and financial management.	Complied
	(iii) If any erroneous interpretation of the Finance Company Act, 2023, or any other Acts, laws, regulation, or directives of the Bangladesh Bank is made or an erroneous direction is given by the board members while discussing the memorandum presented by the finance company management in the meetings of the board of directors or any it's sub-committees, the Managing Director shall have to clarify the relevant acts or directives to the board of directors in writing.	Complied
	(iv) If any violation of the Finance Company Act, 2023, or any other law, regulation, directive, policy occurs in a meeting of the board of directors or any other sub-committee by its member(s), the Managing Director shall have to inform Bangladesh Bank in writing, or verbally as the case may be.	N/A
	(v) The recruitment and promotion of all employees and staff, apart from the two-tier subordinate level below the Managing Director, shall be vested upon the Managing Director. He/she will perform these duties in accordance with the approved policies of the board. While performing his duties, he/she cannot be able to perform any task or take a decision influenced by personal interest or favoritism.	Complied
	(vi) All powers related to the recruitment, transfer, promotion, disciplinary actions and punitive measures of all employees and staff apart from the two-tier subordinate level below the Managing Director shall be vested with the Managing Director, which he/she will perform in accordance with the approved delegation of authority service rules approved by the board of directors	Complied
	(vii) The Managing Director will sign all letters and statements related to compliance with policies and guidelines. However, if authorized by the Managing Director, departmental or unit heads may sign routine letters and statements in accordance with DFIM Circular No. 2 dated 06 January 2009.	Complied

REPORT ON INTERNAL CONTROL

Internal Control & Compliance

Financing is a diversified and multifarious monetary activity which involves different types of risks. An effective internal control and compliance system has become essential in order to underpin effective risk management practices and to ensure smooth performance of the finance/bank industry.

DBH has the adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal control systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances.

The aim of internal control is to provide reasonable assurance, by means of system of processes and procedures implemented by DBH, that the following objectives may be achieved:



Determine the reliability and integrity of information; (i.e. evaluating the internal control systems and the integrity of financial and operating information produced by those systems);



Determine whether compliance exists with policies, procedures, laws, and regulations;



Determine if assets are safeguarded and verify the existence of those assets;



Review operations or programs for consistency with established management goals and objectives;



Assist executives of the company in the effective and successful performance with analyses, appraisals, recommendations, and other pertinent information concerning the activities being reviewed.

DBH ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorisation and compliance with the internal policies of the Company.

Internal control procedure

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

The key operations and the internal control procedures are described below:

Financial and accounting information:

With view to ensure safe, secure, stable & effective transaction processing, Finance & Accounts Department of DBH is working with utmost efficiency & professionalism.

Financial and accounting information is prepared centrally on the basis of financial statements generated from the software application that is used by different departments and is in compliance with the IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) as adopted by the ICAB (Institute of Chartered Accountant of Bangladesh) from time to time.

Reports are produced monthly and prepared in the following month to which they relate whereas full accounting consolidations are produced quarterly and prepared within the following month to which they relate. The preparation of the annual financial statements is the responsibility of the Management under the supervision of the Audit Committee and Company's Auditor. The quarterly & half-yearly Financial Statements are prepared by the Management under the supervision of Audit Committee.

External financial information

Financial communication to external parties consists of financial statements prepared by the Management, submitted to the Board and reviewed and audited by the Auditors.

Cash position and financing

Responsibility for fund management is delegated to the treasury wing of the finance department by means of well-defined procedures and delegation.

The finance & accounts department is responsible for borrowings and investment which is required to comply with specific procedures such as, position of the banks involved, risk-free investment and monitoring of financial transactions.

Borrowings and investments are monitored on the monthly basis by means of report produced by the treasury and finance & accounts department and submitted to Senior Management.

Procedures and inspections

With the objectives of producing high quality financial and accounting information, DBH has introduced procedures and instructions tailored to every section. These procedures are grouped by topic and deal mainly with accounting, treasury, regulatory and reporting issues.

The internal control & compliance department is independent from management. It audits the activities and systems of different departments in accordance with an audit plan, particularly in order to assess and improve the accuracy and reliability of the accounting and financial information.

The internal control & compliance department coordinates relations with external auditors.

Customer relation

With the aims of specifying and formalizing certain practices regarding contractual relations with its clients, DBH has developed a procedure for managing client risk. This includes limit in respect of credit, delegation of authority, security, insurance and documentation.

The legal department analyses the legal provisions applicable to financing agreements executed between DBH and the clients. We have standard documents defining the conditions with which the agreements should comply in order to reduce the level of risk. These standard documents are regularly reviewed by the concerned departments.

Human resources

Human resources department develop and oversight the implementation of code of conduct of the organization. Create awareness and good governance across the company, identify the scopes where efficiency of employee can be developed and arrange appropriate training in this regards, amend existing policies and procedures as per requirements, Evaluate and reward the respective employees for integrity and good work. It carries out the performance evaluation program in each year. This department provides industry information to the management regarding the emolument and benefits. Human Resources department is responsible for ensuring compliance with the service rules and regulations. The internal control & compliance department oversight the aforementioned activities are executed in proficient manner.

Information technology

The Information Technology Department is responsible for integrating and ensuring the consistency of the hardware and software availability and IT peripherals are efficiently used & managed. In DBH, most data processing is carried out by means of integrated software packages. Network firewall in the form of both hardware and software are implemented within the system and additional IDS (Intrusion Detection System) also deployed to encounter unwanted intruders within the system. All the in-house developed application modules and database are stored in a safe custody on daily, weekly and monthly basis at within and outside business premises. The internal control & compliance department periodically review the IT resources are utilized in an efficient manner and overall economic benefit is utilized.

AUDIT COMMITTEE REPORT

The Audit Committee of DBH undertakes oversight responsibilities on behalf of the Board of Directors by reviewing the financial reporting process, the system of internal controls, the audit process, the management of financial risks, the process of monitoring compliance with the laws and regulations in force, and its code of business conduct. The Committee also strives to maintain strong oversight and monitoring in the following area:

- **Oversee the disclosure of financial information to ensure that the financial statements are correct and credible;**
- **Recommend to the Board the appointment and re-appointment of the statutory auditor and the fixation of audit fees;**
- **Review the quarterly, half-yearly, and annual financial statements with the management before submission to the Board for approval;**
- **Review the reports of the Internal Control and Compliance Department.**

Composition of the Committee

DBH's Audit Committee has been formed in accordance with the relevant guidelines of Bangladesh Bank (DFIM Circular No. 1 dated February 29, 2024), and Bangladesh Securities and Exchange Commission (Corporate Governance Code 2018), including all relevant updates.

The Board of Directors has been very meticulous in the formation of the Audit Committee, which consists of three members. All the members are experienced and have sound knowledge in finance and accounts and also possess the required qualifications in keeping with the spirit and objectives as laid down in the regulatory directives.

The current Audit Committee was reconstituted on July 29, 2025 with the following members.

Name	Status in the Committee	Status in the Board
Prof. Imran Rahman	Chairman	Independent Director
Mr. Khandkar Manwarul Islam	Member	Director
Mr. Mohammad Anisur Rahman	Member	Director

Mr. Jashim Uddin, Company Secretary, is the Secretary of the Audit Committee. The Head of Internal Audit reports to the Audit Committee while also keeping the Managing Director and CEO informed.

Activities of the Audit Committee during the year

The Committee normally meets quarterly but can meet on more occasions if required. During the period under review, the Committee held five meetings. In these meetings, the Committee (a) reviewed the financial reporting process, the system of internal control, and the management of financial and operational risks through the audit process, (b) evaluated all the quarterly accounts prior to their placement in the respective board meetings, and (c) recommended the appointment of the Statutory Auditors for the year 2025.

The Audit Committee also reviewed the annual accounts for the period of January 1, 2025, to December 31, 2025, and recommended to the Board of Directors that the accounts present a true and fair view of the activities and financial status of the company and that the company's assets are safeguarded properly, in compliance with the company's internal control and compliance procedures.

Role as the Nomination and Remuneration Committee (NRC)

The Audit Committee is also authorized to perform the duties of DBH's Nomination and Remuneration Committee (NRC). In this capacity, the Committee is responsible for:

- **Formulating the criteria for determining qualifications, positive attributes, and independence of directors;**
- **Recommending policies on remuneration packages for directors and senior management;**
- **Ensuring the appropriate mix of skills and expertise in the Board and senior management positions;**
- **Evaluating the performance of Board members and key managerial personnel.**

During the year, the Committee reviewed and evaluated the candidacy of Prof. Nausheen Rahman of the Finance Department, University of Dhaka, for the position of Independent Director. Following a comprehensive assessment, the Committee selected Prof. Rahman for the said position.

Reporting to the Board and the Shareholders

Following each meeting, the Committee reports to the Board and provides copies of the meeting minutes. It also provides a report annually to the Board and shareholders.

Acknowledgement

The Audit Committee expresses its sincere thanks to the members of the Board, management, and the statutory auditors for their support in carrying out its duties and responsibilities effectively.

Prof. Imran Rahman
Chairman
Audit Committee

REPORT OF AUDIT COMMITTEE AS NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code 2018, every listed company is required to establish a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. However, being a finance company regulated by Bangladesh Bank, DBH Finance PLC is not required to form a separate NRC. Instead, the Audit Committee has been entrusted with performing the duties and responsibilities of the NRC in accordance with Bangladesh Bank's DFIM Circular Letter No. 18, dated May 21, 2024.

Purpose and authority of the committee

The NRC assists the Board in establishing policies for a structured and continuous process of determining the remuneration and honorarium for Independent Directors and top-level executives. Additionally, the NRC provides strategic guidance to management in assessing the company's workforce requirements at various levels and in defining criteria for employee selection, transfer, replacement, and promotion.

This report has been prepared in accordance with the Corporate Governance (CG) guidelines of the Bangladesh Securities and Exchange Commission and outlines the nomination and remuneration policies, evaluation criteria, and activities of the NRC.

Terms of reference

The NRC operates under a charter formulated primarily in alignment with BSEC's CG guidelines while incorporating global best practices. The Committee carries out its responsibilities as delegated by the Board of Directors.

Roles and responsibilities

The NRC functions with clearly defined terms of reference, ensuring that the company's nomination and remuneration policies adhere to market standards while meeting its present and future needs. The broad criteria for directors, top-level executives, and other employees are as follows:

A) Nomination Criteria

- Compliance with company policies, applicable regulations, and country-specific guidelines.
- Adoption of a transparent and merit-based selection process.
- Adherence to international standards and local best practices.
- Recognition of core competencies for various management and employee levels.
- Consideration of diversity in age, maturity, qualification, expertise, and gender.

B) Recruitment and Selection Guidelines

The NRC Charter provides an overarching framework for identifying workforce requirements at different levels, as assessed by management. Recruitment and selection of directors, top-level executives, and other employees follow these guidelines:

- **Non-Executive Directors:** The NRC recommends candidates based on nominations from institutional shareholders. The Board appoints Non-Executive Directors upon NRC recommendation, in compliance with Bangladesh Bank's DFIM Circular No. 01 dated February 29, 2024, DFIM Circular Letter No. 09 dated April 16, 2025 and subject to a No Objection Certificate (NoC) from Bangladesh Bank.
- **Independent Directors:** Independent Directors must be individuals of integrity with expertise in financial law, regulatory compliance, and corporate governance. They should possess sector-specific competence and meet the qualifications prescribed by Bangladesh Bank and BSEC. The Board appoints Independent Directors based on NRC recommendations, following Bangladesh Bank's DFIM Circular No. 02 dated March 14, 2024, and subject to NoC from both Bangladesh Bank and BSEC. Shareholder approval is required at the Annual General Meeting.

- **Managing Director:** The NRC recommends candidates for the position of Managing Director in compliance with Bangladesh Bank's DFIM Circular No. 03 dated March 25, 2024. The Board appoints the Managing Director based on NRC recommendations, subject to NoC from Bangladesh Bank.

- **Top-Level Executives:** The NRC identifies and recommends candidates for top-level executive positions after thorough evaluation by the Managing Director and Human Resources Department (HRD). The selection process considers qualifications, experience, skills, and leadership attributes aligned with the company's internal policies.

  Explanation: 'Top-level executives' include officials two positions below the Managing Director, as well as the Head of IT, Chief Financial Officer (CFO), Company Secretary, and Head of Internal Control and Compliance.

- **Other Employees:** The NRC sets guidelines to determine the company's workforce needs at various levels and delegates authority to the HRD for employee selection, transfer, replacement, and promotion, following internal procedures.

C) Remuneration Criteria

- The remuneration structure is designed to attract, retain, and motivate directors, top-level executives, and employees, ensuring alignment with industry benchmarks and company objectives.

- Compensation packages, including fixed and incentive-based pay, reflect short- and long-term performance goals.

- Bonuses, benefits, and other forms of compensation for the Managing Director, top-level executives, and employees are determined by the NRC in accordance with company policies, subject to Board ratification as needed.

- The NRC recommends monthly honorarium and meeting attendance fees for Independent Directors, as per Bangladesh Bank's DFIM Circular No. 02 dated March 14, 2024, including reimbursement of incidental expenses, if applicable.

- NRC members do not receive any remuneration for advisory or consultancy roles beyond their designated Director's fees or honorarium.

D) Evaluation Criteria

a) Independent Directors and Non-Executive Directors

The performance of Independent Directors and Non-Executive Directors is evaluated annually by the Board of Directors based on the following criteria:

- Attendance at board and committee meetings.

- Active participation in discussions and decision-making processes during meetings.

- Contributions towards enhancing corporate governance practices within the company.

b) Managing Director

The Board establishes key performance measurement criteria for the Managing Director at the beginning of each calendar year, aligned with the role profile and responsibilities outlined in the annual budget. The Managing Director prepares quarterly performance reports, which are subsequently reviewed and assessed by the Board against the established benchmarks.

c) Top-Level Executives and Other Employees

Performance measurement criteria for top-level executives and other employees are determined by their respective line authorities at the beginning of each calendar year. These criteria are designed to align individual roles and responsibilities with business and organizational objectives. Employees prepare year-end performance reports, which are then evaluated by their respective line authorities based on the defined performance indicators.

Composition of the Committee

The Audit Committee, assigned with the role of NRC, was last reconstituted on July 29, 2025. The Board of Directors formed the Committee with three members, all of whom are highly qualified and meet the requisite qualifications as per regulatory directives. The current members of the Committee are:

Name	Role in the Committee	Board Position
Prof. Imran Rahman	Chairman	Independent Director
Mr. Khandkar Manwarul Islam	Member	Director
Mr. Mohammad Anisur Rahman	Member	Director

Mr. Jashim Uddin FCS, Company Secretary, also serves as the Secretary to the NRC.

Activities of the Committee during the Year

While the Audit Committee generally convenes on a quarterly basis, it held exclusive meetings under its role as the Nomination and Remuneration Committee. In these meetings, the Committee selected and recommended the appointment of Prof. Nausheen Rahman of the Finance Department, University of Dhaka, as an Independent Director, in accordance with the BSEC notification dated April 4, 2024.

Reporting to the Board and Shareholders

The Committee reports to the Board after each meeting and provides:

- **Copies of meeting minutes to the Board**
- **An annual report to the shareholders.**

Conclusion

The Audit Committee, in its role as the NRC, ensures that the company adheres to best practices in corporate governance by maintaining an effective framework for nomination and remuneration. Through its well-defined policies and rigorous evaluation processes, the NRC upholds transparency, accountability, and strategic workforce planning to drive the long-term success of DBH Finance PLC.

The Committee remains committed to upholding the highest standards of corporate governance and ensuring that the nomination and remuneration policies align with the evolving needs of the company and its stakeholders.

Prof. Imran Rahman
Chairman
Nomination and Remuneration Committee

REPORT ON GOING CONCERN

DBH Finance PLC. is a finance Company that has been operating on a going concern basis since 1997. Under IAS 1, financial statements are required to be prepared on this basis — premised on the assumption that the Company will continue operating indefinitely, meeting its obligations without any need for liquidation or cessation of trading.

Each year the Board of Directors conducts a formal assessment to determine whether any material uncertainties exist that could cast significant doubt on the Company's ability to continue as a going concern. This assessment encompasses a detailed review of budgets, financial projections, and all known operational and market uncertainties. Following its 2025 assessment, the Board is convinced — based on the financial, operational, and strategic indicators set out below — that DBH Finance PLC. is well-positioned to continue as a going concern for the foreseeable future.

KEY GOING CONCERN INDICATORS AT A GLANCE ■ 31 DECEMBER 2025

Capital Adequacy Ratio **30.73%** *vs 10% regulatory minimum*	AAA Credit Rating **20 Years** *Consecutive — industry first in BD*	Classified Loan Ratio **0.84%** *Improved from 0.97% in 2024*
Total Equity **BDT 1,005 Cr** *+7.0% growth over 2024*	Deposit Base **BDT 4,674 Cr** *Covers entire loan portfolio*	NAV Per Share **BDT 49.55** *Up from BDT 46.33 in 2024*

01 FINANCIAL INDICATIONS

Funding Structure & Short-Term Borrowings	Total borrowings closed 2025 at **BDT 802.96 Crore,** down from BDT 860.55 Crore in 2024 — a reduction of **7%.** The Company's funding structure is firmly anchored in long-term, stable liabilities. Deposits constitute over **82%** of total funding, with short-term market instruments playing a minimal role — reflecting DBH's deliberate policy of funding resilience over short-term cost optimisation.
Depositor Confidence & Funding Access	As at 31 December 2025, the total deposit portfolio stood at **BDT 4,674 Crore,** comfortably covering the entire home loan portfolio of BDT 4,557.65 Crore. Core deposits —grew to **BDT 4,633.60 Crore** from BDT 4,536.20 Crore in 2024, demonstrating continued and deepening depositor confidence in the DBH brand even in a highly competitive rate environment.
Business Growth & Disbursements	Gross disbursements for the conventional business reached **BDT 919 Crore** in 2025 (2024: BDT 910 Crore), while the affordable-housing segment delivered a breakthrough year — with **BDT 225 Crore** disbursed under the Affordable Housing Loan programme, representing nearly **25%** of total conventional disbursements. The DBH Islamic wing recorded HPSM investment growth of 63%, taking its portfolio to BDT 436 Crore.
Key Financial Ratios	The comprehensive financial highlights in this Annual Report depict the Company's ratios in an affirmative light. The return on assets stands at **1.40%,** equity grew by 7.0%, and the cost-to-income ratio was well managed at **30.53%.** These ratios collectively testify to the Company's robust financial foundation.
Consistent Dividend Payment	For the year ended 31 December 2025, the Board of Directors has recommended a **cash dividend of 15**% (BDT 1.50 per ordinary share) — subject to shareholder approval at the 30th Annual General Meeting. DBH has maintained an uninterrupted dividend track record throughout its operating history, a testament to its sustained earnings power and the Board's confidence in future prospects.
Credibility in Meeting Obligations	DBH has an unblemished record of meeting all payment obligations to lenders and depositors strictly within agreed timelines. The Company adheres rigorously to loan agreement covenants, and this consistency has reinforced its credibility and access to diverse, competitively priced funding sources.

Fixed Deposit Renewal Track Record	Total fixed deposits at 31 December 2025 stood at **BDT 4,674 Crore.** Based on the Company's long-standing experience, the Directors have every reasonable basis to expect that a substantial proportion of these deposits will be renewed upon maturity — a view consistent with the year-on-year growth in the core retail deposit base.
Operating Performance	Profit after tax for 2025 was **BDT 95 Crore** against BDT 101 Crore in 2024. While reflecting modest de-growth — attributable to deposit re-pricing outpacing loan book re-pricing — this must be read alongside continued structural strengthening: the **capital adequacy ratio rose to 30.73%,** the classified-loan ratio improved to **0.84%** (from 0.97%), and total equity grew to BDT 1,005 Crore. These structural improvements provide strong support for the Company's continuance as a going concern in all foreseeable scenarios.

02 OPERATING INDICATIONS

Product Diversification & DBH Islamic Wing	In its second full year of scaled operations, DBH Islamic delivered the most compelling growth story of 2025. Investment in Hire Purchase under Shirkatul Meelk (HPSM) surged to **BDT 436 Crore** from BDT 267 Crore **(+63%)**. Mudaraba customer deposits grew to **BDT 415** Crore from BDT 226 Crore (+84%). The wing also disbursed approximately **BDT 27.50 Crore** under its affordable-housing programme, bringing total institution-wide affordable-housing disbursements to approximately BDT 250 Crore for the year — validating DBH's social finance mandate.
Corporate Culture & Employee Satisfaction	DBH maintains a high-performance, inclusive corporate culture characterised by transparent communication — both horizontal and vertical — and fair treatment of all employees. The Company provides a competitive compensation package supported by a comprehensive suite of benefits: transport allowances, maternity benefits, performance-linked bonuses, provident fund, and gratuity. These policies drive strong employee engagement and retention, which in turn underpin the institutional continuity and operational stability of the organisation.

03 OTHER INDICATIONS

AAA Credit Rating — 20th Consecutive Year	DBH has maintained the highest long-term credit rating of **'AAA'** and short-term rating of **'ST-1'** for **20 consecutive years** — a distinction which, to the Company's knowledge, has not been achieved by any other financial institution in Bangladesh. This sustained recognition reflects an unwavering commitment to capital discipline, asset quality, and management excellence.
Capital Adequacy — Significantly Above Minimum	As at 31 December 2025, DBH's paid-up capital stands at **BDT 202.87 Crore,** well above Bangladesh Bank's minimum requirement of BDT 100 Crore. More significantly, the capital adequacy ratio stands at **30.73% —** more than **three times** the 10% regulatory minimum under Basel-II — placing DBH among the most strongly capitalised finance companies in Bangladesh.
Strong & Growing Equity Base	Total equity as at 31 December 2025 stands at **BDT 1,005.17 Crore,** an increase of **7.0%** over 2024. Net asset value per share strengthened to **BDT 49.55** from BDT 46.33. The capital surplus above the regulatory requirement provides substantial headroom for the 0growth ambitions set out in the Board's strategic plan, reinforcing the institution's long-term financial viability.
Asset Quality — Industry-Leading NPL	The classified-loan ratio improved to **0.84%** at year-end 2025, from 0.97% at end-2024 — against industry-wide ratios that are many multiples higher. Cumulative loan write-offs since inception stand at only **BDT 8.76** Crore, reflecting DBH's consistent culture of disciplined, relationship-based credit underwriting over 30 years.
Regulatory & Policy Environment	Management anticipates no significant change in legislation or government policy that would materially affect the business of the Company. DBH maintains full compliance with all Bangladesh Bank, BSEC, and other applicable regulatory requirements.

BOARD CONCLUSION

Based on the comprehensive assessment of financial, operating, and strategic indicators presented above, the Board of Directors is satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements. No material uncertainties have been identified that would compromise the Company's ability to continue as a going concern for the foreseeable future. Adequate disclosures have been made throughout the financial statements and this Annual Report to enable users to understand the basis and appropriateness of this conclusion.

DIRECTORS' RESPONSIBILITY STATEMENT

Responsibility to Financial Statements

The Board of Directors of DBH Finance PLC. would like to inform that the audited accounts containing the Financial Statements for the year ended 31st December 2025 are in conformity with the requirements of the Companies Act-1994, Financial Institutions Act-1993, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB, Securities & Exchange Rules-1987 and the Listing Regulations of Dhaka and Chittagong Stock Exchanges and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These Financial Statements are audited by the Statutory Auditors, M/s. Hoda Vasi Chowdhury, Chartered Accountants, Dhaka.

(i)

In the preparation of accounts, the applicable accounting standards have been followed;

(ii)

They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2025 and the profit of the Company for the year ended on that date;

(iii)

They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act- 1994 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv)

They have prepared the annual accounts on going concern basis.

Responsibility to Internal Control System

The Company has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Opinion of the External Auditors

M/s. Hoda Vasi Chowdhury & Co, Chartered Accountants, the statutory auditor of the Company has carried out annual audit to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders meeting and board meetings, relevant policies and expressed their opinion.

STATEMENT ON PROTECTION OF MINORITY SHAREHOLDERS' INTEREST

Securities regulator of the country, Bangladesh Securities and Exchange Commission (BSEC) has issued the Corporate Governance Code- 2018 for the listed companies on comply basis, to establish accountability, transparency as well as to protect minority shareholders interest and to create a position for the investors where from, they can make informed investment decision.

The most important protection afforded to minority shareholders comes in the form of a statutory remedy in section 233 of the Companies Act, 1994 of Bangladesh. In order to be eligible to file a petition under the section, the minority shareholder(s) must hold a minimum of ten percent of the issued shares in the case of a company having a share capital. The grounds on which such a petition may be filed by a minority shareholder(s) must be that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner prejudicial to one or more of its shareholders or that the company is acting or is likely to act in a manner which discriminated or is likely to discriminate the interest of any shareholder vis-a-vis the minority shareholders.

The concept of prejudice is extremely wide thereby allowing the court ample scope to exercise its judicial discretion in determining whether a particular conduct falls within the scope of this section. It protects not just the rights of minority shareholders but also their legitimate expectations. A typical case arises where the minority shareholder has invested in the company on the basis of an informal understanding (not reflected in the Articles of the company) that all shareholders will participate in the management of the company through their board positions.

In order to truly unlock the potential of this statutory remedy, certain reforms are imperative. To name one, the minimum shareholding requirement of 10% should be done away with to ensure that access to the statutory remedy is not outright denied to minority shareholders and public shareholders of listed companies holding less than the required minimum.

Despite the availability of this statutory remedy to minority shareholders of companies in Bangladesh, a growing trend of minority shareholders is to try to protect themselves by non-litigious means like shareholders agreements, specially drafted articles of association (containing, among others, class rights and weighted voting rights) or a combination of these approaches in closely held companies in which they have invested. Moreover, in the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

By practicing good corporate culture, DBH has been upholding the interest of its shareholders since its inception. Being a listed company we comply all the rules and regulations of the country and thus protect the interest of minority shareholders as well as all the shareholders. It may be mentioned here that, we have only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. The shareholders participate in the annual general meeting to appoint-reappoint their representatives as Directors as well as the External Auditors of the Company. Besides, we provide the information flow towards the minority shareholders and keep them updated through various means. Thus, the interests of all the shareholders including the minority shareholders are protected.

REPORT OF THE SHARI'AH SUPERVISORY COMMITTEE

For the Year Ended 31 December 2025

Bismillahir Rahmanir Rahim

All praise is due to Allah, the Lord of all the worlds. May peace and blessings be upon our beloved Prophet Muhammad (SAW), his family, his companions, and all those who follow his guidance until the Day of Judgment.

To the Board of Directors and the Shareholders of DBH Finance PLC

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh

In accordance with the Terms of Reference (ToR) as stipulated in the Bye-Laws of the Shari'ah Supervisory Committee (SSC), we are pleased to present our report on the Islamic Financing Wing (IFW) of DBH Finance PLC for the year ended 31 December 2025.

Scope and Responsibilities

During the year under review, the Shari'ah Supervisory Committee convened three (03) meetings and provided guidance on various Shari'ah-related matters presented by the Management through the Islamic Financing Division.

The Management of DBH Finance PLC bears the responsibility of ensuring that all Islamic financing operations are conducted in strict adherence to Shari'ah principles. Our responsibility, as an independent body, is to review these operations and provide an objective opinion based on our assessment.

Review and Compliance

We have reviewed the principles, contracts, and operational procedures relating to the Islamic financing transactions undertaken during the year 2025. Based on our review, we are satisfied that these are in compliance with the applicable Shari'ah rules and principles.

Our review process included:

- Examination of Shari'ah audit and inspection reports prepared by the Muraqib (Shari'ah Auditor)
- Assessment of compliance with relevant fatwas, rulings, and guidelines
- Consideration of internal control and compliance frameworks aligned with Bangladesh Bank's guidelines on Islamic banking.

We note with satisfaction that the Shari'ah non-compliance risk rating of the concerned Islamic Financing Windows remained within the "Low Risk" category throughout the year.

The SSC has also reviewed the Shari'ah audit reports and provided necessary guidance to strengthen and ensure ongoing compliance.

Methodology of Review

Our review was conducted on a test basis and included examination of:

- Transaction structures
- Supporting documentation
- Operational procedures adopted by the Islamic Financing Division

The review was planned and executed to obtain sufficient information and explanations necessary to provide

reasonable assurance that the Islamic Financing Wing has operated in accordance with Shari'ah principles.

Opinion

Based on our review, we are of the opinion that:

a) The contracts, transactions, and dealings executed by the Islamic Financing Wing during 2025 are compliant with Shari'ah principles.

b) The distribution of profit to Mudaraba depositors has been carried out in accordance with the principles approved by the SSC and in line with Shari'ah requirements.

c) No income derived from non-permissible (haram) sources has been included in the earnings.

d) Transactions conducted between the Islamic Financing Wing and the conventional operations of DBH Finance PLC have adhered to Shari'ah guidelines.

e) Zakah is not applicable to the Window-based Islamic Financing Wing structure of DBH Finance PLC.

Key Recommendations

During the year, the Shari'ah Supervisory Committee advised the Management to:

a) Continue enhancing training, capacity building, and awareness programs for employees, existing customers, and potential clients on Shari'ah-compliant Home Financing and Mudaraba Deposits.

b) Strengthen market outreach by organizing workshops, knowledge-sharing sessions, and promotional activities targeting corporate clients to expand Islamic Home Financing and Mudaraba Deposit portfolios.

c) Ensure timely and effective implementation of all recommendations provided by the SSC.

d) Gradually assign dedicated and qualified human resources to all Islamic Financing Wings across all branches to ensure professional, efficient, and Shari'ah-compliant service delivery.

Acknowledgment

The Shari'ah Supervisory Committee expresses its sincere appreciation to the Board of Directors and the Management of DBH Finance PLC for their continued commitment to Shari'ah compliance and for their cooperation and support to the SSC throughout the year.

Closing Dua

We pray that Allah (Subhanahu Wa Ta'ala) grants us all the ability and sincerity to uphold His commandments and to implement Shari'ah principles in all aspects of our financial dealings and daily lives.

Ameen.



Dr. Muhammad Saifullah
Chairman
Shari'ah Supervisory Committee

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DBH Finance PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DBH Finance PLC. (the "Company"), which comprise the balance sheet as at 31 December 2025, the profit and loss account, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with rules and regulations issued by Bangladesh Bank and International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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 ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, were of the 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 each matter below our description of how our audit addressed the matter is provided in that context.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolios associated with credit risk is significant and complex. For the individual analysis for large exposure, the provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.	We tested the design and operating effectiveness of key controls focusing on the following: ■ 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);

For the collective analysis of exposure on a portfolio basis, provision calculation and reporting are manually processed, which deal with voluminous databases, assumptions and estimates. In Bangladesh, non-performing loans have been increasing day by day. Finance companies need to maintain provisions for additional non-performing loans in line with the Bangladesh Bank's guidelines. Furthermore, management has an incentive to maintain lower provisions for loans and advances to overstate profit and large portfolio comprising a high number of loans with relatively small individual outstanding balances. Considering these factors, we have considered measurement of provision for loans, advances and leases as significant risk as well as a key audit matter. As of 31 December 2025, the Company reported total gross loans and advances BDT 45,576,479,546 (31 December 2024: BDT 44,509,374,472) and provision for loans BDT 1,259,067,515 (31 December 2024: BDT 1,165,931,185). We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias: ■ Completeness and timing of recognition of loss events in accordance with criteria set out in DFIM Circular no 04 dated 26 July 2021; ■ For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; ■ Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral and recovery rates.	Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: ■ Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; ■ Assessed the methodologies on which the provision amounts were 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; and ■ Finally compared the amount of loan provision and loan classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank. ■ We have selected samples to check compliance with the above Bangladesh Bank instructions. Recalculated the provision amount of loans, and advances, and checked loan classification in line with the Bangladesh Bank Guidelines, and compared the amount of loan provision and loan classification disclosed in the financial statements and with the quick summary report issued by Bangladesh Bank.
See note no 7 and 12 to the financial statements	

Recognition of interest income on loans, advances and leases	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income have involved complex IT environments. We identify recognition of interest income from loans, advances and leases as a key audit matter because this is one of the key performance indicators of the Company and therefore there is an inherent risk of fraud and error and overstatement in recognition of interest by management to meet specific targets or expectations. As at 31 December 2025, the Company reported gross interest income from loans and advances of BDT 7,918,373,015 (31 December 2024: BDT 7,339,329,315).	We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans, advances and leases focusing on the following: ■ Reviewing transfer of interests to the income account in line with the Bangladesh Bank's guideline; ■ Reviewed the grounds for approval for the transfer of interest to the income account. We performed test of operating effectiveness on automated control in place to measure and recognize interest income. We have also performed substantive procedure to check whether interest income is recognized completely and accurately in line with time-to-time movement of interest rate published by Bangladesh Bank. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.
See note no 18 to the financial statements	

Completeness of Deposits and Accuracy of Interest Expense Recognition	
Deposits are the largest source of funding for the Company and form the backbone of its liquidity and regulatory compliance. The recognition of interest expense on deposits is significant, as it directly impacts profitability, capital adequacy, and customer trust. The process of measuring deposits and calculating interest expense is complex. It requires reconciling individual customer balances with the general ledger, applying interest rates correctly across diverse deposit products, and ensuring compliance with Bangladesh Bank regulations. The Company relies heavily on its Core Banking System (CBS) to process voluminous transactions, calculate interest accruals, and maintain deposit records. Errors in CBS logic, manual overrides, or misclassification of deposit accounts could materially misstate both liabilities and interest expense. As at 31 December 2025, the Company reported deposits of BDT 46,736,461,380 (31 December 2024: BDT 45,775,344,891). Related interest expense amounted to BDT 5,431,729,586 (31 December 2024: BDT 4,675,063,290). Given the materiality of these balances and expenses, the complexity of CBS generated calculations, and the significant judgment required, we identified the completeness of deposits and accuracy of interest expense recognition as a Key Audit Matter.	Our audit procedures addressed both the completeness of deposits and the accuracy of interest expense recognition. Specifically, we: ■ Tested the design and operating effectiveness of controls over deposit account opening, maintenance, and interest calculation within the CBS; ■ Recalculated interest expense for sampled accounts manually and compared with CBS-generated calculations; ■ Tested the CBS interest calculation engine, including rate application, accrual timing, and reconciliation of balances; ■ Performed IT audit procedures to validate completeness, accuracy, and integrity of deposit and interest data processed by the CBS and ■ Evaluated the appropriateness and presentation of disclosures against IFRS and Bangladesh Bank circulars.
See note no 11 and 19 to the financial statements	

Valuation of Treasury Bill and Treasury Bond	
The classification and measurement of T-Bill and T-Bonds require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques that may take into consideration direct or indirect unobservable market data and complex pricing models that require an elevated level of judgment.	We assessed the processes and controls put in place by the Company to identify and confirm the existence of financial instruments. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instruments' valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 6 to the financial statements.	

Measurement of deferred tax assets/ liabilities	
As at 31 December 2025, the Company reported total deferred tax asset of BDT 11,851,420 (31 December 2024: BDT 6,463,403), total deferred tax liability of BDT 47,810,026 (31 December 2024: BDT 46,038,454) and deferred tax income of BDT 3,616,445 (31 December 2024: deferred tax income of BDT 11,285,577). Significant judgment is required in relation to deferred tax assets/ liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and DTLs and the assumptions used in estimating the Company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Company has sufficient taxable profit to recover the deferred tax assets/ liabilities in the foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's/ DTL's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including the deduction of DTA/ DTL on specific provisions from regulatory capital.
See notes no 9, 32 and Annexure-C to the financial statements	

Valuation of Defined Benefits and Pension Obligation	
The Company operates a number of defined benefit schemes. At the year-end, the Company reported a net defined benefit asset (for gratuity) of BDT 27,743,674. The valuations of the retirement benefit liabilities are calculated with reference to a number of actuarial assumptions and inputs including discounting rate, rate of inflation and mortality rates. The net defined benefit asset is sensitive to changes in the assumptions.	We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to the Company's actuaries, which is used to calculate the pension assets and pension schemes' surplus or deficit. We also tested the control associated with the actuarial assumptions setting process and the measurement of the fair value of the schemes' assets. We concluded that the key controls were designed, implemented and operated efficiently. We obtained, evaluated and relied on the actuarial/valuation report prepared by the independent expert and tested the employee data used in calculating the obligation. We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.
See note no 9 and Annexure-B to the financial statements.	

Legal and regulatory matters	
We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.	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. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We inquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Company's provisions and contingent liabilities disclosure.

IT systems and controls	
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. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively. The IT infrastructure is critical for the smooth functioning of the business operations as well as for timely and accurate financial accounting and reporting. Core Banking Solution (CBS) is primarily relevant for financial reporting. Due to the pervasive nature and complexity of the IT environment, we have ascertained Key Information technology ("IT") systems and controls used for CBS as a key audit matter.	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 for changes to systems for appropriate approval and authorization. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting. We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.

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 auditor's 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 the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Finance Company Act, 2023 and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the company. The management is also

required to make a self- assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other 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 statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 2020, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditures incurred were for the purpose of the Company's business for the year;

(v) the financial statements of the Company have been drawn up in conformity with the Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

(vi) adequate provisions have been made for loans, advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

(vii) based on our checking of sample, no advance or loan in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed;

(viii) 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;

(ix) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;

(x) statements sent to Bangladesh Bank have been checked on a sample basis and no inaccuracy has come to our attention;

(xi) taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions and found satisfactory based on test checking;

(xii) 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;

(xiii) 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 properly complied with as disclosed to us by management;

(xiv) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance functions of the Company are satisfactory and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

(xv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans were found satisfactory;

(xvi) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 2,000 person hours for the audit of the books and accounts of the Company;

(xvii) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

(xviii) the Company has complied with the 'First Schedule' of the Finance Company Act, 2023 in preparing these financial statements; and

(xix) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 10 May 2026
DVC: 2605111512AS241954

Shaikh Hasibur Rahman, FCA
Partner
ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

DBH FINANCE PLC.
BALANCE SHEET
As at 31 December 2025

Particulars	Notes	Amount in Taka	
		31 December 2025	31 December 2024
PROPERTY AND ASSETS			
Cash		**712,459,138**	**682,364,503**
In hand	3.1	148,276	185,362
Balance with Bangladesh Bank and its agent Bank	3.2	712,310,862	682,179,141
Balance with other banks and financial institutions		**14,095,488,972**	**9,380,539,393**
In Bangladesh	4.1	14,095,488,972	9,380,539,393
Outside Bangladesh		-	-
Money at call and short notice	5	**450,000,000**	**1,900,000,000**
Investments	6	**7,208,469,582**	**10,185,964,534**
Government		6,065,905,996	9,125,625,604
Others		1,142,563,586	1,060,338,930
Loans and advances		**45,576,479,546**	**44,509,374,472**
Loans and advances	7	45,576,479,546	44,509,374,472
Fixed assets including land, building, furniture and equipments	8	**393,254,090**	**264,832,694**
Other assets	9	**282,398,616**	**264,769,172**
Total Assets		**68,718,549,944**	**67,187,844,768**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	10	**8,029,648,424**	**8,605,493,839**
Deposits and other accounts		**46,736,461,380**	**45,775,344,891**
Fixed deposits	11.1	46,736,461,380	45,775,344,891
Other deposits		-	-
Other liabilities	12	**3,900,783,154**	**3,408,746,433**
Total Liabilities		**58,666,892,958**	**57,789,585,163**
Shareholders' equity			
Paid-up capital	13.2	2,028,679,740	1,988,901,710
Share premium	14	55,000,000	55,000,000
Statutory reserve	15	1,973,679,740	1,933,901,710
Other reserves	16	4,484,794,036	4,484,631,160
Retained earnings	33	1,509,503,470	935,825,025
Total equity		**10,051,656,986**	**9,398,259,605**
Total liabilities and Shareholders' equity		**68,718,549,944**	**67,187,844,768**
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17.1		
Acceptances and endorsement		-	-
Letter of guarantee		-	-
Irrevocable letter of credits		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments	17.2		
Documentary credit & short-term trade related transaction		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-
Net Asset Value (Re-Stated : 2024)		**49.55**	**46.33**

Notes:

1. Independent Auditor's Report-Page 252 to 259.
2. The annexed notes 1 to 43 and annexure A - E, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 10 May 2026 and were signed on its behalf by:

Chairman | Director | Director | Managing Director & CEO

Dhaka, 10 May 2026
DVC: 2605111512AS241954

Shaikh Hasibur Rahman, FCA
Partner, ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

DBH FINANCE PLC.
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2025

Particulars	Notes	Amount in Taka	
		2025	2024
Interest Income	18	7,918,357,345	7,339,329,315
Interest paid on deposits and borrowings etc.	19	(6,610,232,650)	(5,796,307,568)
Net Interest Income		**1,308,124,695**	**1,543,021,747**
Income from investment	20	1,005,728,139	809,106,058
Commission, exchange and brokerage	21	175,858,626	176,738,423
Other operating income	22	14,618,925	8,545,688
Total operating income		**2,504,330,385**	**2,537,411,916**
Salary and allowances	23	497,109,538	469,048,253
Rent, taxes, insurance, electricity etc.	24	26,597,178	21,253,621
Legal & professional expenses	25	20,358,942	21,837,523
Postage, stamp, telecommunication etc.	26	10,488,051	11,448,061
Stationery, printing, advertisements etc.	27	16,545,837	14,958,112
Managing Director's salary and fees		13,300,000	13,300,000
Directors' fees and expenses	28	886,860	1,252,335
Auditor's fees	29	1,092,500	920,000
Depreciation, repairs & maintenance	30	93,145,387	82,959,073
Other expenses	31	85,146,695	76,586,758
Total operating expenses		**764,670,989**	**713,563,736**
Profit before provisions		**1,739,659,396**	**1,823,848,180**
Provisions:			
Loans and advances	12.1.A	150,249,752	29,305,372
Diminution in value of investments	12.1.3	6,359,181	83,585,275
Other Assets		-	-
Total provisions		**156,608,933**	**112,890,647**
Profit before tax		**1,583,050,463**	**1,710,957,533**
Provision for tax:	32		
Current tax		635,097,146	713,684,462
Deferred tax expense/(income)		(3,616,445)	(11,285,576)
		631,480,701	**702,398,886**
Profit after tax		**951,569,762**	**1,008,558,647**
Appropriations			
Statutory reserve		39,778,030	-
General and other reserves		-	450,000,000
		39,778,030	**450,000,000**
Retained surplus		**911,791,732**	**558,558,647**
Earnings Per Share (Re-Stated : 2024)	34	**4.69**	**4.97**

	2024	2023
Earning Per Share (As per previous audited financial statements)	**5.07**	**4.95**

Notes:

1. Independent Auditor's Report-Page 252 to 259.
2. The annexed notes 1 to 43 and annexure A - E, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 10 May 2026 and were signed on its behalf by:

Chairman | Director | Director | Managing Director & CEO

Dhaka, 10 May 2026
DVC: 2605111512AS241954

Shaikh Hasibur Rahman, FCA
Partner, ICAB Enrollment # 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants

DBH FINANCE PLC.
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2025	1,988,901,710	55,000,000	1,933,901,710	4,484,631,160	935,825,025	9,398,259,605
Net profit (after tax) for the period	-	-	-	-	951,569,762	951,569,762
Remeasurements gain/(loss) due to actuarial valuation	-	-	-	162,876	-	162,876
Transferred to reserve funds	39,778,030	-	-	-	(39,778,030)	-
Stock dividend issued	-	-	39,778,030	-	(39,778,030)	-
Cash dividend paid	-	-	-	-	(298,335,257)	(298,335,257)
Balance at 31 December 2025	**2,028,679,740**	**55,000,000**	**1,973,679,740**	**4,484,794,036**	**1,509,503,470**	**10,051,656,986**

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2024	1,988,901,710	55,000,000	1,933,901,710	4,025,040,000	675,601,635	8,678,445,055
Net profit (after tax) for the period	-	-	-	-	1,008,558,647	1,008,558,647
Remeasurements gain/(loss) due to actuarial valuation	-	-	-	9,591,160	-	9,591,160
Transferred to reserve funds	-	-	-	450,000,000	(450,000,000)	-
Stock dividend issued	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	(298,335,257)	(298,335,257)
Balance at 31 December 2024	**1,988,901,710**	**55,000,000**	**1,933,901,710**	**4,484,631,160**	**935,825,025**	**9,398,259,605**

Chairman | Director | Director | Managing Director & CEO

DBH FINANCE PLC.
CASH FLOW STATEMENT
For the year ended 31 December 2025

Particulars	Notes	Amount in Taka 2025	2024
Cash flows from operating activities			
Interest receipts		7,878,643,391	7,302,944,056
Interest payments		(6,017,915,176)	(5,345,794,219)
Dividend receipts		31,121,332	26,957,306
Fees and commission receipts in cash		175,858,626	176,738,423
Cash payments to employees, suppliers and various operating expense		(717,367,664)	(655,381,020)
Income tax paid		(797,553,917)	(640,215,791)
Receipts from other operating activities		1,012,276,146	836,726,887
Cash generated from operating activities before changes in operating assets and liabilities		1,565,062,738	1,701,975,642
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(1,135,271,086)	(835,919,672)
Investment in trading securities		(101,885,672)	(111,793,538)
Other assets		28,672,979	37,239,110
Loans and deposits from banks and other customers		961,116,489	(880,607,805)
Interest suspense		10,178,708	3,595,601
Other liabilities		186,127,067	10,214,593
Cash generated/ (utilized) in operating assets and liabilities		(51,061,515)	(1,777,271,711)
Net cash flows from/(used in) operating activities	37	**1,514,001,223**	**(75,296,069)**
Cash flows from investing activities			
Net proceeds(Payments) for sale/purchase of Treasury Bond		3,059,719,608	(4,940,111,924)
Other investments		-	-
Purchase of property, plant & equipment		(85,963,194)	(71,410,794)
Proceeds from sell of property, plant & equipment		266,630	1,077,482
Net cash flows from/(used in) investing activities		**2,974,023,044**	**(5,010,445,236)**
Cash flows from financing activities			
Net receipt from bank and financial institute		540,452,134	(3,400,145,867)
Net receipt by DBH Affordable Housing Bond & ZCB		(1,439,850,000)	2,626,461,393
Cash dividend paid		(298,335,257)	(298,335,257)
Net cash flows from/(used in) financing activities		**(1,197,733,123)**	**(1,072,019,731)**
Net increase/(decrease) in cash and cash equivalents		**3,290,291,144**	**(6,157,761,035)**
Effects of exchange rate changes on cash and cash equivalents		**-**	**-**
Cash and cash equivalents (net off overdraft) at the beginning of the period		**11,799,089,800**	**17,956,850,835**
Cash and cash equivalents (net off overdraft) at the end of the period	37A	**15,089,380,944**	**11,799,089,800**

Notes:

1. Independent Auditor's Report-Page 252 to 259.
2. The annexed notes 1 to 43 and annexure A - E, form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 10 May 2026 and were signed on its behalf by:

Chairman | Director | Director | Managing Director & CEO

DBH FINANCE PLC.
LIQUIDITY STATEMENT
As at 31 December 2025

Amount in Taka

Particulars	Up to 1 month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	Total
Assets						
Cash (In hand and balance with Bangladesh Bank and its' agent bank)	712,459,138	-	-	-	-	712,459,138
Balance with other banks and financial institutions	5,634,794,515	4,571,507,752	3,889,186,705	-	-	14,095,488,972
Money at call on short notice	450,000,000	-	-	-	-	450,000,000
Investments	1,157,745,910	1,437,045,574	2,880,073,273	206,311,685	1,527,293,140	7,208,469,582
Loans and advances	721,457,312	1,416,333,354	5,739,093,146	21,192,476,772	16,507,118,962	45,576,479,546
Fixed assets including land, building, furniture, equipments & ROU asset	5,168,938	10,337,876	44,765,013	194,287,451	138,694,811	393,254,090
Other assets	-	-	-	-	282,398,616	282,398,616
Total Assets	**8,681,625,814**	**7,435,224,556**	**12,553,118,137**	**21,593,075,908**	**18,455,505,528**	**68,718,549,944**
Liabilities						
Borrowing from other banks and financial institutions	1,243,550,389	2,686,512,024	1,507,899,197	2,591,686,814	-	8,029,648,424
Deposits and other accounts	1,828,707,984	3,991,460,333	11,152,158,204	18,655,444,297	11,108,690,562	46,736,461,380
Other liabilities	480,244,246	633,523,932	1,239,702,474	11,982,282	1,535,330,221	3,900,783,154
Total liabilities	**3,552,502,618**	**7,311,496,289**	**13,899,759,875**	**21,259,113,393**	**12,644,020,784**	**58,666,892,958**
Net liquidity gap	5,129,123,196	123,728,267	(1,346,641,738)	333,962,515	5,811,484,745	10,051,656,986

DBH FINANCE PLC.
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 31 December 2025

1.0 Company and its activities

1.01 Domicile, legal form, country of incorporation and registered office

DBH Finance PLC. (here-in-after referred to as "DBH" or "the Company") formerly known as Delta Brac Housing Finance Corporation Ltd. was incorporated as a public limited company and obtained the Certificate of Commencement of Business under Companies Act 1994 on May 11, 1996. The Company has also been granted license under the Financial Institutions Act 1993 on July 15, 1996. The registered address of the Company is situated at Landmark Building, (9th floor), 12-14 Gulshan C/A, Gulshan-2, Dhaka. The Company went for public issue in 2007-08 and the shares of the Company are listed in Dhaka and Chittagong Stock Exchanges in Bangladesh.

1.02 Principal activities and nature of operations

i) The principal activities of the Company are providing loans for construction of houses, purchases of flats or houses, extensions and improvements of existing houses or flats and purchase of housing plots.

ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, triple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit etc. for its individual and corporate clients.

2.0 Basis of preparation and significant accounting policies

2.01 Statement of compliance

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 Companies Act, 1994, the Finance Company Act, 2023, Securities and Exchange Rules, 2020 & the (Listing) Regulation, 2015 of Dhaka & Chittagong Stock Exchanges and other applicable laws and regulations in Bangladesh and practices generally followed by Housing Finance Institutions.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No. 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of the Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for financial institutions, have been kept blank in the financial statements. The financial statements are prepared on the historical cost basis and therefore, did not take into consideration the effect of inflation.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note - 2.49

However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in note-2.3 & 3 by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

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

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions 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 in Note -2.49 along with financial impact where applicable.

2.03 Components of the financial statements

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

(i) Balance Sheet as at 31 December 2025;

(ii) Profit and Loss Account for the year ended 31 December 2025;

(iii) Changes in Equity for the year ended 31 December 2025;

(iv) Cash Flows for the year ended 31 December 2025;

(v) Liquidity Statement as at 31 December 2025;

(vi) Notes to the Financial Statements for the year ended 31 December 2025.

2.04 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.05 Date of authorization

The Board of directors has authorized this financial statements for public issue on 10 May 2026.

2.06 Reporting period

The financial statements of the company covers one year period ranging from 1 January 2025 to 31 December 2025.

2.07 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.08 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which assumes that the company will continue its operations for the foreseeable future. The company has neither the intention nor any legal or regulatory obligation to liquidate or materially curtail the scale of its operations.

Key financial indicators of the company, including liquidity position, profitability, asset quality, adequacy of provisions, and capital adequacy ratio, have demonstrated stable and satisfactory performance over the past few years.

Based on the above assessments, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern.

2.09 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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. Such estimates and assumptions are made on historical experience and other factors that are considered reasonable under the required circumstances.

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

(i) Provision of impairment loans and advances, and investments

(ii) Gratuity

(iii) 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. In accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guideline of Bangladesh Bank, DBH reviews its loans and advances portfolio on monthly basis to assess whether any further allowances/ write back for impairment should be provided in the income statement. The judgment by the management is required in the estimation of these amounts and such estimations are based on assumption about a number of factors though actual results may differ, resulting in future changes to the provisions.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of financial institution; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of financial institution. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.10 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by International Accounting Standard (IAS) 1, 'Presentation of Financial Statements'. No amount has been set off unless the DBH 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.

2.11 Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognized in profit or loss in the period in which they arise.

2.12 Status of compliance of International Accounting Standards and International Financial Reporting Standards

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	**
Inventories	2	N/A
Statement of Cash Flows	7	**
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Governments Assistance	20	N/A
The Effect of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefits Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	**
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
First-time adoption of International financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-currents Assets held for sale and discontinued operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments : Disclosures	7	**
Operating Segments	8	Applied
Financial Instruments	9	**
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

** DBH management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

N/A = Not applicable

2.13 Offsetting

Financial assets and financial liabilities are presented on a net basis in the balance sheet only when the Company has a legally enforceable right and is permitted by the standard to offset the recognized amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The right of set-off must be unconditional and not dependent on future events. It must also be legally enforceable in the normal course of business as well as in the event of default, insolvency, or bankruptcy of the Company or the counterparty. Assets and Liabilities and income and expenses are not set-off unless permitted by the International Accounting Standards (IASs).

2.14 Branch accounting

The Company operates through sixteen offices comprising one Head Office and fifteen branches. As of December 31, 2025, the Company does not have any overseas branches.

The accounts of all branches are centrally maintained at the Head Office. Transactions undertaken by the branches are recorded in the books of account maintained at the Head Office in accordance with the Company's accounting policies and applicable financial reporting standards.

Accordingly, the financial statements incorporate the accounts of the Head Office and all branches, and present the financial position and results of operations of the Company as a single reporting entity.

2.15 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

2.16 Accounting policy for Leases (IFRS 16)

As a lessee

DBH recognizes a right of use asset and a lease liability from the beginning of 2020. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2020) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2020), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, DBH's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in DBH's estimate of the amount expected to be payable under a residual value guarantee, or if DBH changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

DBH presents right of use assets in **Annexure A** and lease liabilities in note: 12.4 separately.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balance with Bangladesh Bank and its agent bank and balance with other banks and financial institutions. For the purpose of statement of cash flow, cash and cash equivalents are prepared net off bank overdrafts.

Cash Flow Statement

The Statement of Cash Flows has been prepared principally in accordance with IAS 7 "Statement of Cash Flows" and in compliance with the guidelines set out in DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.

The statement presents the structure of and changes in cash and cash equivalents of the Company during the year. Cash flows for the period have been prepared using the direct method and have been classified into operating, investing, and financing activities in accordance with the relevant accounting standards and regulatory requirements.

2.18 Investment in securities

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition, investments in marketable securities except DBH 1st Mutual Fund, Green Delta 1st Mutual Fund have been valued at cost or market price whichever is lower on an aggregate portfolio basis. Above mutual funds and Peninsula SBC Unit Fund-1and Peninsula AMCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2025 or cost price whichever is lower. Investment in non marketable securities have been valued at cost. Full provision for diminution in value of securities at the year end on aggregate portfolio basis excepts investment in mutual funds and unit funds are made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. Provision for above mutual funds and unit funds at the year end is made as required by Bangladesh Bank DFIM circular No. 05 dated May 11, 2015.

Investment in Government Treasury Bond

As per IFRS 9, Financial assets are classified as either (i) amortized cost (ii) fair value through profit or loss (iii) fair value through other comprehensive income. In case of valuation of investment in Government Bonds, DBH followed amortized cost method, as it meets both the business model assessment and Contractual cash flow assessment.

2.19 Provision for loans and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on Bangladesh Bank guidelines.

The Company's policy is to make provision for the loans and advances to cover the principal amount in respect of non performing loans when installments are outstanding for more than six months and any other overdue accounts on the basis of management's assessment where there are possibilities of impairment in future. The Company has made adequate provision which is more than the minimum regulatory requirement.

DBH's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions of Bangladesh Bank. The Classification rates are given below:

Particulars	Rate
General provision on:	
Unclassified loans and advances	1.00%
Financing to the Subsidiaries and/or Sister Concerns, Brokerage House, Merchant Banks and Stock Dealers (CL-6C)	2.00%
Special mention account (SMA)	5.00%
Specific provision on:	
Substandard loans and advances (SS)	20.00%
Doubtful loans and advances (DF)	50.00%
Bad/loss loans and advances (BL)	100.00%

2.20 Fixed assets including land, building, furniture and equipment

i) Recognition and measurement

Own assets

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Property, plant and equipment are stated at cost less accumulated depreciation in compliance with the International Accounting Standard (IAS) 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes, if any.

ii) Subsequent expenditure on fixed assets

Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses.

iii) Disposal

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

iv) Depreciation

Depreciation of an asset begins when the asset is available for use. Depreciation is provided for the period in use of the assets. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets:

Category of assets	Rates of depreciation per annum	Estimated useful life
Furniture & Fixtures	15% - 20%	5- 6.67 years
Equipment	20% - 25%	4 - 5 years
Computer and computer equipment	20% - 25%	4 - 5 years
Vehicles	20%	5 years
Building	3%	33.33 years
Intangible asset	20%	5 years
Right-of-use asset	Based on lease term	Lease term
Land	Not depreciated	-

Depreciation on newly acquired assets are calculated from the month of acquisition (full month) and no depreciation is charged for the month in which the assets are disposed off.

v) De-recognition

An item of property, plant and equipment is de-recognized on its disposal. Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of IAS 16 "Property, Plant and Equipment". Such gain or loss is determined as the difference between sales proceeds and carrying amount of the asset.

2.20 Intangible assets and amortization of intangible assets

Components

The main item included in intangible asset is software.

Basis of recognition

An intangible asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the Balance Sheet at cost less accumulated amortization.

Subsequent costs

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization

Intangible asset is valued at amortized cost and written down within 5 years.

2.22 Impairment of assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in line with International Accounting Standard 36: Impairment of Assets. If any such indication exists, the recoverable amount of assets is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable impairment losses are recognized in the profit and loss account.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other standard. After the recognition of an impairment loss, the depreciation/amortization charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

2.23 Receivables

Accounts receivables

Accounts receivables include mainly dividend receivable, interest receivable, and sundry receivable. No such receivables are accounted for if the loans are classified as bad and loss. Receivables carry interest for the periods for which the delay in payments of the amounts due from the clients continues. Such interest is not recognized as income until it is received in cash.

2.24 Bank loans, deposits etc.

Interest bearing bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on an accrued basis to profit and loss account under the head of financial expense at the implicit rate of interest. The accrued expenses are not added to carrying amounts of the loans.

2.25 Financial instruments:

Financial instrument includes non-derivative financial instruments such as cash and equivalents, money at call and on short notice, investments in shares, loans, advances, borrowing from other banks and financial institutions, deposits etc.

2.26 Employees benefit plans

DBH offers a number of benefit plans which include contributory provident fund, gratuity plan, death and disability plan, and hospitalization benefit including annual health check-up and maternity benefits. The recognition and disclosure for employee benefits are made in accordance with International Accounting Standard 19: Employee Benefits.

2.27 Statutory reserve

As per clause no. 06 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 required paid up capital of that financial institution. As per DFIM Circular No. 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset.

2.28 Litigation

The Company is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The Company, however, provides adequate provisions as per guidelines of International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets.

2.29 Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

a) identify the contract (s) with a customers;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized on an accrual basis of accounting and where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

Interest income

Interest income on loans and advances / profit on investment is recognized on accrual basis except overdue interest and interest of the loan accounts considered as non-performing. Interest income is suspended and full provision is made against the interest receivables on all non-performing loans when the installments are outstanding for more than six months or any other accounts which are considered doubtful of recovery on the basis of judgment of the management.

Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/ compensation on classified investments are transferred to profit suspense account instead of income account.

Fees and other charges on loans

Receipt of loan processing/servicing fees and other fees are recognized as income when the performance obligations are satisfied and the amount of the transaction price is allocated to the performance obligations.

Dividend income

Dividend income is recognized on accrual basis when the right to receive income is established. Dividend income from ordinary shares is recognized when the shareholders' legal rights to receive payments have been established i.e. during the period in which dividend is declared in the Annual General Meeting. Dividend declared but not received is recognized as deemed dividend. Dividend from preference shares is recognized on cash basis.

Interest suspense account

Interest on non-performing loans is not recognized as revenue and credited to interest suspense account. Non performing loans refer to the loans when the installments are outstanding for more than six months and any other accounts which are considered impaired on the basis of judgments of the management.

Gain on sale of securities

Capital gain on disposal of securities listed in the stock exchanges is recorded on realized basis. i.e. only when the securities are sold in the market. Unrealized capital gains are not accounted for in the profit and loss account.

2.30 Provision for doubtful losses

The provision for doubtful losses is maintained at a level that management considers adequate to absorb identified credit related losses in the portfolio as well as losses that have been incurred but are not yet identifiable. The provision is increased by the provision for doubtful losses, which is charged to profit and loss account, and decreased by the amount of write-offs, net of reverses.

The provision is determined based on management's identification and evaluation of problem accounts, estimated probable losses that exist on the remaining portfolio and on other factors including the composition and quality of the portfolio and changes in economic condition.

The provision is estimated based on two principles: (1) International Accounting Standard (IAS) 37: Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines. Methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. FID circular 08 dated August 03, 2002 and subsequent updated by Bangladesh Bank in this regard is the basis for calculating the provision for doubtful losses.

2.31 Income tax

Income tax expense represents the sum of current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using, the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements. The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.32 Dividend to company's shareholders

Final dividend is recognized when it is approved by the shareholders.

The proposed cash dividend is not recognized as a liability in the balance sheet in accordance with the International Accounting Standard (IAS) 10: 'Events After the Reporting Period'. Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

International Accounting Standard (IAS) 1: 'Presentation of Financial Statements', also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

2.33 Earnings per share

The Company calculates Earnings Per Share (EPS) in accordance with International Accounting Standard (IAS) 33: 'Earnings Per Share', which has been shown on the face of Profit and Loss account, and the computation of EPS is stated in the notes to the financial statements.

Basic earnings per share

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies.

Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. At 31 December 2025, there was no scope for dilution and hence no diluted EPS is required to be calculated.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

2.34 Cash flow statements:

The Statement of Cash Flows has been prepared principally in accordance with IAS 7 "Statement of Cash Flows" and in compliance with the guidelines set out in DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.

The statement presents the structure of and changes in cash and cash equivalents of the Company during the year. Cash flows for the period have been prepared using the direct method and have been classified into operating, investing, and financing activities in accordance with the relevant accounting standards and regulatory requirements.

2.35 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

(i) Balances with other banks and financial institutions, money at call on short notice, etc. are on the basis of their maturity term and past historical trend.
(ii) Investments are on the basis of their expected liquidation & residual maturity term.
(iii) Loans and advances are on the basis of their repayment schedule and past trend of early settlement.
(iv) Fixed assets are on the basis of their useful lives.
(v) Other assets are on the basis of their realization / amortization.
(vi) Borrowings from other banks, and financial institutions and agents as per their maturity/repayment terms.
(vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by depositors.
(viii) Other long term liabilities are on the basis of their maturity terms.
(ix) Other liabilities are on the basis of their settlement terms.

2.36 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.37 Employee benefits

2.37.1 Defined contribution plan

Defined Contribution plan (Contributory provident fund)

The Company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the employees.

2.37.2 Defined benefit plan

Gratuity scheme

The Company has a funded gratuity scheme for all confirmed employees who complete minimum 5 years of service with the Company. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees. Actuarial valuation of the gratuity scheme was made in 2025 to assess the adequacy of the liability for the scheme as per International Accounting Standard - 19 "Employee Benefits".

Following benefits are payable on retirement, death or leaving service:

Less than 5 year of service - Nil

Service between 5 and 10 year - One month's last drawn basic pay for every completed year of service.

On completion of 10 years confirmed service and above - Two month's last drawn basic pay for every completed year of service.

Maximum benefits - 50 times basic pay

2.37.3 Workers Profit Participation and Welfare Fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, DBH did not recognize the WPPF.

2.38 Loans - secured

Repayment of mortgage loans is made by way of Equated Monthly Installments (EMI) consisting of principal and interest. There are two modes of interest calculation on loans i.e., monthly reducing or annual reducing method as per loan agreement between customer and DBH. Effective interest rate is same as the rate quoted in case of monthly reducing method but higher under annual reducing method. EMI commences once the entire loans are disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month.

2.39 Write off

Write off refers to recognition of the reduced or zero value of an asset. It also refers to an investment for which a return on the investment is now impossible or unlikely. Potential return along with such investment is thus cancelled and removed ("written off") from the company's balance sheet.

Recovery against debts written off 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.

2.40 Interest expense

The Company has incurred interest and related expenses on account of term loan, deposit, overdraft and short term loan. In terms of provision of the International Accounting Standard (IAS) -1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

2.41 Interest suspense account

Accrued interest on term finance, real estate finance, car loans and personal loans classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense account as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on cash basis.

2.42 Related party transactions

Related parties are identified and disclosed as per International Accounting Standard (IAS) 24: 'Related Party Disclosure'. Related party disclosures have been given in note 40.

2.43 Interim financial reporting

In accordance with International Accounting Standard (IAS) 34: 'Interim Financial Reporting', publicly traded entities encourages to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in this standard. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

DBH apply the same accounting policies in its interim financial statements as are applied in its annual financial statements.

2.44 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' were introduced on January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" came fully into force 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, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, DBH has already formed BASEL Implementation Unit (BIU) to ensure timely implementation of BASEL II accord. Latest status of Capital Adequacy Ratio (CAR) has been shown in note-13.5.

2.45 Financial risk management

The Company 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 comprising risk management forum supported by risk management unit is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, the Company 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 and DFIM Circular No. 03 dated 24 January 2016.

Credit risk

To encounter and mitigate credit risk, the company employed multilayer approval process, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, 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 team, strong follow up of compliance of credit policies by internal audit department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

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. To encounter market risk we are negotiating for facilities that match the maturity structure with ideal interest rate, maintaining a balanced diversification in investments and maintaining prudent provisioning policies. The Company has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Liquidity Risk

Liquidity risk arises when a company is unable to meet the short term obligation to its lenders and stakeholders. This arises from the adverse mismatch of maturities of assets and liabilities. 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 operations, current liquidity positions, collections from financing, available sources of funds and risks and returns.

Operational Risk

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. Appropriate internal control measures are in place, at the Company, to address operational risks. The Company has also established an internal control & compliance department (ICCD) 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.

Money Laundering and Terrorist Financing Risk

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

i) Business risk i.e. the risk that DBH may be used for money laundering or terrorism financing &

ii) Regulatory risk i.e. the risk that DBH fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 (amended in 2013).

DBH has been adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU) and put in place a strict compliance program consisting of the following components to mitigate above risk:

a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorist financing;

b) Creation of structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU), for 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 testing procedures carried out by internal audit function to ensure effectiveness of AML/CFT program.

e) Ongoing employee training programs.

Additional risks required to be addressed under new regulatory requirements

The Integrated Risk Management Guidelines for Financial Institutions which was issued by DFIM through Circular No. 03 dated 24 January 2016 explains a number of following additional risks that financial institutions are now required to address to cover all the major aspects of risks which may arise at any point of time.

Strategic Risk

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base. Major roles of the board of the directors, senior management and business units in managing strategic risks, steps to be followed in the strategic risk management process and also measures for strategic risk control are explained in the guidelines.

Since its inception, DBH has been managing strategic risks which are evident from the dynamic business model of the company over the years. Major organizational units are assigned to address the major strategic risks aspects with a view to minimize the negative impact of those risks.

Compliance Risk

Compliance risk is the risk of legal sanctions, material financial loss or loss to reputation the FI may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice. Compliance risk is sometimes also referred to as integrity risk because a FI's reputation is closely connected with its adherence to principles of integrity and fair dealing.

The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and the FI's board of directors is responsible for overseeing the management of the FI's compliance risk. The board should establish a compliance function and approve the FI's policies and processes. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The Compliance department of DBH is responsible for assessing compliance risk in relation to institutional matters such as governance, best practices and corporate social responsibility.

The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of DBH and to mitigate the risks in most appropriate way.

Reputation Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public on DBH.

The guidelines explain the roles of the Board and senior management in managing reputation risk. The management ensures that DBH is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. DBH takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

Environmental and Social Risk

Environmental risk is a facilitating element of credit risk arising from environmental issues. DBH uses Environmental Risk Rating (EnvRR) while financing to new projects. Company is making 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 approving a loan.

2.46 Islamic Finance Division

The Board of Directors of DBH Finance PLC. (DBH) at its 124th meeting held on September 2, 2021 approved the proposal for opening of Islamic Financing Wing (IFW) at all the existing DBH branches in addition to its Conventional Financing subject to the approval of Bangladesh Bank. Accordingly, DBH applied to Bangladesh Bank (BB) and received a letter on March 09, 2022 from them to proceed with conditions and submissions of necessary documents for opening DBH IFW. As per their letter, DBH amended its Memorandum of Association and Articles of Association and incorporated the provision of Shari'ah-based Islamic Financing businesses as well as the appointment of Shari'ah Supervisory Committee. Afterward, DBH formed Shari'ah Supervisory Committee and Islamic Financing Division (IFD) including its Organizational Structure and provided training to the concerned Executives and Officials of its IFW. It also adopted required policies, processes and Product Programme Guidelines (PPGs). Besides, Islamic Core Business Software (i-CBS) has been developed by DBH IT Department for operating Shari'ah-based businesses. On January 16, 2023 DBH applied to BB for approval of opening DBH IFW at all the existing branches of DBH. In response, on February 23, 2023 we received conditional approval from DFIM of Bangladesh Bank including their instruction of submitting further few documents for obtaining final approval for opening DBH IFW.

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) 1053/46/2023-1298, dated April 10, 2023. The company commenced operation of this wing from May 07, 2023. The Islamic Wing is governed under the rules and regulation of Bangladesh Bank. A glimpse of financial performance of Islamic Finance Wing has been presented at Annexure - E.

2.47 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.

2.48 Comparative figures

Comparative figures has been disclosed in repect of the year ended 31 December 2025 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

To facilitate comparison, certain relevant balances of the year 2024 pertaining to the comparatives have been rearranged/ restated/ reclassified considered necessary to ensure comparability with the current year.

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

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 sub-standard 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 13.86 million has been increased against general provision for loans and advances for the year ended 31.12.2025. Accumulated provisions for loans and advances as at 31.12.2025 stand at Taka 1021.1 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 DBH Finance PLC is less than its cost price. As on December 31, 2025 there was a provision of BDT 237.96 million for unrealized loss on investment in quoted shares.

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
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.	DBH 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

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
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 2025 and corresponding year 2024 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 non-current 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 2025 and corresponding year 2024 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, off-balance 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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.

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
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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 2025 and corresponding year 2024 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.
15	Lease liability	IAS 1 "Presentation of Financial Statements"	In accordance with International Accounting Standard 1 (IAS 1) – Presentation of Financial Statements, liabilities are classified into current and non-current portions in the statement of financial position. The portion of liabilities payable within twelve months from the reporting date is presented as current liabilities, while the remaining balance is presented as non-current liabilities.	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 current and non-current portion of lease liability. Accordingly, the financial institution does not present the lease liability separately between current and non-current portions in the statement of financial position.	Financial Statements for 2025 and corresponding year 2024 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.

		31-Dec-2025 Taka	31-Dec-2024 Taka
3	**Cash**		
3.1	**Cash in hand**		
	Local Currency	148,276	185,362
	Foreign Currency	-	-
		148,276	**185,362**
3.2	**Balance with Bangladesh Bank and its agent bank**		
	Bangladesh Bank:		
	Local Currency	711,930,648	681,824,955
	Foreign Currency	284,975	272,267
		712,215,623	682,097,222
	Balance with Sonali Bank being an agent of Bangladesh Bank	95,239	81,919
		712,310,862	**682,179,141**

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

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Finance Company Act 2023 and DFIM circular no. 03 dated June 21, 2020.

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on 'Total Term Deposits' which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposits' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).

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 BDT), Balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bills & bonds & any other assets approved in Government Gazette or by Bangladesh Bank.

3.3.1 Cash Reserve Requirement (CRR)

Required reserve	695,658,531	663,190,289
Actual average reserve maintained	717,221,277	885,390,270
Surplus/(deficit)	**21,562,746**	**222,199,981**

3.3.2 Statutory Liquidity Reserve (SLR)

Required reserve (including CRR)	2,460,604,468	2,365,496,284
Actual reserve maintained (including CRR note -3.3.1)	19,263,194,132	16,653,380,249
Surplus/(deficit)	**16,802,589,664**	**14,287,883,965**

3.3.3 Actual Reserve Maintained (Including CRR)

Al-Arafah Islami Bank PLC	1,740,069	3,831,940,345
Bangladesh Bank	612,922,431	1,655,465,340
BRAC Bank PLC	1,951,217	933,364
Bank Al-Falah	-	1,113,990
Bank Asia PLC	-	55,156
Cash in Hand	148,276	185,362
Commercial Bank of Ceylon PLC	2,429,230	-
Citi Bank NA	2,496,231	12,208,998
Dhaka Bank PLC	404,290,597	706,553,341

	31-Dec-2025 Taka	31-Dec-2024 Taka
Export Import Bank of Bangladesh PLC(Proposed: Shommilito Islami Bank PLC)	2,105,541,095	2,500,209,367
IFIC Bank PLC	-	1,000,070,685
Meghna Bank PLC	661,411,205	-
Mercantile Bank PLC	3,064,605,861	-
Modhumoti Bank PLC	200,000,000	-
NCC Bank PLC	1,500,000,000	-
NRB Bank PLC	1,139,571,432	640,443,688
Prime Bank PLC	1,862,759	15,531,380
Pubali Bank PLC	137,758	24,224,578
Standard Chartered Bank	32,160,904	82,323,075
Shimanto Bank PLC	300,000,000	-
Standard Bank PLC	1,972,878,830	800,969,709
Sonali Bank PLC	-	250,686
City Bank PLC	52,775	-
Trust Bank PLC	480,588	461,719
United Commercial Bank PLC	1,899,718,982	-
Govt. Treasury Bill & Treasury Bonds	5,358,793,890	5,380,439,466
	19,263,194,132	**16,653,380,249**

4 Balance with other banks and financial institutions

In Bangladesh (Note 4.1)	14,095,488,972	9,380,539,393
Outside Bangladesh	-	-
	14,095,488,972	**9,380,539,393**

4.1 In Bangladesh

Current deposits	128,210,446	93,235,857
Short-term deposits	6,195,770,770	5,541,641,401
Fixed deposits	7,771,507,756	3,745,662,135
	14,095,488,972	**9,380,539,393**

4.2 Maturity grouping of balance with other banks and financial institutions

Payable on demand	1,984,529,001	1,743,235,857
Up to 1 month	3,650,265,514	3,247,025,951
Over 1 month but not more than 3 months	4,571,507,752	3,727,087,294
Over 3 months but not more than 6 months	2,200,000,000	663,190,291
Over 6 months but not more than 1 year	1,689,186,705	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	14,095,488,972	**9,380,539,393**

4.3 Current deposits

Citi Bank NA	78,890,362	34,552,794
Commercial Bank of Ceylon PLC	2,684,964	2,046,785
NRB Bank PLC	7,807,979	5,891,637
Rupali Bank PLC	60,179	61,329
Standard Chartered Bank	38,766,962	50,683,312
	128,210,446	**93,235,857**

		31-Dec-2025 Taka	31-Dec-2024 Taka
4.4	**Short-term deposits**		
	Al-Arafah Islami Bank PLC	595,954,443	1,956,499,398
	Bank Al-falah	-	1,152
	Bank Asia PLC	107,820	84,140
	BRAC Bank PLC	1,837,040	1,512,867
	Citi Bank NA	-	1,810,020
	City Bank PLC	52,775	850,640
	Commercial Bank of Ceylon PLC	137,909	137,909
	Dhaka Bank PLC	1,664,334	762,011,191
	EXIM Bank PLC (Proposed: Shommilito Islami Bank PLC)	2,176,173,415	2,074,899,379
	IFIC Bank PLC	-	110,091
	Meghna Bank PLC	856,811,925	-
	Mercantile Bank PLC	176,772,443	-
	NRB Bank PLC	543,714,872	554,232,853
	Prime Bank PLC	6,549,898	7,712,089
	Pubali Bank PLC	68,277,982	72,700,029
	Standard Bank PLC	1,047,421,059	104,323,586
	Standard Chartered Bank	20,092,952	4,301,953
	Trust Bank PLC	482,921	454,105
	United Commercial Bank PLC	699,718,982	-
		6,195,770,770	**5,541,641,401**
4.5	**Fixed deposits**		
	Al-Arafah Islami Bank PLC	500,000,000	-
	Bengal Commercial Bank PLC	500,000,000	250,000,000
	Citizens Bank PLC	400,000,000	-
	Dhaka Bank PLC	600,000,000	-
	EXIM Bank PLC(Proposed: Shommilito Islami Bank PLC)	-	500,000,000
	IFIC Bank PLC	-	1,150,000,000
	Mercantile Bank PLC	1,800,000,000	-
	Modhumoti Bank PLC	200,000,000	-
	NCC Bank PLC	500,000,000	-
	NRB Bank PLC.	350,000,000	-
	Shimanto Bank PLC.	500,000,000	-
	Standard Bank PLC	1,221,507,756	1,845,662,135
	United Commercial Bank PLC	1,200,000,000	-
		7,771,507,756	**3,745,662,135**

The Company maintains a Special Notice Deposit (SND) account with Shommilito Islami Bank PLC (formerly EXIM Bank PLC), carrying a balance of BDT 2,176,173,415 as at the reporting date. Following a regulatory-mandated merger of five distressed banks, Bangladesh Bank issued BRD Circular Letter No. 01 dated 29 December 2025 (the "Resolution Scheme"), under which all deposits held by individuals and institutions with the merged entity are explicitly protected and will be repaid in a phased manner.

Pursuant to the instructions received from the Financial Institutions Inspection Department (FIID) of Bangladesh Bank during its summary inspection, the Company has not recognized unrealized interest income of BDT 15.68 crore accrued on this account during the year ended 31 December 2025. This amount has been deferred and classified under a suspense account on the liability side of the statement of financial position, pending actual receipt (Note 18).

Given that the principal deposit balance is fully protected under the aforementioned Resolution Scheme of Bangladesh Bank, management has assessed that no additional provision against the outstanding balance is required at this stage. The Company will continue to monitor developments and reassess the recoverability of both the principal and deferred income in subsequent reporting periods.

		31-Dec-2025 Taka	31-Dec-2024 Taka
5	**Money at call and short notice**		
	United Commercial Bank PLC.	-	1,500,000,000
	United Finance PLC.	450,000,000	400,000,000
		450,000,000	**1,900,000,000**
6	**Investments**		
	Government securities:		
	Treasury Bonds	4,149,161,702	4,152,171,134
	Treasury Bills	1,916,744,294	4,973,454,470
		6,065,905,996	**9,125,625,604**
	Other investments:		
	Non marketable securities (Note-6.1)	124,499,500	124,499,500
	Preference Share	99,998,900	-
	Marketable securities (Note-6.2)	918,065,186	935,839,430
		1,142,563,586	1,060,338,930
		7,208,469,582	**10,185,964,534**

6.1 Investment in non-marketable securities

	No. of shares		
Bangladesh Rating Agencies Ltd.	24,995	2,499,500	2,499,500
Peninsula SBC Unit Fund-1	4,000,000	40,000,000	40,000,000
Peninsula AMCL BDBL Unit Fund-1	250,000	2,500,000	2,500,000
Ekush Growth Fund	1,000,000	10,000,000	10,000,000
Green Delta Dragon Enhanced Blue Chip Growth Fund	5,000,000	50,000,000	50,000,000
Energyprima Ltd. (Pre-IPO shares)	100,000	9,500,000	9,500,000
Vanguard AML Growth Fund	761,614	10,000,000	10,000,000
		124,499,500	**124,499,500**

6.2 Investment in marketable securities

Sectors	Market price 31 Dec 2025 Taka	Cost price	Cost price
Bank	145,729,445	131,453,030	118,045,592
Cement	8,172,500	10,347,963	12,606,155
Engineering	8,000,000	20,991,385	31,286,656
Financial Institutions	26,293,014	33,376,190	30,915,947
Food & Allied	70,035,686	115,558,781	116,798,079
Fuel & Power	13,013,100	30,061,579	31,823,734
Insurance	12,801,936	21,491,213	21,663,409
IT Sector	-	-	20,222,773
Miscellaneous	19,237,400	27,133,901	19,215,212
Mutual Funds	135,000,000	209,742,100	209,742,081
Pharmaceuticals & Chemicals	157,049,832	209,751,321	196,880,056
Services & Real Estate	8,030,000	8,913,924	15,656,495
Telecommunication	66,681,900	82,762,059	95,276,318
Textile	10,858,000	13,284,288	12,509,471
Travel & Leisure	1,910,000	3,197,452	3,197,452
	682,812,813	**918,065,186**	**935,839,430**

All investment in marketable securities are valued on an aggregate portfolio basis except Mutual Funds. Mutual Funds have been valued at 85% of latest published NAV available as on December 31, 2025. As on December 31, 2025 there was Tk. 215,268,354 provision on investment in marketable listed securities and Tk. 22,697,305 for non-marketable securities (Bangladesh Rating Agencies Ltd., Prime energy Ltd., Vanguard AML Growth Fund, Peninsula AMCL Unit Fund and SBC Peninsula Unit Fund). Market value has been determined on the basis of the value of securities at last trading date of December 2025 (last trading date was December 29, 2025).

		31-Dec-2025 Taka	31-Dec-2024 Taka
6.3	**Maturity grouping of investments:**		
	On demand*	958,065,186	975,839,430
	Up to 1 month	179,680,725	995,878,124
	Over 1 month but not more than 3 months	1,437,045,574	1,666,403,262
	Over 3 months but not more than 6 months	1,879,985,824	476,682,692
	Over 6 months but not more than 1 year	1,000,087,448	1,834,490,392
	Over 1 year but not more than 5 years	206,311,685	2,599,914,795
	Over 5 years	1,547,293,140	1,636,755,840
		7,208,469,582	**10,185,964,534**
	*Excluding BDT 20,000,000 investment in DBH 1st Mutual Fund.		
7	**Loans and advances**		
	Inside Bangladesh		
	Housing Loan	36,623,489,873	37,206,129,085
	Term Loan	4,277,674,114	4,240,839,756
	Investment in HPSM	4,364,673,189	2,669,274,554
	Loan against Deposits	117,867,040	219,488,486
	Staff loan	192,775,330	173,642,591
		45,576,479,546	44,509,374,472
	Outside Bangladesh	-	-
		45,576,479,546	**44,509,374,472**
7.1	**Maturity grouping of loans and advances**		
	Repayable on demand	401,400,523	333,173,350
	Not more than 3 months	1,736,390,143	1,849,453,162
	Over 3 months but not more than 1 year	5,739,093,146	5,686,213,352
	Over 1 year but not more than 5 years	21,192,476,772	20,734,929,320
	Over 5 years	16,507,118,962	15,905,605,288
		45,576,479,546	**44,509,374,472**
7.2	**Loans and advances (Inside Bangladesh)**		
	Opening balance	44,509,374,472	43,669,788,473
	Disbursement during the year	12,296,607,808	12,494,304,969
		56,805,982,280	56,164,093,442
	Realization during the year	11,229,502,734	11,654,718,970
	Closing balance	**45,576,479,546**	**44,509,374,472**
7.3	a) Loans and advances to institutions in which directors have interest	-	-
	b) Loans and advances to chief executive	-	-
	c) Loans and advances to senior executives	40,996,987	33,623,770
	d) Loans and advances to customer group:		
	i) Housing loan - customer	40,699,633,376	39,711,792,882
	ii) Staff loan-housing & others	151,778,343	140,018,821
	iii) Loan to depositors	117,867,040	219,488,486
	iv) Term Loan	4,566,203,800	4,404,450,513
		45,576,479,546	**44,509,374,472**
	e) Details of loan and advances industry-wise		
	i) Housing Finance/ Real Estate	40,825,014,663	39,900,838,608
	ii) Consumer Finance	4,654,409,860	4,515,006,448
	ii) Brokerage	78,911,161	84,397,129
	ii) Others	18,143,862	9,132,287
		45,576,479,546	**44,509,374,472**

		31-Dec-2025 Taka	31-Dec-2024 Taka
7.4	**Loans and advances - geographical location-wise**		
	Inside Bangladesh:		
	Urban		
	Dhaka	36,458,418,336	36,877,397,851
	Chattogram	2,075,416,404	2,186,764,549
	Sylhet	201,132,130	230,764,261
	Cumilla	887,652,146	741,420,198
	Gazipur	2,867,138,966	2,511,391,595
	Narayanganj	704,708,529	661,594,546
	Khulna	790,975,149	496,273,935
	Rajshahi	372,741,406	307,851,546
	Rangpur	501,300,408	344,275,645
	Mymensingh	334,241,677	100,139,383
	Barishal	382,754,395	51,500,963
		45,576,479,546	**44,509,374,472**
	Outside Bangladesh:	-	-
		45,576,479,546	**44,509,374,472**

7.5 Details of large loans and advances

There were no clients with outstanding amount and classified loans/advances exceeding 15% of total capital of the institution.

7.6 Particulars of Loans and advances

i)	Loans and advances considered good in respect of which the financial institution is fully secured.	45,424,296,183	44,338,367,916
ii)	Loans and advances considered good against which the financial institution holds no security other than the debtors personal security.	3,771,282	9,691,240
iii)	Loan and advances considered good and secured by the personal security of one or more parties in addition to personal guarantee of debtors.	148,412,081	161,315,316
iv)	Loan and advances adversely classified: for which no provision is created.	-	-
		45,576,479,546	**44,509,374,472**
v)	Loans and advances due by directors and officers of the financial institution or any of them either separately or jointly with any other persons.	198,070,503	173,642,591
vi)	Loans and advances due by companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members.	-	-
vii)	Maximum total amount of advances including temporary advances made at any time during the period to director, managers or officers of the financial institution or any of them either separately or jointly with any other person.	198,070,503	174,705,546
viii)	Maximum total amount of advances, including temporary advances, granted during the period to companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies as members.	-	-
ix)	Due from other bank and financial institutions	-	-
x)	Information in respect of classified loans and advances		
	a) Classified loans for which interest/ profit not credited to income		
	i) Increase/(decrease) of provision (specific)	136,384,150	21,998,946
	ii) Amount of written off debt against fully provided debts	78,874,565	-
	iii) Amount of debt recovered against the debt which was previously written off	100,000	-
	b) Amount of provision kept against loan classified as bad/loss at balance sheet date	275,871,459	353,435,369
	c) Amount of interest creditable to interest suspense account	90,926,070	80,747,362

	31-Dec-2025 Taka	31-Dec-2024 Taka
xi) Cumulative amount of written off loans and advances		
Opening Balance	8,820,658	8,820,658
Amount written off during the year	78,874,565	-
Amount recovered against loans and advances previously written off	100,000	-
Balance of written off loans and advances yet to be recovered	87,595,223	8,820,658
The amount of written off loans, advances for which law suits have been filed.	**87,595,223**	**9,425,086**

DBH Finance PLC, through DFIM Circular No. 04 dated April 03, 2024, titled "Identification & Finalization of Willful Defaulters and Measures to be Taken against Them," established a dedicated unit on April 15, 2024, under the supervision of the Chief Risk Officer. This unit is entrusted with the responsibility of identifying and reporting willful loan defaulters in strict compliance with the criteria, process flow, and timelines stipulated in the circular.

As of December 31, 2025, the dedicated unit has identified a number of borrowers across various business segments who meet the criteria of willful loan defaulters as specified in the circular. Upon conducting due diligence and obtaining approval from the competent authority of the FI, the required reports have been duly submitted to the Credit Information Bureau (CIB) of Bangladesh Bank. Furthermore, quarterly reports have also been submitted to the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank in the prescribed format.

DBH will undertake the subsequent course of action in accordance with Sections 6(6) and 6(7) of DFIM Circular No. 04 dated April 03, 2024, subject to the decision of Bangladesh Bank regarding any appeals filed by the respective willful defaulters.

7.7 Classification of loans and advances

Unclassified:		
Standard (including Staff Loan, Loan against Deposits and Others)	45,035,517,591	44,004,189,360
Special mention account (SMA)	157,786,267	73,442,331
	45,193,303,858	**44,077,631,691**
Classified:		
Sub-standard	31,739,659	8,934,035
Doubtful	10,632,489	2,552,583
Bad/loss	340,803,540	420,256,163
	383,175,688	**431,742,781**
	45,576,479,546	**44,509,374,472**

7.8 Calculation of provision for loans and advances as per Loan Classification Report as on December 31, 2025.

Nature	Base for provision	Rate (%)	Provision required
Standard	44,645,964,060	1	446,459,641
Standard (Loans to Assets Management Company)	78,911,161	2	1,578,223
Special mentioned account	137,811,680	5	6,890,584
Sub-standard	5,901,054	20	1,180,211
Doubtful	1,964,017	50	982,008
Bad/loss	69,052,436	100	69,052,436
Staff loan - standard	192,775,330	1	1,927,753
Loan against deposit - standard	117,867,040	1	1,178,670
			529,249,526

8 Fixed assets including land, building, furniture, equipment and right-of-use asset:

Cost		
Balance as of 01 January	616,101,308	566,753,568
Addition during the year	203,858,518	52,421,319
	819,959,826	**619,174,887**
Disposal/Adjustments	(79,893,308)	(3,073,579)
Balance as of 31 December	**740,066,518**	**616,101,308**

		31-Dec-2025 Taka	31-Dec-2024 Taka
	Depreciation		
	Balance as of 01 January	351,268,614	290,304,976
	Addition during the year	73,574,936	64,035,054
		424,843,550	**354,340,030**
	Disposal/Adjustments	(78,031,123)	(3,071,416)
	Balance as of 31 December	**346,812,428**	**351,268,614**
	Written down value	**393,254,090**	**264,832,694**
	Details are shown in annexure A.		
9	**Other assets**		
	Accounts receivable (Note-9.1)	226,399,957	217,619,691
	Advances, deposits and prepayments (Note-9.2)	10,457,054	19,565,008
	Stamps and pay orders in hand	4,618,294	4,047,670
	Net defined benefit (GF) (Annexure B))	27,743,674	15,745,183
	Protested bills receivables	1,328,217	1,328,217
	Deferred tax assets (Annexure C)	11,851,420	6,463,403
		282,398,616	**264,769,172**
9.1	**Account receivables**		
	Dividend receivable	-	3,655,833
	Interest receivable	214,456,299	168,295,545
	Sundry receivable	11,943,658	45,668,313
		226,399,957	**217,619,691**

Sundry receivable includes receivable from Green Delta Securities Limited, BRAC EPL Stock Brokerage Limited, DLIC Securities Ltd, LankaBangla Securities Ltd., City Bank Capital Resources Ltd., IDLC Securities Limited, Shanta Securities Limited, and Forfeited DBH Staff Provident Fund,etc.

9.2	**Advances, deposits and prepayments**		
	Advance to employees	668,565	314,555
	Advance to suppliers	3,487,511	13,130,970
	Advance against salary	177,494	-
	Security deposits	4,661,161	4,714,161
	Prepaid expenses	1,462,323	1,405,322
		10,457,054	**19,565,008**
10	**Borrowing from other banks, financial institutions and agents**		
	Inside Bangladesh (Note 10.1)	8,029,648,424	8,605,493,839
	Outside Bangladesh	-	-
		8,029,648,424	**8,605,493,839**
10.1	**Inside Bangladesh**		
	a *Secured Short-term loan:*		
	Standard Chartered Bank	1,640,000,000	1,300,000,000
	Citi Bank, NA	1,180,000,000	-
		2,820,000,000	**1,300,000,000**
	b *Unsecured Short-term loan:*		
	Standard Bank PLC	1,200,000,000	150,000,000
	Meridian Finance & Investment Limited	-	25,000,000
		1,200,000,000	**175,000,000**

	31-Dec-2025 Taka	31-Dec-2024 Taka
c *Unsecured long-term loan:*		
Bangladesh Bank (Housing refinance)	634,123,552	808,671,418
	634,123,552	**808,671,418**
d Bank overdraft:		
WOORI BANK	163,046,392	163,798,945
Pubali Bank PLC	4,847	15,151
Standard Chartered Bank	5,515,927	-
	168,567,166	**163,814,096**
e Call loans:		
Community Bank Bangladesh PLC	-	50,000,000
Jamuna Bank PLC	-	700,000,000
NRB Bank PLC	-	700,000,000
Shimanto Bank PLC	-	380,000,000
	-	**1,830,000,000**
f *Bond:*		
DBH Affordable Housing Bond	2,944,250,082	3,358,232,106
Zero Coupon Bond		
AK Khan Company Limited	20,972,468	171,041,805
American Life Insurance Company Ltd.	141,442,222	410,977,487
Bangla Telecom Limited	5,996,541	17,514,846
Chittagong Stock Exchange Ltd	27,931,389	81,576,232
Concord Real Estate Ltd.	5,846,853	84,769,056
Mr. Shahriar Kamal	487,238	2,384,011
Ms. Yasmin Khan Kabir	2,971,892	8,676,064
Sena Kalyan Insurance Company Ltd.	998,270	2,915,631
UCB Asset Management Ltd	-	27,026,762
UCB Investment Ltd.	56,060,751	162,894,326
	262,707,624	969,776,219
	3,206,957,706	**4,328,008,325**
Total inside Bangladesh(a+b+c+d+e+f)	**8,029,648,424**	**8,605,493,839**

DBH Finance PLC has issued the "DBH Affordable Housing Bond," a non-convertible redeemable fixed coupon senior bond, with each lot valued at BDT 1 million, exclusively for international investors, to raise up to BDT 3,500 million. The purpose of this bond is to provide affordable housing finance to middle-income families in Bangladesh.

The International Finance Corporation (IFC) has fully subscribed to the bond, and after discounting, DBH Finance PLC received net proceeds of BDT 3,285 million. The bond will be repaid in eight equal half-yearly installments of BDT 437.5 million each, commencing from the second year of issuance. Additionally, during the first year, interest payments will be made in two separate installments for utilizing the funds.

In accordance with IFRS 9 - Financial Instruments, the bond has been initially recognized at its fair value of BDT 3,285,000,000, less transaction costs of BDT 28,982,314, resulting in an initial carrying amount of BDT 3,256,017,686. The bond is subsequently measured at amortized cost, incorporating the effective interest rate of 8.83%.

The aforesaid secured short term loans (10.1 a) and DBH affordable Housing Bond (10.1 f) are secured by first charge on company's all present and future movable and immovable assets including book debts ranking pari-passu security charges with other lenders of the company. Bank overdraft from Pubali Bank Ltd are secured by pari-passu security charges and overdraft from Woori bank and Standard Chartered Bank is secured by FDR.

10.2 Security against borrowings from other banks, financial institutions and agents

Secured	5,932,817,248	4,822,046,202
Unsecured	2,096,831,176	3,783,447,637
	8,029,648,424	**8,605,493,839**

		31-Dec-2025 Taka	31-Dec-2024 Taka
10.3	**Maturity grouping of borrowings from other banks, financial institutions and agents**		
	Payable on demand	-	1,830,000,000
	Up to 1 month	1,243,550,389	219,247,956
	Over 1 month but within 3 months	2,686,512,024	1,338,662,370
	Over 3 months but within 1 year	1,507,899,197	1,370,291,662
	Over 1 year but within 5 years	2,591,686,814	3,830,664,507
	Over 5 years	-	16,627,344
		8,029,648,424	**8,605,493,839**
11	**Deposits and other accounts**		
	Fixed deposits (Note: 11.1)	46,736,461,380	45,775,344,891
	Other deposits	-	-
		46,736,461,380	**45,775,344,891**
11.1	**Fixed deposits**		
	Opening balance	45,775,344,891	46,655,952,696
	Addition during the year	96,958,744,312	102,924,094,193
		142,734,089,203	149,580,046,889
	Repayment made during the year	95,997,627,823	103,804,701,998
	Closing balance	**46,736,461,380**	**45,775,344,891**
11.2	**Group-wise break-up of deposits and others accounts**		
	Government	56,803,256	396,305,484
	Bank	400,000,000	412,675,556
	Other institutions	17,957,767,395	19,189,676,051
	Individuals	28,321,890,729	25,776,687,800
		46,736,461,380	**45,775,344,891**
11.3	**Maturity analysis of deposits**		
	Payable on demand	-	-
	Up to 1 month	1,828,707,983	2,293,586,200
	Over 1 month but within 6 months	9,489,129,899	7,990,348,387
	Over 6 months but within 1 year	5,654,488,638	5,811,697,178
	Over 1 year but within 5 years	18,655,444,297	18,183,492,496
	Over 5 years but within 10 years	2,727,630,809	2,545,495,594
	Over 10 years	8,381,059,754	8,950,725,036
		46,736,461,380	**45,775,344,891**
12	**Other liabilities**		
	Provision for loans & investment (Note: 12.1)	1,259,067,515	1,165,931,185
	Provision for income tax (Note: 12.2)	211,894,419	374,351,190
	Interest suspense (Note: 12.3)	90,926,070	80,747,362
	Other payables (Note:12.4)	2,127,930,167	1,734,781,117
	Un-realized income as per Bangladesh Bank requirement	156,800,000	-
	Deferred tax liability (Annexure C)	47,810,026	46,038,454
	Other Assets Provision	1,328,217	1,328,217
	Unclaimed dividend account	5,026,740	5,568,908
		3,900,783,154	**3,408,746,433**

As per the BSEC directive No. BSEC/CMRRCD/2021 dated 14/1/2021, a separate line item is required to be presented in the Statement of Financial Position for Unclaimed dividend account. DBH, being a financial institution, is required to prepare and present financial statements as per DFIM Circular No. 11, dated 23 December 2009 and there is no scope of such presentation. Therefore, a separate line item for Unclaimed dividend account is presented in notes to the financial statements.

	31-Dec-2025 Taka	31-Dec-2024 Taka
12.1 Provision for loans and investment		
Opening balance	1,165,931,185	1,053,040,538
Provision written off	(63,472,603)	-
Provision recovered for the year	-	-
Provision charged/ (released) for the year	156,608,933	112,890,647
Provision no longer required written back.	-	-
Recoveries of amounts previously written off	-	-
Closing balance	**1,259,067,515**	**1,165,931,185**
12.1.1 General provision		
Opening balance	444,169,269	437,925,038
Charged during the year	13,865,602	6,244,231
Closing balance	**458,034,871**	**444,169,269**
12.1.2 Specific provision		
Opening balance	490,155,439	467,094,298
Provision written off	(63,472,603)	-
Provision recovered during the year	-	-
Provision charged/ (released) for the year	136,384,150	23,061,141
Provision no longer required written back	-	-
Recoveries of amounts previously written off	-	-
Closing balance	**563,066,986**	**490,155,439**
12.1.3 Provision for diminutions in the value of investments		
Opening balance	231,606,477	148,021,202
Provision charged/(released) during the year	6,359,181	83,585,275
Closing balance	**237,965,658**	**231,606,477**
12.1.A Provision on loans and advances		
General Provision charged/(released) during the year	13,865,602	6,244,231
Specific Provision charged/(released) during the year	136,384,150	23,061,141
	150,249,752	**29,305,372**
12.2 Provision for income tax		
Provision		
Opening balance	7,768,785,435	7,055,100,973
Less: Adjustment during the year for completed tax assessment	-	-
Less: Excess/(Short) provision adjustment	-	-
	7,768,785,435	**7,055,100,973**
Add: Provision made during the year	635,097,146	713,684,462
Closing balance	**8,403,882,581**	**7,768,785,435**
Advance tax		
Opening balance	7,394,434,245	6,754,218,455
Add: Payment made during the year		
Under Section 155 of Income Tax Act 2023	298,169,050	180,000,000
Deduction at source	499,384,867	460,215,790
	8,191,988,162	**7,394,434,245**
Less: Adjustment during the year for completed tax assessment	-	-
Closing balance	**8,191,988,162**	**7,394,434,245**
Net balance	**211,894,419**	**374,351,190**

	31-Dec-2025 Taka	31-Dec-2024 Taka

Tax assessments of DBH have been completed up to Assessment Year 2023–2024, except for Assessment Years 2004–2005 (Income Year 2003–2004) and 2005–2006 (Income Year 2004–2005), which are currently pending before the High Court. The tax audit for Assessment Year 2022–2023 (Income Year 2021) is presently in progress. The returns for Assessment Years 2024–2025 (Income Year 2023) and 2025–2026 (Income Year 2024) have been duly filed under section 180 of the Income Tax Act, 2023. The tax return for Income Year 2025 will be filed in due course within the stipulated time.

12.3 Interest suspense

Opening balance	80,747,362	77,151,761
Interest suspended during the year	25,580,670	3,595,601
Written off suspended interest during the year	(15,401,962)	-
Closing balance	**90,926,070**	**80,747,362**

12.4 Other payables

Interest payable on deposits & loans	1,635,278,085	1,361,759,993
Lease liability	163,162,333	47,128,999
Sundry creditors	97,956,842	125,545,837
Unclaimed instruments	18,677,207	16,521,707
Payable to clients	116,380,320	101,731,374
Loan under litigation	15,337,541	20,477,822
Privileged creditors	71,211,694	54,222,298
Profit Equalization fund	1,670,889	1,497,948
HPSM compensation realized charity A/c	1,213,401	170,668
Liability for expenses	7,041,855	5,724,471
	2,127,930,167	**1,734,781,117**

13 Share capital

13.1 Authorized capital

399,950,000 Ordinary shares of Tk. 10 each	3,999,500,000	3,999,500,000
5,000 Preference shares of Tk. 100 each	500,000	500,000
	4,000,000,000	**4,000,000,000**

13.2 Issued, subscribed, called and paid-up capital

Ordinary shares		
Opening	1,988,901,710	1,988,901,710
3,977,803 Ordinary shares of Taka 10 each issued as bonus share	39,778,030	-
	2,028,679,740	**1,988,901,710**

13.3 Capital of the Company is held by the following shareholders

Ordinary shares	31 December 2025	
	No of shares	Taka
Local shareholders:		
BRAC	37,304,183	373,041,830
Delta Life Insurance Company Ltd.	35,760,368	357,603,680
Green Delta Insurance Company Ltd.	31,049,587	310,495,870
General shareholders	92,184,876	921,848,760
	196,299,014	**1,962,990,140**
Foreign shareholders:		
General shareholders	6,568,960	65,689,600
	6,568,960	**65,689,600**
	202,867,974	**2,028,679,740**

13.4 Break-up of Paid-up capital:

Date of Issue	Number of Shares	31 December 2025	
		Face Value	Amount
11 May 1996 to 28 June 1998	2,000,000	100	200,000,000
12-Dec-06	200,000	100	20,000,000
09-Apr-08	500,000	100	50,000,000
02-Dec-08	810,000	100	81,000,000
23-Nov-09	526,500	100	52,650,000
08-Dec-10	1,009,125	100	100,912,500
22-Nov-11	5,045,625	100	504,562,500
Total	**10,091,250**	**100**	**1,009,125,000**
Face Value Change (2011)	100,912,500	10	1,009,125,000
14-Nov-12	15,136,875	10	151,368,750
24-Nov-16	5,802,468	10	58,024,680
31-Mar-19	12,185,184	10	121,851,840
17-Jun-20	20,105,554	10	201,055,540
17-May-21	23,121,387	10	231,213,870
05-May-22	17,726,396	10	177,263,960
28-May-23	3,899,807	10	38,998,070
29-Jun-25	3,977,803	10	39,778,030
Total paid-up capital	**202,867,974**	**10**	**2,028,679,740**

		31-Dec-2025 Taka	31-Dec-2024 Taka
13.5	**Capital adequacy ratio - As per BASEL-II**		
	1. Tier-1 (Core Capital)		
1.1	Fully Paid-up Capital/Capital Deposited with BB	2,028,679,740	1,988,901,710
1.2	Statutory Reserve	1,973,679,740	1,933,901,710
1.3	Non-repayable Share premium account	55,000,000	55,000,000
1.4	General Reserve	3,784,794,036	3,784,631,160
1.5	Retained Earnings	1,509,503,470	935,825,025
1.6	Minority interest in Subsidiaries	-	-
1.7	Non-Cumulative irredeemable Preferences shares	-	-
1.8	Dividend Equalization Account	700,000,000	700,000,000
1.9	Others (if any item approved by Bangladesh Bank)	-	-
1.10	**Sub-Total (1.1 to 1.9)**	**10,051,656,986**	**9,398,259,605**
	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 (1.11-1.18)**	**-**	**-**
1.20	**Total Eligible Tier-1 Capital (1.10-1.19)**	**10,051,656,986**	**9,398,259,605**

		31-Dec-2025 Taka	31-Dec-2024 Taka
	2 .Tier-2 (Supplementary Capital)		
2.1	General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	356,781,031	338,889,264
2.2	Assets Revaluation Reserves 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)	**356,781,031**	**338,889,264**
2.8	Applicable Deductions (if any)	-	-
2.9	**Total Eligible Tier-2 Capital (2.7-2.8)**	**356,781,031**	**338,889,264**
	Total capital	**10,408,438,016**	**9,737,148,869**
	Total risk weighted assets	33,875,963,412	31,965,792,340
	Required capital based on risk weighted assets(10%)	3,387,596,341	3,196,579,234
	Surplus	7,020,841,675	6,540,569,635
	Capital Adequacy Ratio:		
	On core capital	29.67%	29.40%
	On actual capital (against standard of minimum 10%)	30.73%	30.46%
	Supplementary Capital to risk weighted assets	1.05%	1.06%

14 Share premium account

Ordinary shares	55,000,000	55,000,000
	55,000,000	**55,000,000**

15 Statutory reserve

Opening balance	1,933,901,710	1,933,901,710
Add: addition during the year	39,778,030	-
Closing balance	**1,973,679,740**	**1,933,901,710**

16 Other reserves

Contingency Reserve (Note 16.1)	1,275,000,000	1,275,000,000
General Reserve (Note 16.2)	2,500,000,000	2,500,000,000
Dividend equalization reserve (Note 16.3)	700,000,000	700,000,000
Remeasurements gain/(loss) due to actuarial valuation	9,754,036	9,591,160
Capital redemption reserve	40,000	40,000
	4,484,794,036	**4,484,631,160**

An amount of Tk. 40,000/- was transferred in FY 2013-14 out of profit to "Capital redemption reserve" in redeeming 400 no's of preference share @ Tk. 100 each as per section 154(1)(C) of Companies Act 1994.

16.1 Contingency reserve

Opening balance	1,275,000,000	1,275,000,000
Add: addition during the year	-	-
Closing balance	**1,275,000,000**	**1,275,000,000**

16.2 General reserve

Opening balance	2,500,000,000	2,500,000,000
Add: addition during the year	-	-
Closing balance	**2,500,000,000**	**2,500,000,000**

		31-Dec-2025 Taka	31-Dec-2024 Taka
16.3	**Dividend equalization reserve**		
	Opening balance	700,000,000	250,000,000
	Add: addition during the year	-	450,000,000
	Closing balance	**700,000,000**	**700,000,000**
17	**Business commitments and contingencies**		
17.1	**Contingent liabilities**	-	-
	There is no contingent liability during the year to disclose.		
17.2	**Other commitments**	-	-
	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.		
17.3	**Capital expenditure commitments**		
	a) Contracted and incurred but not provided for in the accounts	Nil	Nil
	b) Approved by the Board but not contracted for	Nil	Nil
17.4	**Unacknowledged debts**		
	The Company had no claim, legal or other against it, which has not been acknowledged as debt at the balance sheet date.		

		2025 Taka	2024 Taka
18	**Interest income**		
	Interest on loans	6,096,493,992	5,377,974,669
	Interest on placement with other banks & BB FX deposits	1,896,128,394	1,822,287,077
	Interest on short term investment	82,534,959	139,067,569
	Un-realized income as per Bangladesh Bank requirement	(156,800,000)	-
		7,918,357,345	**7,339,329,315**
19	**Interest paid on deposits and borrowings etc.**		
	Interest on term loans	35,825,357	45,867,527
	Interest on deposits	5,431,729,586	4,675,063,290
	Interest on short-term borrowing	425,941,162	469,913,565
	Interest on overdraft	15,248,911	12,632,761
	Interest on Bond	356,200,201	328,876,498
	Interest on DBH affordable housing bond	282,127,126	241,959,420
	Profit on Term Deposit (Treasury)	50,615,671	17,742,409
	Interest expense-lease	12,544,636	4,252,098
		6,610,232,650	**5,796,307,568**
20	**Income from investments**		
	Gain/(loss) on sale of marketable securities	(19,661,017)	(31,001,508)
	Dividend income	27,465,499	26,316,894
	Interest on Treasury Bond	997,923,657	813,790,672
		1,005,728,139	**809,106,058**
21	**Commission, exchange and brokerage**		
	Loan fees	117,942,887	115,326,612
	Other charges and fees	57,915,739	61,411,811
		175,858,626	**176,738,423**

		2025 Taka	2024 Taka
22	**Other operating income**		
	Property service income	749,890	887,404
	Trustee Fee Income	10,475,435	5,184,479
	Gain on sale of fixed assets	266,435	1,075,320
	Other receipts	3,127,165	1,398,485
		14,618,925	**8,545,688**
23	**Salary and allowances**	**497,109,538**	**469,048,253**

Salary and allowances include annual contribution of Tk. 17,655,414 to DBH Staff Provident Fund and Tk. 22,962,871 to DBH Employees Gratuity Fund which are recognized by NBR.

24	**Rent, taxes, insurance, electricity etc.**		
	Rent, rates & taxes	10,047,410	8,189,523
	Insurance	6,846,791	4,723,098
	Electricity	8,986,163	7,711,873
	Water	716,814	629,127
		26,597,178	**21,253,621**
24.1	**Disclosure related to Rent, rates and taxes**		
	Actual expenses	60,226,200	52,268,028
	Less: Re-classification of rent expenses as per IFRS-16	50,178,790	44,078,505
		10,047,410	**8,189,523**
25	**Legal and professional expenses**		
	Law charges	17,252,842	19,076,973
	Other professional charges	3,106,100	2,760,550
		20,358,942	**21,837,523**
26	**Postage, stamp, telecommunication etc.**		
	Postage & courier service	782,372	902,049
	Stamp expenses	3,788,364	3,306,716
	Telephone & internet	5,917,315	7,239,296
		10,488,051	**11,448,061**
27	**Stationery, printing, advertisements etc.**		
	Printing	2,704,912	3,349,908
	Stationery	3,365,857	2,673,238
	Publicity and advertisement	10,475,068	8,934,966
		16,545,837	**14,958,112**
28	**Directors' fees and expenses**		
	Fees for attending meeting	689,400	847,185
	Incidental meeting expenses	197,460	405,150
		886,860	**1,252,335**

In compliance with condition 12.2 (Ka) of DFIM Circular No 01, dated on February 29, 2024, BDT 10,000 has been paid to the Directors of the Board excluding the CEO & Managing Director for attending per meeting of the Board and its Sub-committees of DBH Finance PLC.

In compliance with condition 12.2 (Ga) of DFIM Circular No 01, dated on February 29, 2024, and condition 5 (Ka) of DFIM Circular No 02, dated March 13, 2024, the Independent Directors will be entitled to a maximum of BDT 50,000.00 (subject to applicable tax deduction) as fixed remuneration per month other than meeting attendance fee.

* Directors' fee includes BDT 96,400 for Shari'ah Supervisory Committee's Fees for the year 2025.

29	**Statutory annual audit fees (including VAT)**	1,092,500	920,000
		1,092,500	**920,000**

	2025 Taka	2024 Taka
30 Depreciation/Amortization, repairs & maintenance		
Depreciation/Amortization:		
Freehold assets	29,458,008	21,916,445
Right-of-use Asset	42,962,989	41,030,424
Intangible assets	1,153,939	1,088,185
	73,574,936	**64,035,054**
Repairs & maintenance:		
Vehicle	2,240,070	2,737,516
Office equipment & premises	14,770,021	13,663,126
Computer hardware & software	2,560,360	2,523,377
	19,570,451	**18,924,019**
	93,145,387	**82,959,073**
31 Other expenses		
Staff training & recruitment expense	1,819,654	1,555,246
Office security	6,353,724	5,407,944
Transportation, traveling & conveyance	38,578,132	35,342,019
Canteen expense	3,392,054	2,712,418
Business promotion & entertainment	2,873,665	2,124,302
Car fuel	2,696,499	2,229,600
Books and papers	62,009	82,705
Bank charges	5,119,035	6,131,294
Recovery expenses	2,359,683	2,452,087
Donation, subscription and Fees	8,538,875	6,487,757
Public relation & AGM expense	187,000	126,000
Outsource agency charges	8,619,495	8,422,039
Brokerage	2,893,800	2,630,758
Staff welfare expense	1,653,070	882,589
	85,146,695	**76,586,758**
32 Provision for tax		
Current tax		
Provision for income tax	635,097,146	713,684,462
Less: Excess/(Short) provision adjustment	-	-
	635,097,146	**713,684,462**
Deferred tax		
Expense/(Income) on deductible temporary differences (Annexure C)	5,388,017	(3,911,632)
Expense/(Income) on taxable temporary differences (Annexure C)	(1,771,572)	(7,373,944)
	3,616,445	**(11,285,576)**

Reconciliation of effective tax rate	2025		2024	
	Taka	%	Taka	%
Tax using the company's tax rate	593,643,924	37.50%	641,609,076	37.50%
Tax effect of :				
Provision for non-deductible expenses	31,097,394	1.96%	32,841,659	1.92%
Adjustment/provision released during the year	58,728,350	3.71%	42,333,993	2.47%
Other components of tax as per ITA 2023	(50,731,773)	-3.20%	(5,193,788)	-0.30%
Difference between accounting and tax depreciation	2,359,252	0.15%	2,093,523	0.12%
Effective tax rate	**635,097,146**	**40.12%**	**713,684,462**	**41.71%**

		2025 Taka	2024 Taka
33	**Retained earnings**		
	Opening balance	935,825,025	675,601,635
	Prior year adjustment	-	-
	Add: Profit after tax for the year transferred from Profit & Loss Account	951,569,762	1,008,558,647
	Add: Remeasurements gain/(loss) due to actuarial valuation	-	-
	Accumulated profit available for distribution	**1,887,394,787**	**1,684,160,282**
	Less: Appropriations		
	Transferred to statutory reserve	39,778,030	-
	Transferred to general reserve	-	-
	Transferred to contingency reserve	-	-
	Transferred to dividend equalization reserve	-	450,000,000
	Issue of bonus shares for previous year	39,778,030	-
	Cash dividend paid for last year	298,335,257	298,335,257
		377,891,317	**748,335,257**
	Closing balance	**1,509,503,470**	**935,825,025**
34	**Earnings per share**		
	Profit after Tax	951,569,762	1,008,558,647
	Profit available for ordinary shareholders	**951,569,762**	**1,008,558,647**
	Number of shares outstanding for calculating basic EPS	202,867,974	202,867,974
	Basic earnings per share (Re-Stated : 2024)	**4.69**	**4.97**

No diluted earning per share is required to be calculated for the year as there was no convertible securities for dilution during the year.

35	**Net asset value (NAV) per share**		
	Shareholders' Equity	10,051,656,986	9,398,259,605
	Number of Share	202,867,974	202,867,974
	Net asset value (NAV) per share (As at 31 December) (Re-Stated : 2024)	**49.55**	**46.33**
36	**Net operating cash flows per share (NOCFPS)**		
	Net cash from operating activities	1,514,001,223	(75,296,069)
	Number of Share	202,867,974	202,867,974
	Net operating cash flows per share (NOCFPS) (Re-Stated : 2024)	**7.46**	**(0.37)**

37 Reconciliation of net profit with cash flows from operational activities on indirect method:

Particulars	Remarks	Amount in Taka	
		2025	2024
Particulars			
Profit after tax		951,569,762	1,008,558,646
Provision for income tax	Non cash item	631,480,701	702,398,884
Depreciation	Non cash item	73,574,936	64,035,054
Provision for Loans and advances	Non cash item	150,249,752	29,305,372
Provision for Diminution in value of investment	Non cash item	6,359,181	83,585,275
Interest Suspense	Non cash item	10,178,708	3,595,601
Gain/loss on sale of fixed assets	Non-operating item	(266,435)	(1,075,320)
Interest Accrued on DBH Affordable Housing Bond & ZCB	Non cash item	318,799,384	69,612,174
Accrual for dividend, LAD and interest receivable	Changes in accrual	(36,058,121)	(35,744,846)
Accrual for expenses	Changes in accrual	247,246,480	390,514,687
Purchase & sale of trading securities	(Inc)/Dec of assets	(82,224,655)	(80,792,030)
Loans and advances	(Inc)/Dec of assets	(1,135,271,086)	(835,919,672)
Other Assets	(Inc)/Dec of assets	28,672,979	37,239,110
Loan and deposit from Banks and Customer	Inc/(Dec) of liabilities	961,116,489	(880,607,805)
Other liabilities	Inc/(Dec) of liabilities	186,127,067	10,214,593
Income tax paid		(797,553,918)	(640,215,791)
Net cash flows from operating activities		**1,514,001,223**	**(75,296,069)**

37A Cash and cash equivalents (net off overdraft) at the end of the period

In hand	148,276	185,362
Balance with Bangladesh Bank and its agent Bank	712,310,862	682,179,141
Balance with other banks and financial institutions	14,095,488,972	9,380,539,393
Money at call on short notice	450,000,000	1,900,000,000
Bank Overdraft	(168,567,166)	(163,814,096)
	15,089,380,944	**11,799,089,800**

38 Dividend on ordinary shares(Events after the reporting period)

Proposed dividend:

The Board of Directors in its 165th meeting held on 10 May 2026 has recommended cash dividend @ 15% (i.e. Taka 1.50 per ordinary share) for the year ended 31 December 2025 for placement before the shareholders for approval at 30th AGM of the company.

39 Foreign currency inward/outward remittance

During this year no such transaction occurred that should be reported.

40 Related party transactions

The company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard-24 "Related Party Disclosures". The terms of related party transaction are not significantly different from those that could have been obtained from third parties. The significant related party transactions are as follows:

Name of the related parties	Relationship	Particulars	Expenses incurred during the year (Taka)
Delta Life Insurance Company Limited (DLIC)	Shareholder	Insurance premium	4,466,499
Green Delta Insurance Company Limited (GDICL)	Shareholder	Insurance premium	1,937,043

Name of the related parties	Relationship	Share Buy (Taka)	Share Sale (Taka)	Balance (Taka)
Green Delta Securities Ltd.	Subsidiary of GDICL	158,954,671	156,448,118	8,143
DLIC Securities Ltd.	Subsidiary of DLICL	-	-	49,174

Name of the related parties	Relationship	Deposits Received (Taka)	Interest & Principal Paid during the period (Taka)	Balance (Taka)
Delta Life Insurance Company Limited (DLICL)	Shareholder	190,000,000	187,955,790	197,000,000
Green Delta Insurance Company Limited (GDICL)	Shareholder	-	3,908,022	27,209,904
BRAC	Shareholder	500,000,000	722,442,249	1,309,488,884

Name of the related parties	Relationship	Deposits Received during the period (Taka)	Interest & Principal Paid during the period (Taka)	Balance (Taka)
Mr. Syed Moinuddin Ahmed	Chairman	-	255,784	2,264,448
Mr. Syed Alauddin Ahmed	Chairman's father	-	277,697	2,500,000
Prof. Nausheen Rahman	Independent Director	-	118	20,000

Name of the related parties	Relationship	Loan amount (Taka)	Recovered during the period (Taka)	Balance (Taka)
Green Delta Insurance PLC	Shareholder	3,040,000	77,591	2,962,409
Green Delta Insurance PLC	Shareholder	2,360,000	62,726	2,297,274

In the year 2025 (Jan'25 – Dec'25) Taka 56,802,080/- was paid as salary and allowances to the top 5 employees of the company. The amount includes short-term employee benefits of Taka 54,890,300/- and post-employment benefits of Taka 1,911,780/-

41 Operating Segment Reporting

Revenue & profit	For the year ended 2025		
	Core Financing Business	Islamic Financing Business	Total
External Revenue			
Net interest income / Profit on investment	1,195,288,194	112,836,501	1,308,124,695
Investment income	1,005,728,139	-	1,005,728,139
Commission & brokerage	154,173,286	21,685,340	175,858,626
Other operating income	14,056,840	562,085	14,618,925
Inter-segment revenue/interest expense	(5,549,874)	5,549,874	-
Total segment revenue (A)	**2,363,696,585**	**140,633,800**	**2,504,330,385**
Other operating expenses	678,910,539	12,185,514	691,096,053
Major non-cash expenses			
Depreciation	73,574,936	-	73,574,936
Provision for future losses	129,792,254	26,816,679	156,608,933
Inter-segment expenses	-	-	-
Total segment expenses (B)	**882,277,729**	**39,002,193**	**921,279,922**
Reportable segment profit before tax (A-B)	**1,481,418,856**	**101,631,607**	**1,583,050,463**

Revenue & profit	For the year ended 2024		
	Core Financing Business	Islamic Financing Business	Total
External Revenue			
Net interest income / Profit on investment	1,491,264,128	51,757,619	1,543,021,747
Investment income	809,106,058	-	809,106,058
Commission & brokerage	157,189,687	19,548,736	176,738,423
Other operating income	7,858,665	687,023	8,545,688
Inter-segment revenue/interest expense	(2,765,121)	2,765,121	-
Total segment revenue (A)	**2,462,653,417**	**74,758,499**	**2,537,411,916**
Other operating expenses	645,696,994	3,831,688	649,528,682
Major non-cash expenses			
Depreciation	64,035,054	-	64,035,054
Provision for future losses	95,790,973	17,099,673	112,890,647
Inter-segment expenses	-	-	-
Total segment expenses (B)	**805,523,021**	**20,931,361**	**826,454,383**
Reportable segment profit before tax (A-B)	**1,657,130,396**	**53,827,139**	**1,710,957,533**

Segment assets & liabilities	As at 31 December 2025		
	Core Financing Business	Islamic Financing Business	Total
External Asset			
Total asset	62,697,134,556	6,021,415,388	68,718,549,944
Inter-segment asset	-	-	-
Total segment asset	**62,697,134,556**	**6,021,415,388**	**68,718,549,944**
External liabilities			
Total liabilities	52,729,894,112	5,936,998,846	58,666,892,958
Inter-segment liabilities	-	-	-
Total segment liabilities	**52,729,894,112**	**5,936,998,846**	**58,666,892,958**

Segment assets & liabilities	As at 31 December 2024		
	Core Financing Business	Islamic Financing Business	Total
External Asset			
Total asset	64,207,762,803	2,980,081,965	67,187,844,768
Inter-segment asset	-	-	-
Total segment asset	**64,207,762,803**	**2,980,081,965**	**67,187,844,768**
External liabilities			
Total liabilities	54,843,924,912	2,945,660,251	57,789,585,163
Inter-segment liabilities	-	-	-
Total segment liabilities	**54,843,924,912**	**2,945,660,251**	**57,789,585,163**

42.0 During the year under audit, there were 349 (2024: 303) employees employed for the full period and 54 (2024: 68) employees for less than full period at a remuneration of Taka 3,000 and above per month.

43.0 General Disclosure

43.1 Name of Directors and entities in which they have interest as Director as at 31 December 2025:

Name	Position at DBH	Involvement in other organization	
		Name of the Organization in which they have interest	Position
Mr. Syed Moinuddin Ahmed	Chairman	Green Delta Insurance PLC	Additional Managing Director
		GD Assist Ltd.	Managing Director
		Green Delta Dragon AMC	Director (Representing GDIC)
		Professional Advancement Bangladesh	Director (Representing GDIC)
Prof. Imran Rahman	Vice Chairman & Independent Director	University of Liberal Arts Bangladesh (ULAB)	Professor, School of Business
Mr. Khandkar Manwarul Islam	Director	Stylent Knit Limited	Managing Director & CEO
		Ha-Meem Group Sweater Division	CEO
Mr. Nazir Rahim Chowdhury	Director	M.I.M. Fashion Wear Ltd.	Vice Chairman
Mr. Mohammad Anisur Rahman	Director	BRAC	Senior Director Enterprises
		BRAC Services Limited	Managing Director
		BRAC Healthcare Limited	Managing Director
Prof. Nausheen Rahman	Independent Director	University of Dhaka	Professor, Department of Finance

Mr. Syed Moinuddin Ahmed is the Representative Director of Green Delta Insurance PLC. Mr. Khandkar Manwarul Islam and Mr. Nazir Rahim Chowdhury are the Representative Directors of Delta Life Insurance Company Ltd. Mr. Mohammad Anisur Rahman is the Representative Director of BRAC.

43.2 Audit committee

The Audit Committee consists of the following Directors of the Board as at 31 December 2025:

Name	Status with the Company	Status with the Committee	Educational Qualification
Prof. Imran Rahman	Independent Director	Chairman	Doctoral Research (ABD)
Mr. Khandkar Manwarul Islam	Director	Member	MBA
Mr. Mohammad Anisur Rahman	Director	Member	MBA

During the period from January to December 2025, the audit committee of the Board conducted 5 (five) meetings.

Sl. No.	Meeting No	Meeting Date
1	71	21-Jan-25
2	72	24-Mar-25
3	73	5-May-25
4	74	29-Jul-25
5	75	19-Oct-25

The Committee discussed among others, the following issues:

Review of Internal Compliance Report.

Review of the un-audited quarterly financial statements and the audited financial statements.

Appointment / Re-appointment of Statutory Auditors.

43.3 Disclosure as required by FRC

Ref no.-178/FRC/APR/2021/28(7) dated 22 Dec 2021 with further reference of DFIM Circular no.-08 dated 17 August 2021.

DBH has a very fewer number of corporate clients or Public Interest Entities in its loan portfolio. As of 31 December 2025, it had 22 nos corporate clients and their portfolio was Taka 33.88 crore (0.74% of the total portfolio) only. The company disbursed Taka 6.55 crore to five Public Interest Entities during the year. It has collected Statutory Audit reports of the entities and checked the authenticity of the information of 100% of the files through the DVS system.

43.4 Comparative information

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Chairman | Director | Director | Managing Director & CEO

DBH FINANCE PLC.

SCHEDULE OF FIXED ASSETS AND INTANGIBLE ASSETS

For the year 2025

Annexure-A

Amount in Taka

Particulars	Cost				Depreciation/Amortization				Written down value as at 31 December 2025
	Balance as on 1 January 2025	Additions during the year	Disposals during the year	Balance as at 31 December 2025	Balance as on 1 January 2025	Charged for the year	Adjustment on disposals	Balance as at 31 December 2025	
Furniture & fixtures	86,777,538	10,267,518	141,711	96,903,345	70,781,102	5,689,681	141,675	76,329,109	20,574,236
Office Equipment	37,033,564	6,473,968	789,978	42,717,554	32,563,864	2,395,775	789,966	34,169,673	8,547,881
Computer and computer equipment	60,580,269	28,360,464	2,627,391	86,313,342	54,733,023	8,903,433	2,627,246	61,009,210	25,304,132
Vehicles	72,924,726	667,000	230,720	73,361,006	52,022,011	6,540,569	230,718	58,331,862	15,029,144
Building	198,480,625	-	-	198,480,625	48,830,089	5,928,550	-	54,758,639	143,721,986
Land	13,658,300	-	-	13,658,300	-	-	-	-	13,658,300
Right of use asset	133,595,081	157,846,325	76,103,508	215,337,898	82,190,843	42,962,989	74,241,518	50,912,314	164,425,584
	603,050,103	**203,615,275**	**79,893,308**	**726,772,070**	**341,120,932**	**72,420,997**	**78,031,123**	**335,510,807**	**391,261,263**
Intangible asset:									
Software	13,051,205	243,243	-	13,294,448	10,147,682	1,153,939	-	11,301,621	1,992,827
Total 2025	**616,101,308**	**203,858,518**	**79,893,308**	**740,066,518**	**351,268,614**	**73,574,936**	**78,031,123**	**346,812,428**	**393,254,090**

Annexure B - Net Defined Benefit

	31-Dec-25 Taka	31-Dec-24 Taka
Net defined benefit (GF)*		
Net defined benefit assets & liabilities		
Defined benefit obligation	(233,692,537)	(221,305,666)
Fair value of plan assets	261,436,211	237,050,849
Surplus	**27,743,674**	**15,745,183**

*An actuarial investigation of the DBH Employees' Gratuity Fund (the 'Fund') as of 31 December 2025 was audited by Z. Halim & Associates. The investigation reveals a past service liability of BDT. 233.69 million. The value of total assets in the Fund as on the investigation date is BDT 261.44 million. Comparing liability with the value of the fund reveals a surplus of around BDT 27.74 million.

Change in benefit obligation		
Defined benefit obligation as on opening date	(221,305,666)	(200,669,845)
Current service cost	(12,386,871)	(20,635,821)
Interest expense	(17,704,453)	(16,053,588)
Actual net benefits payments	12,823,824	9,774,434
Experience (gain)/loss	4,880,629	6,279,154
Defined benefit obligation as on closing date	**(233,692,537)**	**(221,305,666)**
Change in fair value of plan assets		
Fair value of plan asset as on opening date	237,050,849	210,409,892
Interest income	18,964,068	16,832,791
Actual employer contribution	22,962,871	16,270,594
Actual net benefits payments	(12,823,824)	(9,774,434)
Actuarial gains/(losses) on plan assets	(4,717,753)	3,312,006
Fair value of plan asset as on closing date	**261,436,211**	**237,050,849**
Fair Value of plan assets at year end split by major asset		
Investment in Shares & Securities	14,952,517	14,952,517
Investment in fixed deposit	240,094,670	207,633,526
Receivable from Green Delta Securities Ltd.	18,173	18,623
Dividend Receivable	-	116,803
Accrued interest	3,462,002	4,704,107
Cash at Bank	2,908,849	3,848,775
Others (Advance Tax)	-	5,776,498
Total fair value of plan asset	**261,436,211**	**237,050,849**

Principal actuarial assumptions	**Rate**	
Discount rate	**8.00%**	**8.00%**
Expected rate of return on plan assets	**8.00%**	**8.00%**
Rate of increases in pensionable salaries	**6.00%**	**6.50%**
Life table used	**Indian Assured Lives Mortality (2006-2008) Ult**	

Annexure C - Deferred Tax

Particulars	31-Dec-25 Taka	31-Dec-24 Taka	Deferred tax (expense)/income accounted during the year
Deferred tax asset (Note 9)	11,851,420	6,463,403	5,388,017
Deferred tax liability (Note 12)	47,810,026	46,038,454	(1,771,572)
			3,616,445

Deferred tax asset arrived as follows:	As on 31.12.2025		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
Fixed asset (Excluding land) net of depreciation (Annex A)	215,170,207	218,006,203	2,835,996
Difference of vehicles*	(8,502,780)	-	8,502,780
loss on sale of securities (Unadjusted)	(50,662,525)	-	50,662,525
	156,004,902	218,006,203	62,001,301
Applicable tax rate for business or profession		37.50%	4,252,041
Applicable tax rate for loss on sale of secondary shares		15.00%	7,599,379
Deferred tax asset as on 31.12.2025			**11,851,420**

	As on 31.12.2024		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
Fixed asset (Excluding land) net-off depreciation (Annex A)	199,770,156	196,739,694	(3,030,462)
Difference of vehicles*	(11,999,135)	-	11,999,135
loss on sale of securities (Unadjusted)	(31,001,508)	-	31,001,508
	156,769,513	196,739,694	39,970,181
Applicable tax rate for business or profession		37.50%	3,363,252
Applicable tax rate for loss on sale of secondary shares		10.00%	3,100,151
Deferred tax asset as on 31.12.2024			**6,463,403**

Deferred tax liability arrived as follows:	As on 31.12.2025		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
ROU asset less ROU lease liability	1,263,251	-	(1,263,251)
Interest Receivables on FDR & SND accounts	126,230,153	-	(126,230,153)
Dividend receivables	-	-	-
	127,493,404	-	(127,493,404)
Applicable tax rate for business or profession		37.50%	47,810,026
Applicable tax rate for dividend		20.00%	-
Deferred tax liability as on 31.12.2025			**47,810,026**

	As on 31.12.2024		
	Carrying value	Tax base	(Taxable)/deductible temporary difference
ROU asset net-off ROU lease liability	4,275,236	-	(4,275,236)
Interest Receivables on FDR & SND accounts	116,544,199	-	(116,544,199)
Dividend receivables	3,655,833	-	(3,655,833)
	124,475,268	-	(124,475,268)
Applicable tax rate for business or profession		37.50%	45,307,288
Applicable tax rate for dividend		20.00%	731,166
Deferred tax liability as on 31.12.2024			**46,038,454**

*This represents a permanent difference in respect of sedan cars, not plying for hire, owned by DBH. Under the provisions of the Income Tax Act, 2023, depreciation on such vehicles is allowable for tax purposes only up to a specified cost limit (currently BDT 3 million per car). Accordingly, the difference represents the portion of depreciation expense attributable to the cost exceeding this prescribed limit.

DBH FINANCE PLC.
HIGHLIGHTS
(As per Bangladesh Bank guidelines)

Annexure-D

In Million

SL No.	Key indicators	2025	2024
1	Paid-up capital	2,028.68	1,988.90
2	Total capital	10,051.66	9,398.26
3	Capital surplus	7,020.84	6,540.57
4	Total assets	68,718.55	67,187.84
5	Total deposits	46,736.46	45,775.34
6	Total loans, advances and leases	45,576.48	44,509.37
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	0.98	0.97
9	Percentage of classified loans against total loans, advances and leases	0.84%	0.97%
10	Profit after tax and provision	951.57	1,008.56
11	Amount of classified loans during current period	383.18	431.74
12	Provisions kept against classified loans	563.07	490.16
13	Provision surplus against classified loan	179.89	58.41
14	Cost of fund	10.60%	10.89%
15	Interest earnings assets	67,330.44	65,975.88
16	Non-interest earnings assets	1,388.11	1,211.97
17	Return on investment (ROI)	1.43%	1.52%
18	Return on assets (ROA)	1.40%	1.50%
19	Income from investment	1,005.73	809.11
20	Earnings Per Share (EPS)	4.69	4.97
21	Net income per share	4.69	4.97
22	Market price per share	34.60	38.90
23	Price earnings (PE) ratio	7.38	7.82

DBH FINANCE PLC.
ISLAMIC FINANCING WING (IFW)
BALANCE SHEET
As at 31 December 2025

Annexure-E

Particulars	Note	Amount in Taka	
		31 December 2025	31 December 2025
Property & Assets			
Cash		**62,558,904**	**33,000,000**
In Hand		-	-
Balance with BB and agent Bank	3	62,558,904	33,000,000
Balance with other Banks and Financial Institutions	4	**1,589,854,855**	**272,657,771**
In Bangladesh		1,589,854,855	272,657,771
Outside Bangladesh		-	-
Placement with Banks & other financial institutions	5	-	-
Investments in securities	6	-	-
Government		-	-
Others		-	-
Investments in HPSM	7	**4,369,001,629**	**2,672,670,804**
Fixed Assets	8	-	-
Other assets	9	-	1,753,390
Total Assets		**6,021,415,388**	**2,980,081,965**
Liabilities and Capital			
Liabilities			
Placement from Banks and other Financial Institutions	10	**1,200,000,000**	**175,000,000**
Mudaraba Term Deposits and Other accounts	11	**4,545,321,326**	**2,670,527,419**
Bank & FI		400,000,000	412,675,556
Other Deposits		4,145,321,326	2,257,851,863
Other liabilities	12	**191,677,520**	**100,132,832**
Total liabilities		**5,936,998,846**	**2,945,660,251**
Shareholders' Equity			
Share capital		-	-
Share premium		-	-
Statutory reserve		-	-
Other reserve		-	-
Retained earnings		84,416,542	34,421,713
Total Equity		**84,416,542**	**34,421,713**
Total liabilities and shareholders equity		**6,021,415,388**	**2,980,081,965**

DBH FINANCE PLC.
ISLAMIC FINANCING WING (IFW)
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2025

Particulars	Note	Amount in Taka	
		2025	2024
Operating income			
Investment Income	13	670,527,627	280,153,036
Profit and other expenses distributed on Deposits and placements	14	557,691,126	228,395,417
Net Investment Income		**112,836,501**	**51,757,619**
Fees and misc. reimbursement investment in HPSM	15	21,685,340	19,548,736
Other Operating income	16	562,085	687,023
Total operating income		**135,083,926**	**71,993,378**
Operating expenses			
Salary and allowances	17	11,060,724	2,553,100
Rent, taxes, insurance, electricity etc.	18	-	-
Legal & professional expenses	19	-	-
Postage, stamp,telecomunication etc.	20	-	-
Stationery, printing advertisement etc.	21	573,920	797,481
Shariah Supervisory Committee's fee	22	101,200	125,504
Auditors fees	23	-	-
Depreciation repair & maintenance exp.	24	-	33,220
Other expenses	25	449,670	322,383
Total operating expenses		**12,185,514**	**3,831,688**
Operating profit before provision		**122,898,412**	**68,161,690**
Provision for			
Provision for investments		26,816,679	17,099,673
Provision for other assets		-	-
Diminution in value of investment in securities		-	-
Total provision		**26,816,679**	**17,099,673**
Pre-tax profit		**96,081,733**	**51,062,017**
Provision for tax			
Current		46,744,426	25,963,854
Deferred		(657,521)	(403,228)
		46,086,905	**25,560,626**
Profit after tax		**49,994,828**	**25,501,391**
<u>Appropriation</u>			
Statutory reserve		-	-
General reserve		-	-
Contingency reserve		-	-
Interim Dividend or ordinery dividend		-	-
Transfer to Dividend Equilisation Fund		-	-
Total appropriations		-	-
Retained surplus		**49,994,828**	**25,501,391**

DBH FINANCE PLC.
ISLAMIC FINANCING WING (IFW)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended on 31 December 2025

1.0 About Islamic Financing Wing

1.01 Status of the Wing

DBH Finance PLC operates an Islamic Financing Wing (IFW) offering Shariah-compliant financing and deposit products including Hire Purchase under Shirkatul Meelk (HPSM) and Mudaraba deposit schemes. The operations of IFW are conducted under the approval and supervision of Bangladesh Bank. The company obtained permission from Bangladesh Bank to operate Islamic Finance Wing on 10 April 2023 vide letter No.-DFIM (L)1053/46/2023-1298. It started its operation of Islamic Finance Wing on 07 May 2023.

The Islamic Financing Wing maintains a separate Shariah Supervisory Committee (SSC) which oversees compliance with Islamic Shariah principles, product structure, documentation, and operational practices.

1.02 Principal activities and nature of operation

The Islamic Finance Wing of DBH Finance PLC is dedicated to delivering Shariah-compliant financial solutions through a separate operational and governance framework. Its principal activities include offering home investment product under Hire Purchase Shirkatul Meelk (HPSM), mobilizing deposits through Mudaraba-based schemes, and managing profit distribution in accordance with predetermined Income Sharing Ratios. The Wing conducts its financing, deposit mobilization, and treasury placements strictly within Shariah principles, supported by segregated systems, dedicated personnel, and independent oversight. Through these activities, the Islamic Finance Wing aims to expand access to ethical, asset-backed housing finance and responsible investment opportunities for its customers.

To ensure compliance with Islamic governance standards:

- Islamic funds are maintained separately from conventional funds;
- Dedicated Mudaraba Special Notice Deposit (MSND) accounts are operated with an Islamic bank
- Dedicated Current account is maintained with Bangladesh Bank for maintaining balance as per CRR regulation of Bangladesh Bank
- Separate general ledger and accounting systems (i-CBS) are maintained for Islamic operations
- Separate Product Program Guidelines (PPGs), SOPs, and operational approvals govern IFW activity.

The IFW prepares separate schedules of assets, liabilities, revenue, and expenses for reporting and audit purposes.

2.0 Significant accounting policies and methods of preparation:

2.1 Basis of Accounting & Reporting Framework:

The financial statements of the IFW are prepared

- In accordance with International Financial Reporting Standards (IFRS) as adopted locally, including IFRS 9, IFRS 15, IAS 1 and IAS 32;
- With reference to AAOIFI Financial Accounting Standards applicable to Islamic modes of financing and deposit structures
- and in compliance with Bangladesh Bank Islamic banking guidelines

Where differences exist between IFRS measurement requirements and Shariah contractual form, the IFW structures contracts to ensure Shariah compliance, while measurement and recognition criteria follow IFRS unless contradictory to Shariah.

2.2 Recognition of Income from HPSM Financing:

Under HPSM financing arrangements:

- Income is recognized on an accrual basis consistent with IFRS 9 effective profit method and AAOIFI principles regarding deferred profit;
- No rental income is collected during construction or grace periods
- Profit attributable to the construction period is accrued as unearned income
- Upon completion, accrued profit is realized either
  - > in a lump sum, in which case risk premium is waived; or
  - > spread evenly over the remaining tenure

Financing assets are subject to provisions as per NPL guidelines of Bangladesh Bank and NPL policy of DBH. Income is not recognized on non-performing assets beyond Bangladesh Bank permitted boundaries.

2.3 Deposit and Allocation of cost of deposit

The Islamic Finance Wing of DBH Finance PLC mobilizes deposits through Shariah-compliant Mudaraba schemes, under which depositors participate as Rabb-ul-Mal and share in the income generated from Shariah-based financing activities. Returns to depositors are not predetermined; rather, they are allocated based on pre-agreed Income Sharing Ratios (ISR) that reflect the respective roles and risk exposures of the parties. Funds collected through these schemes are pooled and invested exclusively in permissible asset-backed transactions, and the resulting income rate is distributed after necessary provisions and allocations, including adjustments to the Profit Equalization Fund where applicable as per the agreed ISR ratio. This framework ensures transparency and fairness while maintaining adherence to Islamic principles in managing depositors' funds.

ISR varies from time to time based on market scenario. In earlier of 2025, ISR was 76% to 80% which is now 73% to 75%.

2.4 Cost Recognition Principal

The Islamic Finance Wing recognizes costs on an accrual basis, whereby expenses are charged monthly in the period in which they are incurred. Direct costs attributable to IFW operations—including personnel expenses of dedicated Islamic staff, and direct operating costs such as stationery, printing, legal and documentation fees, bank charges, training, stamp duties, and advertising—are charged to the Wing's accounts as they arise. No indirect cost allocations are made for shared resources, as employees engaged in conventional operations, including loan and deposit sales personnel and other support functions, provide assistance to the Wing without cost attribution. The only indirect charge applied is the incentive bonus payable to all employees, which is calculated at 5% of profit before tax and allocated to the IFW accordingly. This approach ensures that costs recognized reflect the true direct expenditure of the Islamic operations while maintaining transparency and fairness in shared service arrangements.

2.5 Late payment compensation charge

Late payment charges collected from clients are not recognized as income. Such charges are credited to a Compensation Realized Charity Account. These funds will be used solely for CSR / charitable purposes; the funds cannot be used for operational or shareholder benefit. This treatment is in line with Shariah prohibitions on Riba and IFRS liability recognition.

DBH FINANCE PLC.
ISLAMIC FINANCING WING (IFW)
NOTES TO THE FINANCIAL STATEMENTS
As at 31 December 2025

		31 December 2025	31 December 2024
3	**Balance with Bangladesh Bank and its agent banks**		
	Bangladesh Bank - Al Wadiah Current Account	62,558,904	33,000,000
	BB FX deposit	-	-
	Sonali Bank	-	-
		62,558,904	**33,000,000**
4	**Balance with other bank and financial institutions**		
	In Bangladesh		
	Current deposits & STD		
	Export Import Bank of Bangladesh PLC(Proposed: Shommilito Islami Bank PLC)	-	519,045
	Dhaka Bank PLC	127,719	441,592
	NRB Bank PLC	4,715,169	4,138,320
	Standard Chartered Bank	20,092,952	3,302,596
	Meghna Bank PLC	451,374,107	-
	Al-Arafah Bank PLC	66,256,751	160,397,270
	Standard Bank PLC	1,047,288,157	103,858,948
		1,589,854,855	**272,657,771**
5	**Placement with Banks & other financial institutions**	-	-
6	**Investments in securities**		
	Government securities:	-	-
	Bangladesh Government Islamic Investment Bond	-	-
	Other investments:	-	-
	Investment Sukuk	-	-
	Mudaraba Bond	-	-
		-	-
7	**Investments in HPSM**		
	Inside Bangladesh		
	Investment in HPSM	4,369,001,629	2,672,670,804
	Out side Bangladesh	-	-
		4,369,001,629	**2,672,670,804**
7.1	**HPSM Investment**		
	Housing Finance		
	Opening balance	2,672,670,804	961,340,485
	Disbursement during the year	2,475,015,244	1,990,609,446
		5,147,686,048	**2,951,949,931**
	Realization during the year	778,684,419	279,279,127
	Closing balance	**4,369,001,629**	**2,672,670,804**
8	**Fixed assets**		
	Cost		
	Balance as of 01 January	-	-
	Addition during the year	-	-
	Disposal/Adjustments	-	-
	Balance as of 31 December	-	-

		31 December 2025	31 December 2024
	Depreciation		
	Balance as of 01 January	-	-
	Addition during the year	-	-
	Disposal/Adjustments	-	-
	Balance as of 31 December	-	-
	Written down value	-	-
9	**Other Assets**		
	Accounts receivable	-	1,753,390
	Advance deposit and prepayments	-	-
	Deferred tax assets	-	-
	Stamps & Pay order	-	-
		-	**1,753,390**
9.1	**Accounts receivable**		
	Profit Receivable on BGIIB	-	-
	Grace Period Profit Receivable	-	-
	Coupon Profit/Rent Receivable on Investment Sukuk	-	-
	Profit receivable on SND accounts	-	1,753,390
		-	**1,753,390**
9.2	**Advance deposits and prepayments**		
	Prepaid expenses	-	-
	Advance to supplier	-	-
	Security deposits	-	-
	Stamps & Pay order	-	-
		-	**-**
10	**Placement from banks & other financial institutions**		
	Inside Bangladesh		
	Short Term Placement-MST	1,200,000,000	175,000,000
	Treasury Line	-	-
	Bank overdraft	-	-
		1,200,000,000	**175,000,000**
	Total Inside Bangladesh	1,200,000,000	175,000,000
	Outside Bangladesh	-	-
		1,200,000,000	**175,000,000**
11	**Mudaraba Term Deposits and Other accounts**		
	Opening balance	2,670,527,419	1,120,697,643
	New deposits	9,988,987,333	5,499,136,619
	Repayment	(8,114,193,426)	(3,949,306,843)
	Balance	**4,545,321,326**	**2,670,527,419**

		31 December 2025	31 December 2024
12	**Other liabilities**		
	Provision for Finance (12.1)	53,543,387	26,726,708
	Provision for income tax (12.2)	22,914,808	15,090,059
	Profit/Rent suspense (12.3)	980,216	-
	Other payables (12.4)	114,239,109	58,316,065
		191,677,520	**100,132,832**
12.1	**Provision for investment**		
	1% General provision	43,690,016	26,726,708
	Specific provision	9,853,371	-
		53,543,387	**26,726,708**
12.2	**Provision For Taxation:**		
	Opening balance	15,090,059	-
	Addition during the period	46,744,426	25,963,854
	Advance tax paid	(38,919,677)	(10,873,795)
	Tax payable/ (receivable)	**22,914,808**	**15,090,059**
12.3	**Profit/Rent suspense**	**980,216**	**-**
12.4	**Other payables**		
	Profit Payable on Short Term Placement	2,833,333	177,153
	Profit payable-deposit	80,652,686	40,531,276
	Privileged creditor	6,928,181	2,921,732
	Incentive provision	4,804,086	2,553,100
	Profit Equalization Fund	1,670,889	1,497,948
	Unclaimed instrument	569,545	484,378
	Payable to clients	15,566,988	9,322,289
	Deferred Tax current Liability/(Asset)	-	657,521
	HPSM Compensation Realized Charity A/C	1,213,401	170,668
		114,239,109	**58,316,065**
13	**Investment income**		
	Investment income on HPSM	477,684,757	228,157,115
	Investment income on MTDR	-	-
	Investment income on STD	192,842,870	45,970,921
	Investment income on placement with other Bank/FI	-	6,025,000
		670,527,627	**280,153,036**

		2025	2024
14	**Profit and other expenses distributed on Deposits and placements**		
	Profit distributed on short term placement from other Bank/FI	-	-
	Profit distributed on Treasury line Placement/Deposit	139,365,764	25,540,736
	Profit distributed on Mudaraba Bond	-	-
	Profit on Treasury Funding	**139,365,764**	**25,540,736**
	Profit distributed on term investment	-	-
	Profit distributed on Term Deposit (Treasury)	50,615,671	17,742,409
	Profit distributed on term deposit	367,709,691	185,112,272
		557,691,126	**228,395,417**
15	**Commission exchange and brokerage**		
	Application Fees	-	-
	Other fees	-	-
	Investment processing fees	17,655,729	15,757,800
	Stamp Charges.	531,801	485,175
	CIB Charges.	165,604	157,500
	Legal & Valuation Fees.	3,332,206	3,148,261
	Prepayment charge	-	-
		21,685,340	**19,548,736**
16	**Other operating income**		
	Property Service charge	535,274	632,663
	Other receipts	26,811	54,360
		562,085	**687,023**
17	**Salary and allowances**		
	Salary and allowances	6,256,638	-
	Utility Expenses	-	-
	Employee welfare Reimbursement	-	-
	Incentive Bonus	4,804,086	2,553,100
	Leave fare assistance	-	-
	Other Allowance	-	-
		11,060,724	**2,553,100**
18	**Rent, taxes, insurance, electricity etc.**		
	Rent, rate & taxes	-	-
	Insurance	-	-
	Electricity	-	-
	Water	-	-
19	**Legal & Professional expenses**		
	Other professional Fees	-	-
	Law fees & expenses	-	-

		2025	2024
20	**Postage, stamps and telecommunication**		
	Postage & currier service	-	-
	Stamp expenses	-	-
	Telephone & internet	-	-
21	**Stationery, printing, advertising etc.**		
	Printing	-	-
	Stationery	-	-
	Publicity and advertisement	573,920	797,481
		573,920	**797,481**
22	**Shariah Supervisory Committee's fee**		
	Honorarium for attending meetings	96,400	99,200
	Incidental expenses for attending meeting	4,800	26,304
		101,200	**125,504**
23	**Auditors' fees**		
	Statutory annual audit fees(including VAT)		
24	**Depreciation, repair & maintenance**		
	Freehold assets	-	-
	Leasehold assets	-	-
	Intangible assets	-	-
	Repair & maintenance		
	Vehicle	-	-
	Office equipment and premises	-	33,220
	Computer hardware and software	-	-
		-	**33,220**
25	**Other expenses**		
	Staff training & recruitment expenses	24,055	47,217
	Transportation, travelling & conveyance	-	-
	Canteen expense	21,626	3,193
	Business promotion & entertainment	96,000	-
	Referral Commission	-	-
	Recovery expenses	-	-
	Car Fuel	-	-
	Bank charges	307,989	271,973
		449,670	**322,383**

MANAGEMENT COMMITTEE



Standing from left

Md. Fakrul Amin
Executive Vice President & Head of Legal

Md. Golam Rosul
Executive Vice President & Head of Sales

Md. Ariful Bari Rumi
Senior Vice President & Cluster Head and Head of Customer Experience

Sabed Bin Ahsan
Executive Vice President & Head of Operations

Nahid Ahmed
Senior Vice President & Head of Treasury

Md. Zakaria Eusuf
Executive Vice President & Head of Credit

Md. Abdul Ahad
Executive Vice President & Chief Financial Officer

Ashfakul Islam
Senior Executive Vice President & Chief Technology Officer

Sitting from left

Saiyaf Ejaz
Senior Executive Vice President & Chief Risk Officer

A. K. M. Tanvir Kamal
Deputy Managing Director & Chief Operating Officer

Nasimul Baten
Managing Director & Chief Executive Officer

Jashim Uddin
Executive Vice President & Company Secretary and Head of Corporate Affairs

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EVENT GALLERY

DBH honored with 12th ICSB Corporate Governance Excellence Award





DBH received 15th ICMAB Corporate Award

DBH Finance and Berger Paints have partnered to offer service benefits to DBH clients under DBH Connect.



DBH won Certificate of Merit from South Asian Federation of Accountants (SAFA) Award for Corporate Governance Disclosure 2024





DBH inaugurates its new branch in Bogura City

DBH Finance and Evercare Hospital have partnered to offer medical service benefits to DBH clients under DBH Connect.



CORPORATE DIRECTORY

HEAD OFFICE

Landmark Building (9th Floor), 12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212
PABX: 09610 334455, +880 (2) 222282374, 58816001, 222289112, Fax: + 880 (2) 222282110

Corporate Website: www.dbhfinance.com **Corporate e-mail: dbh@dbhfinance.com**

DBH Customer Center: 16562 or 09610222888

B R A N C H E S

Dhanmondi Branch
Pantha Plaza (1st Floor), 63/A Lake Circus, Kalabagan
(West Panthapath), Dhaka-1205, PABX: 09610 334440,
09610 334455, +880 (2) 222240904, 48110390, 58155745

Motijheel Branch
D R Tower (7th Floor), 65/2/2, Purana Paltan,
Box Culvert Road, Dhaka-1000, PABX: 09610 334400,
09610 334455, +880 (2) 47111774, 47111778, 9565053

Uttara Branch
Union Nahar Square (4th Floor), Plot- 19, Sonargaon Janapath
Road, Sector-13, Uttara, Dhaka-1230
PABX: 09610 334480, 09610 334455, +880 (2) 48956657

Savar Branch
MK Tower (4th Floor), B-16/1 Jaleshwar
Shimultola, Savar, Dhaka
PABX: 09610 334500, 09610334455

Gazipur Branch
Reaz Tower (2nd Floor), Tangail Road,
Joydebpur Chowrasta, Gazipur City Corporation,
Gazipur -1702, PABX : 09610 334520, 09610 334455

Narayanganj Branch
Madina Tower (1st Floor), 42/2 Nawab Salimullah Road,
North Chashara, Narayanganj
PABX: 09610 334540, 09610 334455

Agrabad Branch
Makkah Madinah Trade Centre (MMTC), 6th Floor (South side)
78 Agrabad Commercial Area, Chattogram
PABX : 09610 334650, 09610 334455

Nasirabad Branch
Sanmar Tower-1 (5th Floor)
1850/3319, CDA Avenue, East Nasirabad, Chattogram
PABX: 09610 334600, 09610 334455, +880 (31) 2551224-6

Sylhet Branch
Azadi 111 (1st Floor), Mirboxtula, Sylhet, Bangladesh
PABX: 09610 334640, 09610 334455

Cumilla Branch
Trical Tower (1st Floor), 634/581 Laksham Road,
Cumilla-3500, PABX: 09610 334700, 09610 334455

Khulna Branch
Raj Square (5th Floor), Plot: A-1, KDA Majid Sarani,
Sonadanga, Khulna, PABX: 09610 334720, 09610 334455

Rajshahi Branch
Dulal Tower (3rd Floor), 220 Shaheb Bazar, Moni Chottor,
Boalia, Rajshahi, PABX: 09610 334740, 09610 334455

Rangpur Branch
Khan Bahadur Abdur Rouf Plaza (3rd Floor), House No. 01,
Road No. 01, Station Road, Rangpur
PABX: 09610 334580, 09610 334455

Barishal Branch
Faiz Shotaiyu Bhabon, (2nd Floor), Holding-409,
Ward-16, Sahid Nazrul Islam Sarak (Police Line Road),
Barishal Sadar, Barishal, PABX: 09610 334690, 09610 334455

Mymensingh Branch
Parvez Tower (2nd Floor),
99/A, Sharda Ghosh Road, Sadar, Mymensingh
PABX: 09610 334670, 09610 334455

Bogura Branch
Bitu Tower (2nd Floor, North-west side), Holding: 0791-00, Borogola,
Rangpur Road, Bogura-5800
PABX: 09610 334630, 09610334455

Mirpur Customer Service Center
HAL GBDL Kazi Morning Glory (3rd Floor) , House-15, Road-3 (Main Road), Block-A, Section-11, Mirpur, Dhaka
PABX: 09610 334560, 09610 334455

Bankers

Citibank, N.A.
Commercial Bank of Ceylon PLC.
Dhaka Bank PLC.
NRB Bank PLC.
Al Arafah Islami Bank PLC.
Trust Bank PLC.
Mercantile Bank PLC.
The City Bank PLC.
Prime Bank PLC.
Pubali Bank PLC.
Standard Chartered Bank
Standard Bank PLC.
Woori Bank PLC.
City Bank PLC.
Meghna Bank PLC.
BRAC Bank PLC.

Auditors

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban, (6th & 7th Floor)
7-9 Kawran Bazar Road,
Dhaka-1215, Bangladesh.

NOTICE OF THE 30TH ANNUAL GENERAL MEETING (VIRTUAL)

Notice is hereby given that the **30th Annual General Meeting (AGM)** of **DBH Finance PLC.** will be held on **Monday, June 29, 2026, at 11:30 a.m.** (Dhaka Time). The AGM will be held virtually by using a digital platform (Pursuant to BSEC order no. BSEC/ICAD/SRIC/2024/318/87, dated March 27, 2024) through the following link: **https://dbh30.agm.watch/** to transact the following businesses:

1. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2025, and the Auditors' Report thereon.
2. Declaration of dividend for the year ended December 31, 2025 as recommended by the Board.
3. Appointment/re-appointment of Directors.
4. (i) Appointment of statutory auditors and fixation of their remuneration;

   (ii) Appointment of a professional firm to provide the certificate on compliance of the Corporate Governance Code of BSEC for the year 2026, as well as fixation of their remuneration.

By order of the Board
Sd/-
Jashim Uddin, FCS
Company Secretary

June 07, 2026

Notes:

- The Shareholders whose names appeared on the Shareholders/Depository Register as on the "Record Date" i.e. **June 04, 2026,** are eligible to participate in the 30th Annual General Meeting (AGM) and receive the dividend.
- The Shareholders will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For login to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID number and number of shares along with other credentials (if any as required) as proof of their identity by visiting the link: **https://dbh30.agm.watch/**
- We encourage the Shareholders to login to the system prior to the meeting start time at 11:30 a.m. (Dhaka time) on June 29, 2026. Shareholders may contact +8801614072145 for any technical difficulties in accessing the virtual meeting.
- A member may appoint a proxy to attend and vote on his/her place by filling the proxy form of the Company. The proxy form, duly completed and stamped, must be deposited at the Company's registered office not later than 48 hours before the day of AGM.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, link of the soft copy of the Annual Report-2025 will be sent to the email addresses of the Shareholders available in their Beneficial Owner (BO) account maintained with the Depository. The soft copy of the Annual Report-2025 will also be available on the Company's website at: **www.dbhfinance.com.** The printed annual report may be available if any member requires in writing beforehand.

COMMUNICATION TO SHAREHOLDERS AND CUSTOMERS

DBH Finance PLC. is listed in both the nation's exchanges. Investors can monitor the ticker in the name of DBH in both DSE and CSE. Any price sensitive information is disseminated timely. Annual Report of the company summarizes the company's financial performance and provides an overview of the company's major activities. The annual report is duly submitted to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC & Chittagong Stock Exchange PLC in timely manner. Each stockholder is sent copy of the report before AGM. Annual Report, Quarterly Reports and Supplements to the reports are available on the company's website, www.dbhfinance.com or copies are available with the Board Secretariat at DBH Finance PLC. On top of the above information, the company makes available each material information or achievement to the shareholders through the company's web portal. For additional information about company and the financials, the investors can visit our web portals, www.dbhfinance.com.

Redressal of Investors' complaint



Corporate Affairs Department of DBH Finance PLC always places high importance on resolving any complaints from investors about inconveniences. in mitigating investors' complaints (if any) regarding any inconvenience. Investors can approach to Corporate Affairs Department for filing a complaint or send an email to zobair@dbhfinance.com, the company's Corporate Affairs Department's email address. Additionally, an investor may file a written complaint to DBH Finance PLC also. DBH's assigned person responds immediately to the complaint after receiving the complaint.

Redressal of Customers' complaint:



At DBH Finance, we are committed to delivering exceptional service and addressing customer concerns with utmost priority and professionalism. Customers can reach us to lodge complaints through multiple convenient channels. They can contact us by phone through our hotline number 16562 or 09610 222888 for prompt assistance. Complaints can also be sent via email to our dedicated customer service address at customerservice@dbhfinance.com. For a self-service option, clients may use our Virtual Interactive Voice Response (VIVR) platform at vivr.dbhfinance.com. Additionally, customers are welcome to visit any of our 16 branches and approach the Customer Service Desk (CSD) to file a complaint in person.

We are dedicated to resolving all complaints fairly, transparently, and in a timely manner. Once a complaint is received, it is acknowledged promptly and assigned to the relevant department for investigation. Our team ensures regular follow-up and communicates with the customer throughout the resolution process. We continuously review our complaint handling procedures to improve our service quality and ensure customer satisfaction.

DBH Finance PLC.

Head Office : Landmark Building (9th Floor)
12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212
PABX : 09610 334455, +880(2) 222282374
58816001, 222289112,
Fax : +880(2) 222282110
Email : dbh@dbhfinance.com
Web : www.dbhfinance.com

30th Annual General Meeting

Proxy Form

I/We .....

of ..... being a member of DBH Finance PLC.

and a holder of ..... shares do hereby appoint

Mr./Ms ..... of ..... aas my/our proxy to vote for me/us and on my/ our behalf at the **30th Annual General Meeting (Virtual)** of the Company to be held on **June 29, 2026 (Monday) at 11.30 a.m.** and any adjournment thereof.

Signed this ..... day of ..... 2026.

Signature .....

Name .....

Folio/BO ID No. .....

Member

Revenue Stamp

Signature .....

Name .....

Folio/BO ID No. .....

Proxy

NOTES:

1) This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the registered office. Proxy is invalid if not duly signed and stamped.

2) Signature of the Shareholders should agree with the Specimen Signature registered with the Company and Depository Register.

30th Annual General Meeting

Virtual Meeting Logistics



Date
Monday, 29 June 2026



Time
11:30 AM, Dhaka Time



Live Webcast
https://dbh30.agm.watch/


30
YEARS OF
EXCELLENCE

DBH

DBH Islamic

16562

DBH Finance PLC.

www.dbhfinance.com

vivr.dbhfinance.com

dbhfinance