

Report on Corporate Governance

Report of the Directors on Corporate Governance

Corporate governance continues to evolve in response to global challenges such as geopolitical tensions, economic uncertainty, inflationary pressures, market volatility, and climate concerns. These dynamics necessitate robust governance frameworks that foster resilience and drive sustainable long-term value. Boards with a forward-looking perspective are better positioned to navigate complex environments effectively.

In 2024, Bangladesh's financial sector encountered significant challenges, prompting regulatory bodies to strengthen corporate governance mechanisms. Bangladesh Bank issued multiple circulars and guidelines governing board formation, committee structuring, and appointments of Managing Directors and Directors in financial institutions. Concurrently, the Bangladesh Securities and Exchange Commission (BSEC) introduced new regulations aimed at enhancing governance in listed companies, reinforcing transparency and accountability.

Philosophy on Corporate Governance

Corporate governance is a combination of voluntary best practices and adherence to regulatory requirements aimed at fostering accountability, transparency, and sustainable growth. At DBH Finance PLC, we uphold governance practices that align with the highest ethical standards and strategic prudence. This commitment enhances our competitive edge, strengthens our reputation, and ensures long-term sustainability.

We firmly believe that a cohesive alignment of culture and strategy drives superior financial performance, employee engagement, ethical conduct, and stakeholder satisfaction. With the diverse expertise of our board members, we effectively address challenges such as regulatory changes, digital transformation, economic instability, and market dynamics.

Compliance forms the cornerstone of our governance framework. We diligently adhere to the Companies Act, 1994; the Code of Corporate

Governance-2018 and its amendments in 2023; the Listing Regulations-2015; and the Finance Companies Act-2023. Our multifaceted responsibilities extend beyond legal compliance to include accountability to shareholders, regulators, employees, investors, creditors, and customers. Ensuring transparency, we provide stakeholders with accurate and comprehensive information through various channels, including our website (www.dbhfinance.com), which is regularly updated in accordance with regulatory requirements.

Our unwavering dedication to governance has earned us numerous accolades. We are proud recipients of the 'ICSB Gold Award for Excellence in Corporate Governance' for four consecutive years, along with repeated honors such as the 'ICMAB Best Corporate Award' and the 'ICAB National Award.' These recognitions underscore our commitment to fostering a culture of accountability and excellence.

Responsibilities of the Board

The Board of Directors at DBH Finance PLC serves as custodians of the Company's mission to create sustainable value for all stakeholders. Their key responsibilities include:

- Guiding the strategic direction of the Company and evaluating its performance.
- Ensuring adherence to the highest ethical and governance standards.
- Overseeing risk management frameworks and internal financial controls.
- Approving and monitoring strategic investments and corporate actions.
- Planning for board and senior management succession.
- Ensuring compliance with regulatory, environmental, and corporate social responsibility mandates.

The board remains committed to maintaining transparency in stakeholder interactions, aligning

the Company's remuneration policies with its long-term goals, and regularly assessing the performance of senior executives.

Board and committee meetings are scheduled well in advance to ensure active participation. Directors are provided with necessary support to attend meetings in person. Additionally, all board members ensure that their external engagements do not compromise their fiduciary responsibilities to DBH Finance PLC.

Best Practices on Corporate Governance by Directors

At DBH Finance PLC, we have established and strictly adhere to our Code of Conduct, which is signed by all Board members as a commitment to uphold its principles in every aspect of our business. This Code outlines the expected ethical behavior, transparency, and accountability in our operations and decision-making processes.

In practice, the Board actively ensures that the Company's governance framework reflects our commitment to responsible and ethical business conduct. We regularly review and update our governance practices to keep pace with evolving regulatory requirements and industry best practices. During the year under review, our governance practices remained in full compliance with the principles set forth in our Code, ensuring that DBH continues to maintain strong internal controls and delivers sustainable value to our stakeholders. Our commitment to good governance remains central to our decision-making, fostering trust and confidence among our investors, customers, and employees.

Change in Board Composition

As of the date of this report, the composition of the Board of Directors at DBH Finance PLC has undergone several noteworthy changes in 2024:

In compliance with Section 16(2) of the Finance Companies Act-2023, directors serving for more than nine consecutive years retired from their positions during the 28th Annual General Meeting held on May 16, 2024. Accordingly, Mr. Nasir A. Choudhury, representing GDIC, and Ms. Mehreen Hassan, representing DLICL, concluded their terms as Directors. Mr. Choudhury served as the Chairman of the Board, while Ms. Hassan chaired the Executive Committee. The Company acknowledges their exceptional leadership and invaluable contributions over their long tenures.

At the same AGM, shareholders approved the appointment of Mr. Imran Rahman, Vice-Chancellor of the University of Liberal Arts Bangladesh (ULAB), as an Independent Director, effective from May 6, 2024.

Additionally, Major General Syeed Ahmed BP (Retd.), an Independent Director, completed his second term on December 27, 2024. The Board extends its heartfelt gratitude for his distinguished service and the significant expertise he brought to the Company during his tenure.

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.

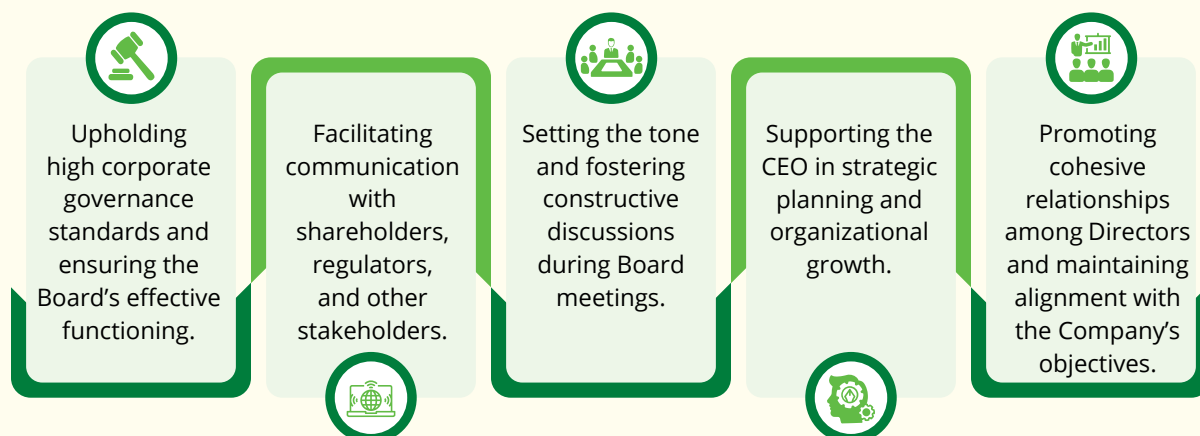
Commitment to Governance Excellence

The Board recognizes its fiduciary responsibilities to shareholders and stakeholders and is committed to fostering a governance framework that prioritizes accountability, transparency, and sustainable growth. By delegating operational authority to senior executives, the Board empowers management while ensuring oversight remains robust.

The composition of the Board reflects a diverse mix of skills, experience, and expertise, enabling it to effectively address challenges and opportunities in the evolving business landscape. Directors contribute local and international experience, strategic insights, and specialized knowledge, ensuring informed decision-making that benefits the Company and its stakeholders.

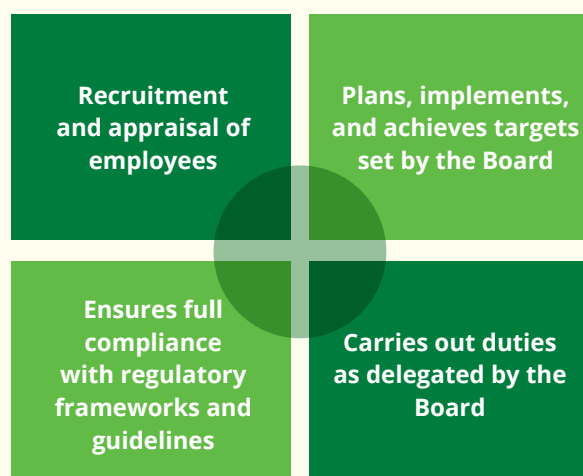
(a) Chairman

The Chairman of the Board is elected as a Non-Executive Director to maintain independence and provide impartial oversight. Dr. A.M.R. Chowdhury, elected on May 16, 2024, 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.

Responsibilities of the Chairman:**(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 and responsibilities of the Managing Director & CEO: The Managing Director & CEO oversees the implementation of the Board's strategic vision and policy directives, driving the Company's operational and financial performance. As the primary executive, the Managing Director is responsible for formulating and executing operational plans that align with the Company's objectives. The CEO & MD is appointed by the Board with the approval of Bangladesh Bank. MD or CEO of the company does not hold the same position in another listed company. The key responsibilities include, as illustrated below:

**(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.

The responsibilities of the Board include:

- **Strategic Oversight:** Reviewing and approving the overall business strategy and organizational structure, as proposed by management.
- **Alignment of Decisions:** Ensuring that decisions and investments align with long-term strategic goals.
- **Financial Integrity:** Overseeing the company's operations to preserve financial integrity and adherence to approved policies.
- **Audit and Controls:** The Audit Committee ensures the quality and integrity of accounting and financial reporting systems, disclosures, controls, procedures, and internal controls.
- **Risk Management:** Overseeing the establishment and operation of an independent risk management system via the Risk Management Committee, ensuring it is adequately resourced to monitor risks across categories with appropriate reporting lines, and evaluating the quality of risk management processes.
- **Asset Management:** Reviewing transactions involving the acquisition or disposal of material assets.
- **Human Resources:** Ensuring the availability of necessary human resources to achieve objectives and appointing or removing executives/officers as needed.

- **Management Performance:** Reviewing management performance and ensuring that policies and processes promote fair practices and high standards of business conduct.
- **Corporate Values:** Establishing corporate values and standards focused on integrity, honesty, and ethical conduct in all internal and external dealings, including managing potential conflicts of interest.
- **Transparent Reporting:** Providing a balanced and clear assessment of DBH's performance, position, and prospects, including interim and price-sensitive public reports, and fulfilling regulatory reporting obligations.
- **Stakeholder Obligations:** Ensuring that obligations to shareholders and other stakeholders are understood and fulfilled.
- **Record-Keeping:** Maintaining detailed records of all Board and Committee meetings, particularly key discussions and decisions taken.

(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

Each Director is expected to make meaningful contributions by leveraging their industry knowledge and understanding of DBH's business model.

The Chairman ensures that all Directors receive a comprehensive, formal, and tailored induction upon joining the Board. This induction is facilitated by senior management and includes:

1. A formal corporate induction that introduces Directors to the Board and provides a detailed overview of DBH's strategy, operational structures, and business activities.
2. Participation in various workshops organized by national and international organizations to enhance their knowledge and capabilities.

Board's Appraisal

Appraising the Board's performance provides clarity on the individual and collective roles and responsibilities of its members. A better understanding of what is expected enables the Board to operate more effectively. Board appraisals can also strengthen the working relationship between the Board and the management.

The appraisal process addresses two broad areas: the "what" and the "how."

1. **What to Appraise:** The Board's ability to define its responsibilities, establish annual objectives, and assess its performance in achieving those objectives. The appraisal also examines the resources and capabilities the Board requires and has at its disposal to fulfill its duties.
2. **How to Appraise:** The methods and processes the Board employs to evaluate its own performance.

Criteria for Evaluation:



1	Membership Accountability and Governance
2	Board-Management Relations
3	Board Operations
4	Legal Responsibilities
5	Planning
6	Financial Overview

By addressing these criteria, DBH aims to ensure its Board continues to operate with maximum effectiveness and alignment with the company's strategic goals.

(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:

1. Preparing financial statements, including quarterly financial statements, that present a true and fair view of the company's financial position and performance.
2. Maintaining adequate records to safeguard the company's assets and prevent or detect fraud and other irregularities.

3. Selecting appropriate accounting policies, applying them consistently, and making prudent judgments and estimates as necessary.

4. Ensuring compliance with all relevant regulatory and legal requirements.

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 209 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.

(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.

Board Composition

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 nine 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

In its 103rd meeting held on December 27, 2018, the Board adopted a Code of Conduct for the Chairperson, other Board Members, and CEO of the Company, in accordance with Condition No. 1(7) of the Corporate Governance Code - 2018. This code superseded the earlier version approved during the 70th Board Meeting on December 27, 2012, and was introduced to enhance governance standards.

Additionally, the Company adopted separate codes of conduct for management and executives during the 97th Board Meeting held on December 12, 2017, pursuant to the Code of Conduct for Banks & Finance Companies issued by Bangladesh Bank.

For the reviewed year, all directors and members of senior management have affirmed their adherence to the respective codes of conduct.

Ethics and Compliance

The Board is committed to upholding the highest levels of ethics and compliance. DBH reinforces its dedication to these principles through its comprehensive Code of Conduct, which addresses the following key areas:



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

During the financial year under reporting total nine (9) Board Meetings, four (4) Audit Committee Meetings, seven (7) Executive Committee Meetings & two (2) Risk Management Committee Meetings were held and the attendance of the Directors are noted below:

Name of Directors	Attendance at 28 th 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
Mr. Nasir A. Choudhury Ex-Chairman	✓	4	4	-	-	-	-	-	-
Dr. A M R Chowdhury Chairman	✓	9	7	7	7	-	-	-	-
Mr. Syed Moinuddin Ahmed Vice Chairman	✓	9	9	-	-	4	4	2	2
Ms. Mehreen Hassan, Bar- at- Law	✓	4	4	4	4	2	2	-	-
Mr. Khandkar Manwarul Islam	✓	9	5	-	-	4	3	-	-
Mr. Nazir Rahim Chowdhury	✓	9	8	7	7	-	-	2	2
Major General Syeed Ahmed, BP (Retd.)	✓	9	9	3	3	2	2	-	-
Mr. Imran Rahman	✓	6	6	-	-	2	2	2	2
Mr. Nasimul Baten, MD & CEO	✓	9	9	7	7	4	4	2	2

(d) Whistleblower Policy

DBH has implemented a comprehensive Whistleblower Policy that serves as a critical channel for the early identification of corporate fraud or potential risks. This policy ensures employees can report legitimate concerns regarding potential wrongdoing within the organization with the assurance of complete confidentiality. All complaints submitted under this policy are thoroughly investigated and resolved through a structured and formalized process.

(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 Dr. A.M.R. Chowdhury as the Chairman of the Executive Committee. Dr. Chowdhury 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 152-158 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.

Related Acts, Regulations and Guidelines:

Sl.	Particulars
1	The Companies Act, 1994;
2	The Financial Institutions Act, 2023;
3	Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 2020;
4	Corporate Governance Code- 2018 and its amendments in 2023 issued by the Bangladesh Securities and Exchange Commission (BSEC);
5	Policies, Procedures, Directives of BB & BSEC;
6	Listing regulations 2015 of Stock Exchanges;
7	Code of Conduct for Banks/FIs issued by Bangladesh Bank.

Related Internal Principles and Guidelines:

Sl.	Particulars
1	Articles of Association;
2	Code of Conduct for the employees & the Board;
3	Board and Board Sub Committee Charters;
4	Different approved Manual like; (i) Policy Statement, (ii) HR Manual, (iii) ICT & ICC Manual (iv) Credit Risk Management Manual, etc.
5	Different relevant circulars issued by Bangladesh Bank and Bangladesh Securities & Exchange Commission

(i) Disclosure of Board Committees


The Board of Directors has constituted three distinct committees, as permitted by the DFIM Circular No. 01 dated February 29, 2024. These committees are the Audit Committee, the Executive Committee, and the Risk Management Committee. These committees enable the Board to focus on specific areas requiring detailed attention and provide a structured approach to assist in fulfilling their duties and responsibilities.

The Board Committees meet regularly and comprise members with the requisite expertise to address and resolve issues efficiently. The minutes of the Committee meetings are shared with the Board of Directors and reviewed during subsequent Board meetings. The Company Secretary serves as the Secretary to all the Committees of 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:

- 
- 1 Reviewing financial statements prior to submission to the Board.
 - 2 Evaluating the adequacy of internal control systems.
 - 3 Examining findings from internal investigations.
 - 4 Recommending the appointment or removal of statutory auditors and determining their remuneration.

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 May 16, 2024, 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.

A detailed report on the Audit Committee's activities is available on page 202 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 204 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 seven (7) meetings.

The Executive Committee was last reconstituted on January 21, 2025. Its current members are:

- Dr. A. M. R. Chowdhury (Chairman)
- Mr. Nazir Rahim Chowdhury
- Mr. Nasimul Baten (Managing Director & CEO)

Risk Management Committee

The Risk Management Committee oversees risks related to loans, transactions, internal controls and compliance, money laundering, information technology, interest rates, and liquidity. The Committee provides ongoing advice to mitigate these risks on behalf of the Board. During the reporting period, the Committee held two (2) meetings.

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 May 16, 2024. 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 Auditor 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 200 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 Audit Committee was last reconstituted on May 16, 2024, with the following members:


Name	Status in the Committee
Prof. Imran Rahman	Independent Director, Chairman
Mr. Syed Moinuddin Ahmed	Member
Mr. Khandkar Manwarul Islam	Member

Mr. Jashim Uddin, FCS, the Company Secretary, serves as the Secretary to the Audit Committee. 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:

- 
- 1 Conflict of interest;
 - 2 Suspected or presumed fraud, irregularities, or material defects in the internal control system;
 - 3 Suspected infringement of laws, including securities-related laws, rules, and regulations; and
 - 4 Any other matter requiring immediate disclosure to the Board.

No such issues were identified at DBH during the year that ended on December 31, 2024.

(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 28th Annual General Meeting of the Company held on May 16, 2024, to address shareholder queries and provide updates on the Committee's activities.

4. TRANSPARENCY & DISCLOSURE COMPLIANCE

(a) 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, 2024, there were no transactions involving the purchase or sale of goods, materials, or services between DBH and its Directors or their relatives.

(b) 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 263 of this Annual Report.

(c) 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.

(d) 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).

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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:



- 1 Overseeing financial reporting, including disclosures
- 2 Ensuring robust internal controls
- 3 Conducting internal audits
- 4 Monitoring compliance with ethical and regulatory requirements, ensuring independence and objectivity
- 5 Coordinating with external auditors for statutory audits
- 6 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 209 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 2024 are given below:

Based on Shareholders types:

Group Name	No. of Share holders	No. of Shares	Percent (%)
Sponsors/ Directors	5	102,072,758	51.32
General Public	9,089	34,662,691	17.43
Financial Institutions & Other Companies	284	54,727,997	27.52
Foreign Investors	7	7,426,725	3.73
Total:	9,385	198,890,171	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 13 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 13 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 13 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 21 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 26 and 182 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. 5.07 compared to Tk. 4.95 in the previous year.

The EPS for the last five years is presented under “Operational and Financial Highlights” on page 21 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 28 of this Annual Report.

(j) Communication with Shareholders

As key stakeholders, shareholders receive regular updates from DBH through multiple communication channels, including stock exchanges, face-to-face meetings, the Company website, and print media.

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 79 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 148 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 258 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 144 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.

- DBH employees have volunteered in relief distribution among the last years devastated flood victims in Feni, Bangladesh.

(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. The company has won:

- Four consecutive Gold Awards in the 6th, 7th, 8th, and 9th ICSB National Awards in the NBFI category, reflecting its commitment to corporate governance best practices.
- Bronze Award in the ICSB National Award for the published Annual Reports of 2022 and 2023
- Silver Award in the ICMAB Best Corporate Award 2023.
- ICAB National Award for Best Presented Annual Reports in 2022.

(b) Vision and Mission Statement

The Vision and Mission Statement of DBH Finance PLC is presented on page 11 of this Annual Report.

(c) Overall Strategic Objectives

The strategic objectives of the company are detailed on page 12 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 10 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 152 to 158 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:

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.

28 th AGM E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	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.

27 th AGM E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	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.

Extra-ordinary General Meeting-2022:

In addition to the 26th AGM, the shareholders met in another meeting (Extra-ordinary General Meeting-2022) held virtually by using the digital platform on Wednesday, October 26, 2022, at 12 pm and approved the proposed amendments in the Memorandum and Articles of Association of the Company by inserting a new Object Clause (object clause no. 53) in the Memorandum of Association and a new Article (Article No. 104) in the Articles of Association of the company, to carry on the business and monetary services supported by Islamic Shari’ah besides the conventional financing business.

EGM - 2022 E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	Wednesday, August 31, 2022	Tuesday, October 25, 2022 (12:00 p.m.)	Wednesday, October 26, 2022 (12:14 p.m.)	All the agenda are approved by around 99.99% votes.

26th Annual General Meeting:

Date & Time: April 17, 2022, at 11:30 AM

Participants: 73 Shareholders which represent 89,173,027 shares or 56.74% of paid-up shares of the Company.

Resolutions passed by the shareholders on the following:

- (v) Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2021, and the Auditors' Report thereon;
- (vi) Dividend @ 25% (@ 15% cash & 10% stock);
- (vii) Appointment/re-appointment of Directors;
- (viii) Appointment of M/S ACNABIN, Chartered Accountants as statutory auditors, and re-appointment of M/s. ARTISAN, Chartered Accountants as a professional to provide the certificate on compliance with the BSEC's Corporate Governance Code - 2018.

26 th AGM E-VOTING SCHEDULE	Record Date	Voting Start Date	Voting End Date	Voting Result
	Tuesday, March 22, 2022	Saturday, April 16, 2022 (11:00 a.m.)	Sunday, April 17, 2022 (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-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 184 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 237 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 207 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.

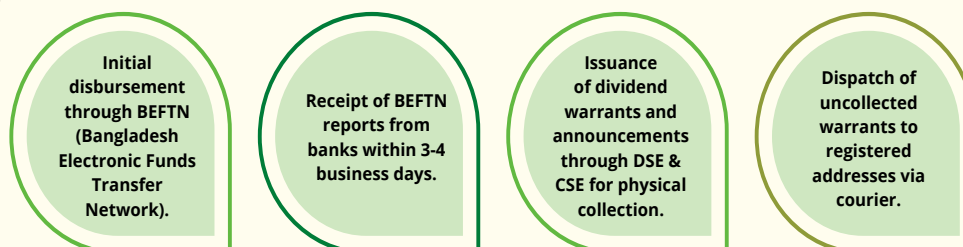
DBH ensures strict adherence to all Bangladesh Bank and BSEC directives and circulars regarding dividend distribution and management.

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:



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 three years, with the latest transfer completed on June 5, 2023

Unpaid/Unclaimed Cash Dividend Summary (As of December 2024)

Aging Period	Amount (BDT)
Up to 1 year	1,026,759.26
Over 1 year but within 3 years	2,211,853.67
Over 3 years but within 4 years	346,911.67
Interest received from Bank	1,983,382.47
Total	5,568,907.07

Unpaid/Unclaimed Stock Dividend Summary (As of December 2024)

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 six shareholders.

Aging Period	No. of Shares
Up to 1 year	0
Over 1 year but within 3 years	830
Total	830

DBH Finance PLC remains committed to the highest corporate governance standards. Through transparent leadership, regulatory compliance, and strategic oversight, we continue to enhance stakeholder value and ensure long-term financial stability.

Dr. A M R Chowdhury

Chairman
DBH Finance PLC

DBH Finance PLC.
Declaration by CEO and CFO
Annexure-A
 [As per condition No. 1(5) (xxvi)]

Date: May 05, 2025

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, 2024.

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


In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December, 2024 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



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 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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.



Place : Dhaka
Dated : 21 May 2025

For
SARashid & Associates

S. Abdur Rashid FCS
Chartered Secretary in Practice

Status of Compliance with Corporate Governance Code

Annexure-C

[As per condition No. 1(5)(xxvii)]

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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.	✓		Vacancy: December 27, 2024 New Appointment: April 30, 2025 Delayed due to Change in policy by Bangladesh Bank.
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		Page-110
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Page-69
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;	✓		Page-69
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;	✓		
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 nonexecutive 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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.	✓		

Annexure-D

Statement of compliance with the good governance guidelines issued by the Bangladesh Bank.

Bangladesh Bank vide, DFIM Circular No. 7, dated 25 September 2007, issued a policy on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines.

A status report on compliance with those guidelines is stated below:

SL. No.	Particulars	Status of Compliance
1.	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 Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(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 will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	(b) Formation of sub-committee:	
	Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee, Audit Committee and Risk Management Committee, no other committee or sub-committee can be formed, even in temporary basis.	Complied
	(c) Financial management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied

SL. No.	Particulars	Status of Compliance
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extent shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) 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
	(d) Management of loan/lease/investments:	
	(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
	(e) Risk management:	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(f) Internal control and compliance management:	
	An Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditors, external auditors and Bangladesh Bank Inspection team as well.	Complied
	(g) Human resource management:	
	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
	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

SL. No.	Particulars	Status of Compliance
	(h) 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
	(i) Benefits offer to the Chairman:	
	For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board.	Complied
	Responsibilities of the Chairman of the Board of Directors:	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
	(b) The minutes of the Board meetings shall be signed by the Chairman;	Complied
	(c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
	Responsibilities of Managing Director:	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied
	(c) All recruitment/promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees	Complied
	(e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vested to the Managing Director.	Complied
	(f) Managing Director shall sign all the letters/ statements relating to compliance of policies and guidelines. However, Departmental/ Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by MD.	Complied