

DIRECTORS' REPORT

Dear Shareholders,

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

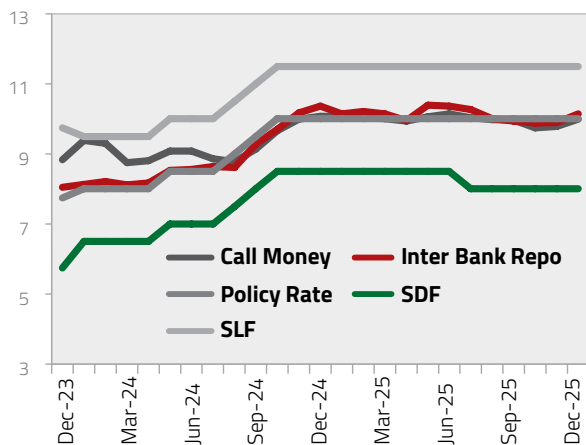
Review of Macroeconomy

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

Performance of the Financial Sector of Bangladesh in 2025

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

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



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

Banking Sector Performance

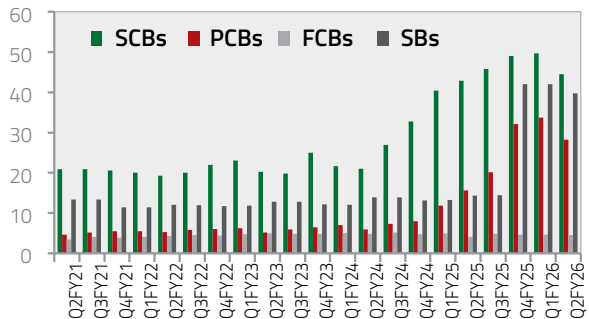
The banking sector continued to face significant structural and operational challenges during the period.

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

Non-Performing Loans (NPLs)

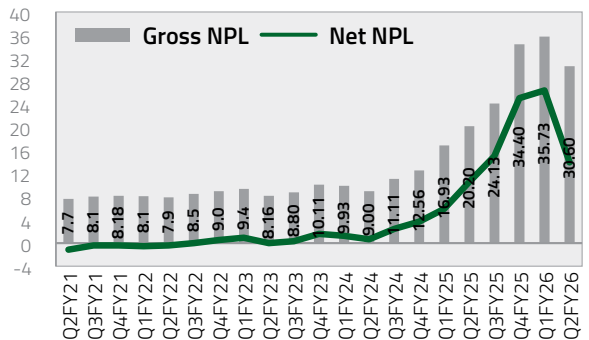
The banking industry remained burdened with a high level of non-performing loans during the period. The persistently elevated NPL ratio continued to weaken asset quality, constrain fresh credit expansion, and adversely affect public confidence in the banking system. State-owned commercial banks (SCBs)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

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



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

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



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

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



Capital Adequacy

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

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

Profitability

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

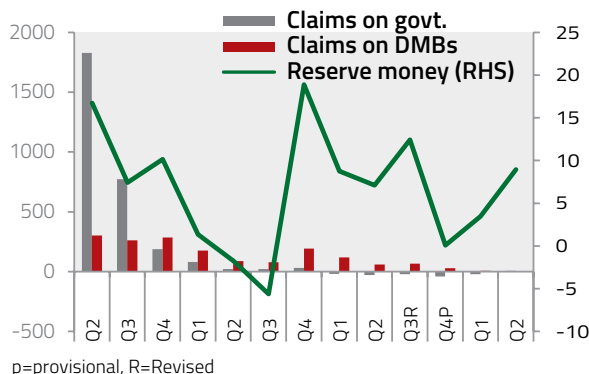
At the same time, banks adopted cautious lending strategies amid macroeconomic uncertainty and rising credit risks, further affecting profitability indicators such as Return on Assets (ROA) and Return on Equity (ROE).

Deposit and Credit Growth

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

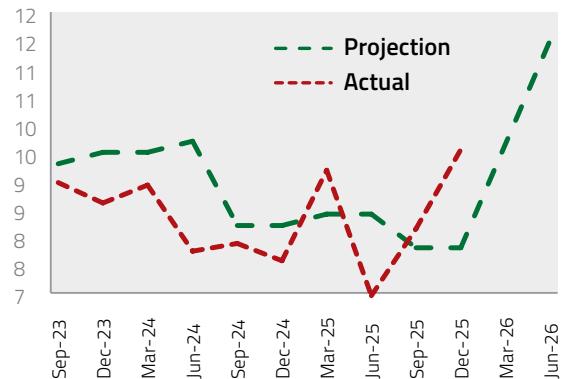
Broad money (M2) growth, however, surpassed projections supported by substantial remittance inflows and strong deposit mobilization (Chart 4).

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



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

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



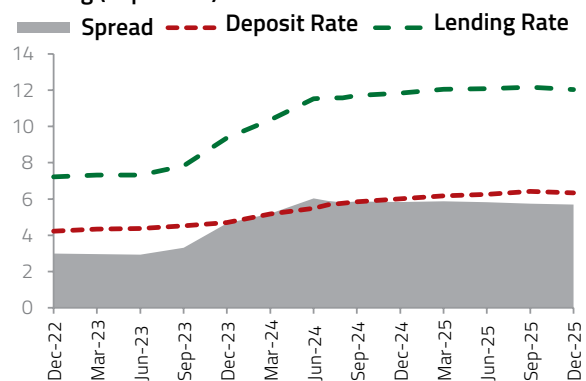
Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Interest Rate Movement

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

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

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



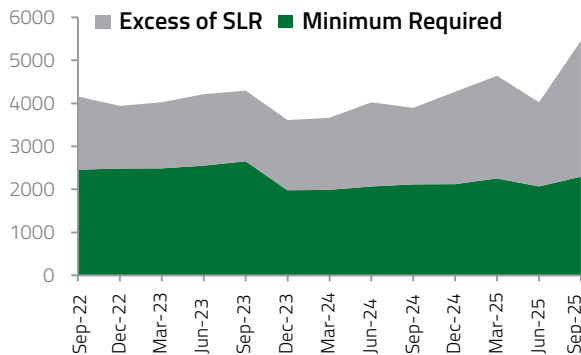
Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Liquidity Position

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

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

Chart 7: Liquidity
(In billion BDT)



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

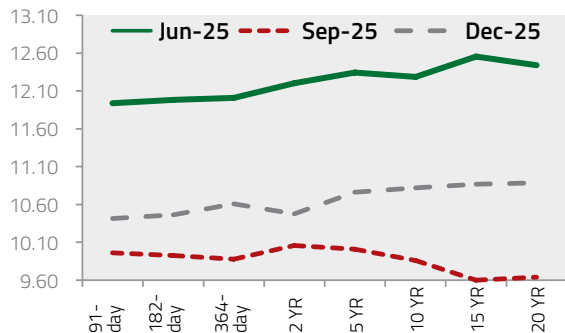
The improved liquidity position was largely attributable to slower credit growth, increased remittance inflows, and banks' preference for investing in government securities instead of extending new loans.

Money Market and Government Securities

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

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

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



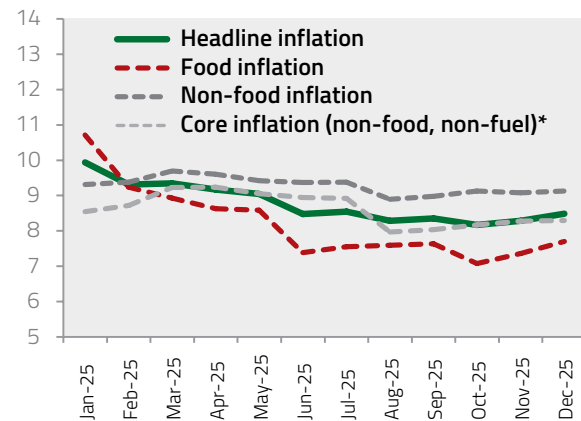
Source: Bangladesh Bank Quarterly, Oct-Dec, 2025, vol. XXIII, No.-2

Inflation and Monetary Policy

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

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

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



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

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

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

Performance of Finance Companies

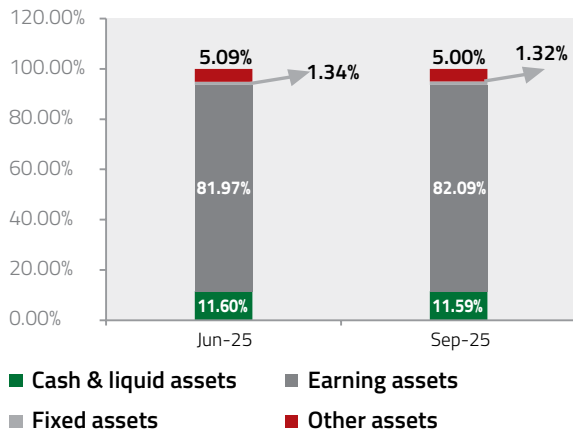
The finance company sector continued to face substantial challenges during the year amid deteriorating asset quality, weak profitability, and capital deficiencies. Structural weaknesses and weak investor confidence continued to affect the overall stability of the sector. According to Bangladesh Bank's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



Growth of Assets, Liabilities, and Shareholders' Equity

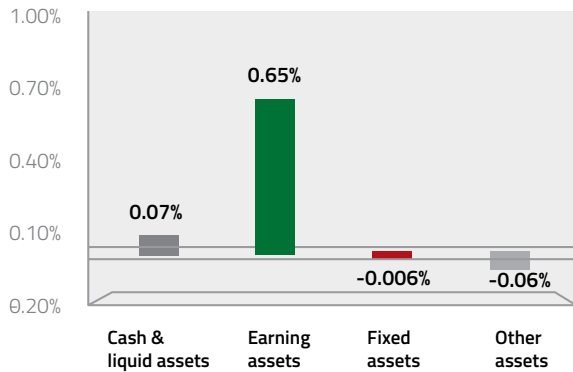
During the review quarter, total assets of Finance Companies (FCs) increased by 0.66 percent to BDT 1,052.41 billion compared to the previous quarter. The growth was mainly driven by increases in cash and liquid assets and earning assets, which grew by 0.64 percent and 0.80 percent respectively. On the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

Chart 10: Composition of Assets



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

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

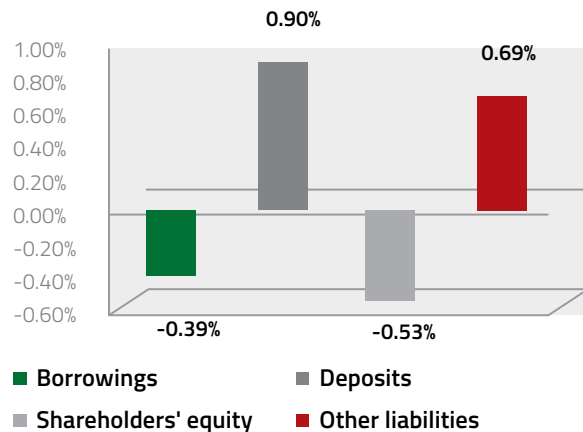


Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

The sector experienced increased dependence on liabilities, as deposits and other liabilities rose by 1.79 percent and 1.99 percent respectively, whereas borrowings and shareholders' equity declined by 1.35 percent and 3.87 percent. Total equity further

deteriorated into negative territory, reaching BDT -149.14 billion at end-September 2025. The contribution of various liabilities components may be shown through Chart 12.

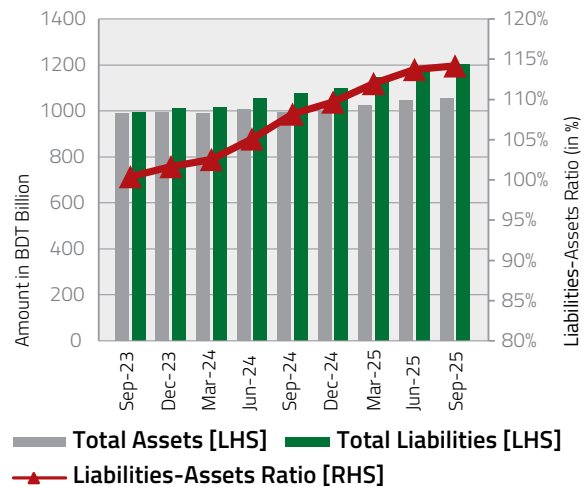
Chart 12: Contribution of Different Components in Growth of Total Liabilities and Shareholders' Equity At End-september 2025



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

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

Chart 13: FCS' Liabilities-assets Ratio



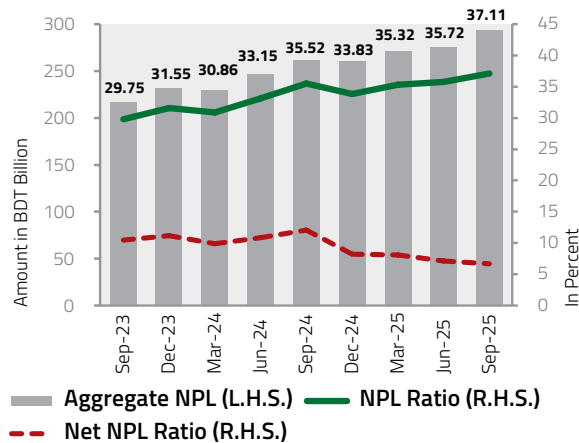
Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

Asset Quality

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

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

Chart 14: FCS' Non-performing Loans



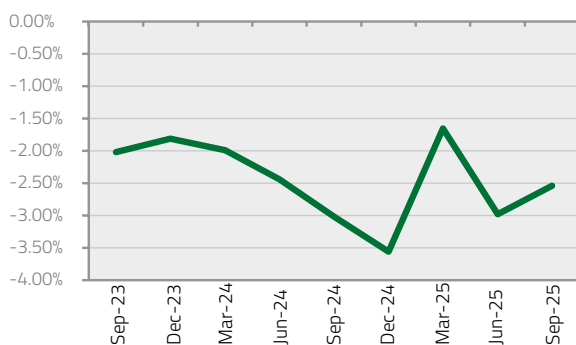
Source: Quarterly Financial Stability Assessment Report, Issue: 33, 2025 (III), Jul-Sept 2025 by FSD, BB

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

Profitability

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

Chart 15: FCS' ROA



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

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

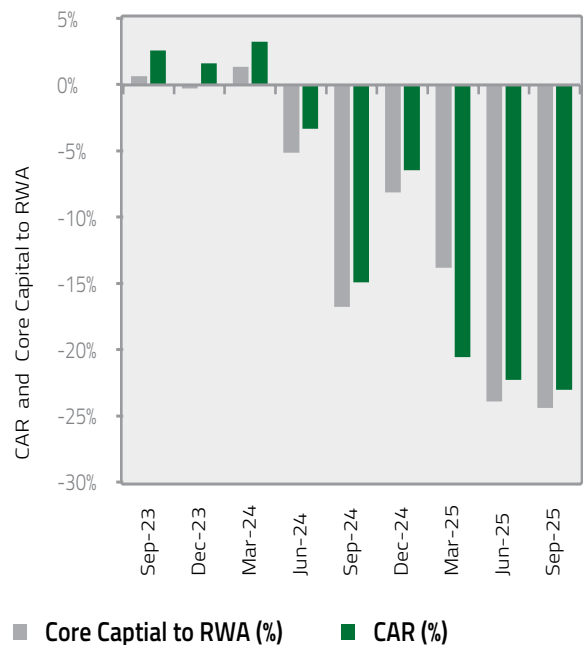
Asset Concentration

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

Capital Adequacy and Liquidity

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

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



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



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

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

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

Real Estate Market Review 2025

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

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

As a result, overall market demand weakened, particularly during the first half of the year. Industry-wide apartment sales declined by approximately 30%, while several leading developers experienced de-growth of nearly 20%–25%. Monthly sales volumes declined from around 1,000 units to nearly 700–750 units, reflecting weaker

purchasing capacity and cautious buyer sentiment. The mid-income segment was most affected due to its dependence on mortgage financing. The luxury segment also experienced a slowdown, with apartment sales in prime areas such as Gulshan and Baridhara declining significantly as some high-net-worth individuals shifted investments to overseas markets.

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

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

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

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

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

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

Opportunities in the Real Estate Industry

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

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

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

Green Building Initiatives and Sustainable Financing: Environmental sustainability is creating significant opportunities within Bangladesh's real estate sector. Growing emphasis on green buildings, energy-efficient designs, and sustainable construction practices is

encouraging developers to adopt eco-friendly materials and internationally recognized green certifications. Simultaneously, green financing products from financial institutions and access to international climate funds are gradually improving funding availability for sustainable housing projects. These developments are expected to accelerate climate-resilient and energy-efficient housing initiatives across the country.

Challenges in the Real Estate Industry

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

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

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

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



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

Financing Landscape of the Real Estate Sector 2025

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

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

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

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

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

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

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

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

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

Future Outlook of Bangladesh's Real Estate Sector

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

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

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

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

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

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

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

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

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

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

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

Product wise Performance

■ **Performance of Home Loan/Finance Operations – 2025**

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

continued focus on expanding its lending activities and strengthening its position in the housing finance sector.

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

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

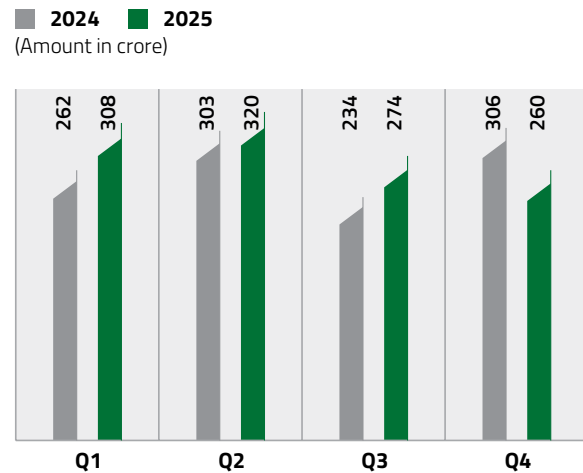


Figure 1: Quarterly Home loan disbursement in 2024 & 2025 (amount in Cr)

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



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

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

Performance of Deposit Portfolio

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

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

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

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

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

As of December 31, 2025, DBH's total deposit portfolio stood at Tk. 4,673.65 crore, while accrued interest

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

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

Recovery

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

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

Funding Operations

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

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

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

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

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

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

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

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

Treasury Operations

At DBH, the Treasury function serves as a critical strategic pillar, effectively linking the Company's core businesses

of housing finance and deposit mobilization. Amid a challenging macroeconomic and operating environment, the Asset-Liability Management (ALM) framework remained focused on mobilizing stable and cost-efficient funding to support portfolio growth, while optimizing spreads through prudent balance sheet management, disciplined investment strategies, and the identification of emerging market opportunities.

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

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

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



Investment in Securities

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

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

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

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

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

In response to the adverse market conditions, we followed a cautious and disciplined investment strategy

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

Human Resources

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

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

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

Information Technology

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

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

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

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

Data Privacy and Cybersecurity

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

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

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

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

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

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

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

Internal Control System

DBH has adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal controls and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances. Your Company ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorization and compliance with the internal policies of the Company.

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



Codes and Standards

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

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

Credit Rating

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

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

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

Contribution to National Economy

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

DBH contributes to the national exchequer in the form of income tax, VAT and excise duty. The company's contribution to the national exchequer has grown consistently over the years, reflecting our expanding business and commitment to fiscal responsibility. As shown in the table below, total tax payments rose from

BDT 120.5 crore in 2023 to BDT 144.0 crore in 2024 and further to BDT 182.5 crore in 2025 — an increase of over 51% in just two years.

Figures in crore taka

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

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

Contribution to the society during the year

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

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

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

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

Highlights on Financial Performance

(Figures in crore taka)

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

Reasons for Significant deviations:

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

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

As a result of rising funding and operating costs outpacing revenue growth, profit before provision declined by 5% from BDT 182.4 crore to BDT 173.97 crore. Profit before tax fell by 7% from BDT 171.1 crore to BDT 158.31 crore, as provision requirements remained elevated during the

year. Net profit after tax declined by 6% from BDT 100.8 crore to BDT 95.16 crore, with tax expenses continuing to weigh on the bottom line due to the tax inadmissibility of certain provisions.

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

Corporate and Financial Reporting Framework

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

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

Going Concern Assessment

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



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

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

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

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

Board Meetings and Attendance by the Directors

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

Shareholding Pattern

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

Proposed Dividend for the Year Ended 31 December 2025

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

While making this recommendation, the Board duly considered the need to maintain a prudent balance between rewarding the valued shareholders through dividend distribution and retaining adequate earnings to support the Company's sustainable growth, strengthen

its capital base and ensure continued business stability in the years ahead. The Board also took into account the prevailing Bangladesh Bank ceiling regarding cash dividend declaration by Financial Institutions.

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

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

Directors' Election and Re-election

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

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

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

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

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

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

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

Appointment of Statutory Auditors

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

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

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

Re-appointment of Corporate Governance Auditor

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

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

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

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

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

Corporate Governance

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

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

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



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

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

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

Acknowledgement

The Board of Directors of the Company expresses its sincere gratitude to all valued stakeholders for their continued trust, confidence, and support throughout the

year. The Company remains deeply appreciative of its esteemed customers, financial partners, and regulatory authorities, including Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, and Chittagong Stock Exchange, whose continued guidance and support have been instrumental in enabling the Company to operate efficiently and achieve sustainable growth.

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

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

For and on behalf of the Board of Directors.



Syed Moinuddin Ahmed
Chairman